

ORIEL COLLEGE

Report and accounts

31 July 2006

The accounts' index (if any), Responsibilities of the Governing Body, Statement of Principal Accounting Policies and Independent Auditors' Report have been omitted from this 150 dpi Akme scan.

ORIEL COLLEGE
Report of the Governing Body

The Governing Body of Oriel College presents the annual report and financial statements for the year ended 31 July 2006.

Status

Oriel College is an eleemosynary chartered charitable corporate foundation. It was founded by Adam de Brome under a Royal Charter of Edward the Second, dated 1326. The College consists of the Provost and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in schedule 2(b) to that Act).

Objects

The College exists to promote undergraduate education within the University of Oxford and also to promote research and advanced study. The College also provides accommodation, advice and resources to graduate students of the University.

Within these objects the College also has various permanently endowed trust funds held for special purposes in connection with maintenance and development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

Governance

The College is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, Her Majesty the Queen. The College Statutes are made from time to time by Her Majesty in Council in accordance with the Royal Charter of 1326 and the Universities of Oxford and Cambridge Act 1923. Under the Statutes the Provost superintends the property and domestic arrangements of the College, as well as the discipline and education therein. The Statutory College Officers are the Vice Provost and the Treasurer. In the absence of the Provost the Vice-Provost acts as his Vice-gerent with the same powers and duties as the Provost. The Treasurer has the care of the property and expenditure of the College and acts under the regulation of the Governing Body and in association with the Finance & Estates Committee. At the year end the Governing Body comprised the Provost and thirty two Fellows. It holds itself responsible for the continuing strategic direction of the College, for its administration and the management of finances and assets. From time to time the Governing Body elects other officers deemed necessary for the business of the College.

Governing Body

At the year end the membership of the Governing Body was:

Sir Derek Morris, Provost
Professor David Charles, Vice Provost
Dr Graham Vincent-Smith
Dr Jeremy Catto
Dr Gordon MacPherson
Dr Glenn Black
Mr Richard Tur
Dr Mark Philp
Dr Derek Gray
Professor John Barton
Professor Andrew Boothroyd
Professor Keith Hawkins
Dr Richard Cross
Dr Michael Spivey
Dr Annette Volting
Professor David Hodgson
Dr Lynne Cox
Dr Douglas Hamilton
Professor Robert Evans
Dr Pedro Ferreira
Dr Teresa Morgan
Dr Xenia de la Ossa
Professor Brian Leftow
Dr Oliver Pooley
Dr Bruno Currie
Dr Daniel Butt
Dr John Huber
Dr Richard Scholar
Mr Mark Curtis

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Dr Celine Rochon
Mr Wilf Stephenson, Treasurer
Dr Yadvinder Malhi
Dr Kristine Krug

During the year Dr Robert Beddard also served as a member.

At the year end there were four Fellows elect:

Dr Ian Forrest
Dr Christopher Bowdler
Ms Juliane Kerkhecker
Professor Michael Devereux

Eleven meetings were held during the year.

Finance & Estates Committee

The Finance & Estates Committee is the standing committee of Governing Body with responsibility for considering, acting and reporting on any matter pertaining to the financial affairs and estates of the College.

The following served on the Committee during the year:

Sir Derek Morris, Chairman
Mr Wilf Stephenson
Dr Glenn Black
Dr Mark Philip
Dr Michael Spivey
Dr Annette Volting
Mr John Shannon
Dr John Huber

Eleven meetings were held during the year.

Audit Committee

The Audit Committee met for the first time during the year. Its members at the year end were:

Sir Bryan Nicholson, Chairman
Mr John Shannon
Mr Tim Budden
Mr Clifford Webb
Dr Xenia de la Ossa

The Audit Committee exists to review, on behalf of the College, the effectiveness of the external audit, the financial statements, internal controls and overall financial governance. The Chairman has access to the Provost at all times and may address Governing Body on any matters of concern as the Committee requires. The Committee reports annually to Governing Body on the financial statements and its work during the year and is scheduled to meet twice annually.

Investment Committee

The Investment Committee consists of Fellows and members of the College with relevant expertise. The Committee meets at least twice a year to review investment performance and advise on investment strategy and reports annually to the Governing Body. It is also consulted by the Treasurer on matters that arise during the year. Its members at the end of the year were:

Mr Sebastian Grigg, Chairman
Mr Keith Jones
Mr Colm Kelleher
Mr Rupert Nabarro
Mr John Shannon
Sir Derek Morris
Mr Wilf Stephenson
Dr Celine Rochon
Dr Jeremy Catto

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Report of the Governing Body

Scope of financial statements

The financial statements consolidate the accounts of the College and its wholly owned subsidiaries, Land Estates and Property Limited and Tean Limited. Both subsidiaries, acquired in 1988 and 2002 respectively, own and manage endowment property and the former undertakes the management of major College construction projects.

Oriel College Development Trust is a separate registered charity whose sole purpose is to support the work of the College. The Trust has a policy of transferring funds raised for endowment or capital projects to the College as soon as practicable. It holds endowment for certain scholarships and bursaries. The financial statements of the Trust are not consolidated with those of the College. However, a summary of its income and expenditure and its assets is shown in Note 21.

Strategic aims and objectives

The College plan aims to maintain and enhance Oriel's standing within the University of Oxford as a world-class college in a world-class university. By 2026, the 700th anniversary of the foundation, we aim to have secured the financial resources and significantly improved our facilities to support teaching, scholarships and research. Our historic buildings will be maintained and developed to provide appropriate residential accommodation, teaching, research and social facilities for the twenty first century. The College has an overall fundraising target of £75 million at 2004 values of which we aim to generate 40% from our own real estate investments. The 2026 Campaign has got off to a good start and is on track to achieve its target.

Specific aims include increased funding to enable the College to continue to attract the best Fellows and lecturers, further endowment of bursaries and other support for undergraduate and graduate students so they can be admitted purely on merit irrespective of their own financial resources and the restoration and modernisation of the Rhodes Building.

The College's academic strategy is focused on the development of teaching teams able to deliver focused teaching across subjects which are becoming more diversified. These will also provide attractive steps in the academic ladder for post-graduate and post-doctoral researchers.

Review of the year

304 undergraduates and 158 graduates were students during the year.

Dr Robert Beddard retired at the end of 2005 after 38 years as Tutor in Modern History. Professor Keith Hawkins retired at the end of the Academic Year as Professor of Law and Society, Tutor for Graduates and Wine Steward. Dr Jeremy Catto also retired at the end of the Academic Year after 37 years as Tutor in Modern History. Dr Catto was also Senior Dean, Senior Librarian and Senior Archivist up until his retirement. All three have given outstanding service to the College for which the Governing Body records its thanks.

Two new Fellows joined the Governing Body during the year: Dr Yadvinder Malhi, Senior Research Fellow in Environmental Science and Dr Christine Krug, Senior Research Fellow in Physiology. Four new Fellows were elected with effect from 1 October 2006: Dr Ian Forrest, Tutor in Modern History; Dr Christopher Bowdler, Tutor in Economics; Ms Juliane Kerkhecker, Grocyn Lecturer and Tutor in Classics and Professor Michael Devereux, Director of the Centre for Business Taxation at the Said Business School. All come to the College with distinguished research and teaching records.

One further staircase has been completely refurbished and major upgrades have been completed on eight further student rooms. The Champneys Room was refurbished and work continued on the infrastructure replacement programme. The lease on 14 King Edward Street was taken back from the tenant at the end of September 2005 and the building was completely refurbished to provide offices for six Fellows and two meeting rooms with direct access from the O'Brien Quad.

Financial review

Total income for the year was £6,904,592 (2005: £6,929,285) and total expenditure £6,527,945 (2005: £6,978,387) giving an operating surplus of £376,647 (2005: deficit £49,102). Endowment income amounted to £3,187,227 (2005: £3,108,459) on an average gross asset base of £57,642,609 giving a yield of 5.5%. Net investment assets totalled £40,519,340 at the year-end.

Tight control of operating expenditure together with the non-recurrence of major refurbishment projects has resulted in a reduction in other operating costs of £692,400. Significant efficiencies have been made in the provision of catering services. Projects in 2005 for which professional advice was required have not been repeated giving a substantial reduction in expenditure.

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Report of the Governing Body

Investment performance

Endowment assets are invested in land and property, equities, fixed income securities and cash deposits. The total return on endowments during the year was 12.5%. The gross value of the endowment assets increased from £56,050,647 to £59,234,571 in the year. Land and property investments grew in value from £42,795,700 to £45,357,586. The increase was mainly due to revaluation gains but was below average growth for equivalent assets due to the particular characteristics of three commercial property investments held as part of the long term growth strategy. One disposal of a residential property in south west London realised a gain over book value of 53%. Net property assets grew from £23,443,201 to £26,642,355, this increase representing revaluation gains and debt amortisation. The value of securities and cash increased from £13,254,947 to £13,641,985.

Reserves

The Governing Body has a policy of holding reserves sufficient to cover one years fixed expenditure and is preparing a financial strategy to enable realisation of this as soon as possible.

Risk Management

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed during the year and systems established to mitigate them. The risk register is reviewed annually.

Approved by the Governing Body on 29 November 2006

Sir Derek Morris

Provost

ORIEL COLLEGE
Consolidated income and expenditure account
Year ended 31 July 2006

	Notes	2006 £	2005 £
INCOME			
Academic fees and tuition income	1	1,435,906	1,382,065
Other operating income	2	2,278,100	2,431,734
Endowment return and interest receivable	3	3,190,586	3,115,486
Total income		<u>6,904,592</u>	<u>6,929,285</u>
EXPENDITURE			
Staff costs	4	3,252,929	2,989,434
Depreciation		67,151	42,630
Other operating expenses		2,123,324	2,815,724
Interest payable		1,050,510	1,093,061
Contribution under Statute XV		34,031	37,538
Total expenditure	6	<u>6,527,945</u>	<u>6,978,387</u>
Surplus/(deficit) for the year on continuing operations before taxation		376,647	(49,102)
Taxation	7	-	-
Surplus/(deficit) for the year after taxation	8	<u>376,647</u>	<u>(49,102)</u>

Consolidated statement of total recognised gains and losses
Year ended 31 July 2006

	Notes	2006 £	2005 £
Reserves			
Surplus/(deficit) for the year		376,647	(49,102)
Appreciation of tangible fixed assets	10	544,414	426,373
Endowments			
Income receivable from endowment asset investments	16	3,187,227	3,164,943
Endowment return transferred to income and expenditure	16	(3,186,698)	(3,108,459)
Appreciation of endowment asset investments	16	3,803,641	4,203,010
New endowments received	16	331,740	2,327,019
Endowment transferred to Oriel College Development Trust	16	(314,718)	-
Total recognised gains relating to the year		<u>4,742,253</u>	<u>6,963,784</u>
Opening fund balances		72,344,729	65,380,945
Closing reserves and endowments		<u>77,086,982</u>	<u>72,344,729</u>

Oriel College
Balance sheets
As at 31 July 2006

	Notes	CONSOLIDATED		COLLEGE	
		2006 £	2005 £	2006 £	2005 £
Fixed assets					
Intangible assets	9	370,649	407,714	-	-
Tangible assets	10	36,872,464	35,638,057	36,872,464	35,638,057
Investments	11	-	-	482,099	482,099
		<u>37,243,113</u>	<u>36,045,771</u>	<u>37,354,563</u>	<u>36,120,156</u>
Endowment asset investments					
Securities and cash deposits		13,641,985	13,254,947	15,030,650	14,152,695
Loan		235,000	-	3,360,000	3,125,000
Land and property		45,357,586	42,795,700	29,246,286	27,294,700
	12	<u>59,234,571</u>	<u>56,050,647</u>	<u>47,636,936</u>	<u>44,572,395</u>
Financed by loans	15	<u>(18,715,231)</u>	<u>(19,352,499)</u>	<u>(9,297,354)</u>	<u>(9,443,708)</u>
		<u>40,519,340</u>	<u>36,698,148</u>	<u>38,339,582</u>	<u>35,128,687</u>
Current assets:					
Stocks		91,326	92,400	91,326	92,400
Debtors	13	1,012,273	1,075,986	2,940,860	2,554,048
Cash at bank and in hand		455,802	237,063	-	-
		<u>1,559,401</u>	<u>1,405,449</u>	<u>3,032,186</u>	<u>2,646,448</u>
Creditors:					
Amounts falling due within one year	14	(2,234,872)	(1,379,739)	(2,952,504)	(1,821,380)
		<u>(675,471)</u>	<u>25,710</u>	<u>79,682</u>	<u>825,068</u>
Net current assets (liabilities)					
		<u>77,086,982</u>	<u>72,769,629</u>	<u>75,773,827</u>	<u>72,073,911</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Creditors:					
Amounts falling due after more than one year	15	-	(424,900)	-	(424,900)
		<u>77,086,982</u>	<u>72,344,729</u>	<u>75,773,827</u>	<u>71,649,011</u>
TOTAL NET ASSETS					
Endowments					
Specific		16,639,089	15,044,671	16,639,092	15,044,671
General		23,880,251	21,653,477	21,700,490	20,084,016
	16	<u>40,519,340</u>	<u>36,698,148</u>	<u>38,339,582</u>	<u>35,128,687</u>
Reserves					
General reserves	17	(304,824)	8,523	561,779	882,266
Revaluation reserve	17	28,993,408	28,448,994	28,993,408	28,448,994
Capital reserve	17	7,879,058	7,189,064	7,879,058	7,189,064
		<u>36,567,642</u>	<u>35,646,581</u>	<u>37,434,245</u>	<u>36,520,324</u>
TOTAL FUNDS					
		<u>77,086,982</u>	<u>72,344,729</u>	<u>75,773,827</u>	<u>71,649,011</u>

The financial statements were approved by the Governing Body of Oriel College on 29 November 2006

Sir Derek Morris
Provost

Mr Wilf Stephenson
Treasurer

ORIEL COLLEGE
Consolidated cashflow statement
Year ended 31 July 2006

	Note	2006 £	2005 £
Net cash outflow from operating activities	22	<u>(1,201,258)</u>	<u>(1,923,492)</u>
Returns on investments and servicing of finance			
Income from endowments received		3,196,364	3,167,488
Other income from investments and interest received		<u>3,888</u>	<u>7,027</u>
		3,200,252	3,174,515
Interest paid		<u>(1,052,340)</u>	<u>(1,095,606)</u>
Net cash inflow from returns on investments and servicing of finance		<u>2,147,912</u>	<u>2,078,909</u>
Capital expenditure and financial investment			
Net acquisition of tangible fixed assets		(720,079)	(506,121)
Net acquisition of endowment asset investments		(290,181)	(1,454,632)
Endowments received		<u>17,022</u>	<u>2,327,019</u>
Net cash (outflow)/inflow from capital expenditure and financial investment		<u>(993,238)</u>	<u>366,266</u>
Net cash (outflow)/inflow before use of liquid resources and financing		<u>(46,584)</u>	<u>521,683</u>
Financing	23	(637,268)	(598,463)
Decrease in cash	24	<u>(683,852)</u>	<u>(76,780)</u>
Reconciliation of net cash flow to movement in net cash funds			
Decrease in cash		(683,852)	(76,780)
Change in net funds		<u>(683,852)</u>	<u>(76,780)</u>
Net cash funds at 1 August 2005		1,227,524	1,304,304
Net cash funds at 31 July 2006	24	<u>543,672</u>	<u>1,227,524</u>

ORIEL COLLEGE
Notes to the financial statements
Year ended 31 July 2006

	2006	2005
	£	£
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	1,192,505	1,143,774
Tuition fees from overseas students	171,295	153,024
Other tuition income	72,106	85,267
	<u>1,435,906</u>	<u>1,382,065</u>

The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,103,193 (2005: £1,046,148)

	2006	2005
	£	£
2 OTHER OPERATING INCOME		
Residential income from college members	1,122,678	1,175,174
Conference and function income	618,761	695,718
Grants and donations	457,072	536,075
Other income	79,589	24,767
	<u>2,278,100</u>	<u>2,431,734</u>

	2006	2005
	£	£
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 16)	809,802	753,847
Transferred from general endowments (note 16)	2,376,896	2,354,612
Other interest receivable	3,888	7,027
	<u>3,190,586</u>	<u>3,115,486</u>

	2006	2005
	£	£
4 STAFF COSTS		
Gross pay	2,734,577	2,527,054
Social Security costs	210,264	187,085
Other pension costs	308,088	275,295
	<u>3,252,929</u>	<u>2,989,434</u>

5 PENSION SCHEMES

The two principal pension schemes for the College's staff are the Universities Superannuation Scheme (USS) and the Oriel College Group Personal Pension Scheme (GPP). USS is contributory. USS is contracted out from the State Earnings Related Pension Scheme (SERPS), and provides benefits based on length of service and final pensionable salary. GPP, which is not contracted out of SERPS, provides benefits on a money-purchase basis. The assets of USS and GPP are each held in separate trustee-administered funds. USS is periodically valued by a qualified actuary using the projected unit method; the level of contribution takes account of any actuarial surpluses or deficiencies.

	US\$
Date of latest actuarial valuation	31/03/05
Valuation rate of return for past liabilities	4.50%
Valuation rate of return for future liabilities	6.20%
Salary increases per annum	3.90%
Pension increases per annum	2.90%
Market value of assets at latest actuarial valuation	£21,740m
Vale of past service liabilities	£28,308m
Funding deficit	(£6,568m)

USS

The contributions payable by the College during the accounting period were equal to 14% of total pensionable salaries. The pensions charge recorded by the College during the accounting period was equal to the contributions payable (£176,692; 2005 - £174,710).

GPP

The contributions payable by the College during the accounting period were equal to 11.7% of total pensionable salaries. The pensions charge recorded by the College during the accounting period was equal to the contributions payable (£131,396; 2005 - £100,585).

FRS17

USS is a multi-employer scheme where the share of assets and liabilities applicable to each employee is not identified. GPP is a money-purchase scheme. The College therefore accounts for its pension costs for each scheme on a defined contributions basis as permitted by FRS 17.

6 ANALYSIS OF EXPENDITURE

	Staff costs	Depreciation	Other operating expenses	2006 Total	2005 Total
	£	£	£	£	£
Academic	1,483,155	-	284,226	1,767,381	1,522,594
Residences, catering and conferences	1,068,758	-	877,292	1,946,050	1,955,033
Premises	265,081	-	579,876	844,957	1,338,615
College administration	397,684	67,151	171,150	635,985	621,583
Endowment management	32,531	-	142,146	174,677	284,303
Other	5,720	-	68,634	74,354	125,660
	<u>3,252,929</u>	<u>67,151</u>	<u>2,123,324</u>	<u>5,443,404</u>	<u>5,847,788</u>
Interest payable				1,050,510	1,093,061
Contribution under Statute XV				34,031	37,538
Total expenditure				<u>6,527,945</u>	<u>6,978,387</u>
				£	£
Interest payable relates to -					
Bank loans, overdrafts and other loans:					
Repayable within five years				54,849	57,320
Repayable wholly or partly in more than five years				995,661	1,035,741
				<u>1,050,510</u>	<u>1,093,061</u>
Other operating expenses include auditors' remuneration:					
in respect of the audit of these financial statements				18,214	17,704
in respect of other services				<u>2,675</u>	<u>2,610</u>

ORIEL COLLEGE
Notes to the financial statements
Year ended 31 July 2006

7 TAXATION		2006	2005
		£	£
United Kingdom corporation tax		-	-
		<u>-</u>	<u>-</u>
8 SURPLUS FOR THE YEAR		2006	2005
		£	£
The surplus/(deficit) for the year is made up as follows:			
College's surplus/(deficit) for the year		£	£
Surplus generated by the subsidiary undertakings		369,507	(55,288)
		7,140	6,186
		<u>376,647</u>	<u>[49,102]</u>
9 INTANGIBLE FIXED ASSETS		2006	2005
CONSOLIDATED		Goodwill	Goodwill
		£	£
Cost			
At start of year		481,844	481,844
At end of year		<u>481,844</u>	<u>481,844</u>
Depreciation			
At start of year		74,130	37,065
Charge for period		37,065	37,065
At end of year		<u>111,195</u>	<u>74,130</u>
Net book value			
At end of year		<u>370,649</u>	<u>407,714</u>
At start of year		<u>407,714</u>	<u>444,779</u>
10 TANGIBLE FIXED ASSETS			
CONSOLIDATED AND COLLEGE			
	Freehold property	Equipment	Total
	£	£	£
	Valuation	Cost	
Cost/valuation			
At start of year	35,615,000	39,751	35,654,751
Additions	640,586	79,493	720,079
Revaluation	544,414	-	544,414
At end of year	<u>36,800,000</u>	<u>119,244</u>	<u>36,919,244</u>
Depreciation			
At start of year	-	16,694	16,694
Charge for period	-	30,086	30,086
At end of year	<u>-</u>	<u>46,780</u>	<u>46,780</u>
Net book value			
At end of year	<u>36,800,000</u>	<u>72,464</u>	<u>36,872,464</u>
At start of year	<u>35,615,000</u>	<u>23,057</u>	<u>35,638,057</u>

The freehold property was valued by FPDSavills, Chartered Surveyors, on an existing use basis at July 2006.

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Notes to the financial statements
Year ended 31 July 2006

11 FIXED ASSET INVESTMENTS

COLLEGE	2006 £	2005 £
Investments in subsidiary companies		
Cost		
At start of year	482,099	482,099
At end of year	<u>482,099</u>	<u>482,099</u>

The College owns 100% of the issued share capital of Land Estates and Property Limited, a company incorporated in England and Wales, and 100% of the issued share capital of Tean Limited, a company incorporated in Guernsey. The principal activity of both Land Estates and Property Limited and Tean Limited is the holding and management of investment properties.

12 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED				COLLEGE			
	Securities & cash £	Loan £	Land & property £	Total £	Securities & cash £	Loans £	Land & property £	Total £
At market value								
At start of year	13,254,947	-	42,795,700	56,050,647	14,152,695	3,125,000	27,294,700	44,572,395
Purchases at cost	3,013,187	-	357,146	3,370,333	3,013,187	-	357,146	3,370,333
Advances	-	235,000	-	235,000	-	235,000	-	235,000
Sales proceeds	(2,827,379)	-	(487,773)	(3,315,152)	(2,827,379)	-	(487,773)	(3,315,152)
Decrease in cash	(902,591)	-	-	(902,591)	(411,674)	-	-	(411,674)
Revaluation gains	1,103,821	-	2,692,513	3,796,334	1,103,821	-	2,082,213	3,186,034
At end of year	<u>13,641,985</u>	<u>235,000</u>	<u>45,357,586</u>	<u>59,234,571</u>	<u>15,030,650</u>	<u>3,360,000</u>	<u>29,246,286</u>	<u>47,636,936</u>
Analysed as								
Funds (listed)	7,931,764				7,931,764			
Equities (listed)	5,197,451				5,197,451			
Cash	512,770				1,901,435			
	<u>13,641,985</u>				<u>15,030,650</u>			
Historical cost at end of year	<u>11,241,239</u>				<u>12,629,904</u>			

Endowment land and property owned by the College and its subsidiaries have been valued as at 31 July 2006 by three independent firms of Chartered Surveyors, the basis of valuation being open market value on existing use.

The loans represent (i) an amount due from a subsidiary of £3,125,000 and (ii) an amount due from College of £235,000. The College has made a 10 year interest free arrangement with the subsidiary.

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Notes to the financial statements
Year ended 31 July 2006

13 DEBTORS

	CONSOLIDATED		COLLEGE	
	2006	2005	2006	2005
	£	£	£	£
Amounts falling due within one year				
Trade debtors	213,847	247,502	187,405	233,220
Amounts owed by College members	79,172	102,508	79,172	102,508
Amounts owed by group undertakings	-	-	1,997,029	1,565,300
Loans	70,885	75,875	70,885	75,875
Prepayments and accrued income	648,369	650,101	606,369	577,145
	<u>1,012,273</u>	<u>1,075,986</u>	<u>2,940,860</u>	<u>2,554,048</u>

14 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2006	2005	2006	2005
	£	£	£	£
Unsecured bank loans and overdrafts	424,900	-	1,358,013	660,880
Trade creditors	203,688	169,470	233,688	169,470
College Contribution	43,953	37,150	43,953	37,150
Other taxation and social security	97,995	89,785	97,995	89,785
Accruals and deferred income	1,464,336	1,083,334	1,248,855	864,095
	<u>2,234,872</u>	<u>1,379,739</u>	<u>2,952,504</u>	<u>1,821,380</u>

15 BANK LOANS

	CONSOLIDATED		COLLEGE	
	2006	2005	2006	2005
	£	£	£	£
Secured endowment assets bank loans	18,120,131	18,757,399	8,702,254	8,848,608
Unsecured endowment asset bank loan	595,100	595,100	595,100	595,100
	<u>18,715,231</u>	<u>19,352,499</u>	<u>9,297,354</u>	<u>9,443,708</u>
Other unsecured bank loan	424,900	424,900	424,900	424,900
	<u>19,140,131</u>	<u>19,777,399</u>	<u>9,722,254</u>	<u>9,868,608</u>
Repayable within one year	1,690,981	637,268	1,171,868	146,354
Repayable between two and five years	4,123,320	3,949,734	1,740,884	1,693,445
Repayable after five years	13,325,830	15,190,397	6,809,502	8,028,809
	<u>19,140,131</u>	<u>19,777,399</u>	<u>9,722,254</u>	<u>9,868,608</u>

The secured endowment asset loans are subject to fixed interest between 5.04% and 5.81%. The unsecured loans bear interest at 0.3% over LIBOR, capped at 6.5 %

ORIEL COLLEGE
Notes to the financial statements
Year ended 31 July 2006

16 ENDOWMENTS

	CONSOLIDATED			COLLEGE		
	Specific	General	Total	Specific	General	Total
	£	£	£	£	£	£
At beginning of year	15,044,671	21,653,477	36,698,148	15,044,671	20,084,016	35,128,687
Endowments received	331,740	-	331,740	331,740	-	331,740
Transfer to Development Trust	(314,718)	-	(314,718)	(314,718)	-	(314,718)
Appreciation (depreciation) of endowment investments	1,576,867	2,226,774	3,803,641	1,576,867	1,616,474	3,193,341
Income receivable from endowment asset investments	810,331	2,376,896	3,187,227	810,331	1,223,786	2,034,117
Transferred to income and expenditure account (note 4)	(809,802)	(2,376,896)	(3,186,698)	(809,799)	(1,223,786)	(2,033,585)
At end of year	16,639,089	23,880,251	40,519,340	16,639,092	21,700,490	38,339,582

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of the College at its desired level of activity. Re-examination of the terms of one fund have resulted in its transfer from specific to general endowment.

Specific endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity.

General endowments include bequests and gifts where the use of the capital and income, or only the income is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body.

Specific endowments (consolidated and College) include funds valued at £143,383 which provide income for purposes that lie outside the objects of the College. Income arising amounted to £7,533.

17 RESERVES

GENERAL RESERVES	CONSOLIDATED	COLLEGE
	£	£
At beginning of year	8,523	882,266
Surplus from income and expenditure account	376,647	369,507
Transfer to capital reserve	(689,994)	(689,994)
At end of year	(304,824)	561,779

REVALUATION RESERVE	CONSOLIDATED	COLLEGE
	£	£
At start of year	28,448,994	28,448,994
Increase in year	544,414	544,414
At end of year	28,993,408	28,993,408

CAPITAL RESERVE	CONSOLIDATED	COLLEGE
	£	£
At start of year	7,189,064	7,189,064
Transfer from general reserve	689,994	689,994
At end of year	7,879,058	7,879,058

18 CAPITAL COMMITMENTS

CONSOLIDATED AND COLLEGE	2006	2005
	£	£
Commitments contracted at 31 July	250,000	140,000
	250,000	140,000