

St. Anne's College

Financial Statements

Year ended 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.

ST. ANNE'S COLLEGE

Report of the Governing Body

The Governing Body of St Anne's College presents the annual report and financial statements for the year ended 31 July 2006

Status

St Anne's College was incorporated by Royal Charter in May 1952. The corporation comprises the Principal and Fellows. The College is an exempt charity under s3(5a) of the Charities Act 1993 (as listed in Schedule 2(b) to that Act).

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and to provide and promote academic research.

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

Governance

The Governing Body of the College comprises the Principal and Fellows. The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Bishop of Oxford for the time being. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1952, and the Universities of Oxford and Cambridge Act 1923. The Governing Body has responsibility for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by a range of committees which include the Finance Committee and the Investment Committee.

Scope of financial statements

The financial statements consolidate the accounts of St Anne's College and its subsidiary undertakings, St Anne's College Services Company Limited and St Anne's College Developments Limited. St Anne's College Services Company Limited is the wholly-owned vehicle for trading activities of St Anne's College. St Anne's College Developments Limited is a wholly-owned subsidiary which provides building development services to the College.

Review of operations and finance

The College's continuing operations resulted in a deficit for the year of £347k. Growth in academic fees and conference income was not sufficient to cover the increased depreciation and interest costs which arose following completion of the Ruth Deech Building and refurbishment programme begun in 2003. Sale of two houses and disposal of other fixed assets realised a net profit of £782k giving a surplus for the year of £430k.

The Ruth Deech Building has transformed the college site and required much rearrangement around the release of leased and owned properties no longer needed. It has been very well received by students who first occupied the rooms in October 2005 and subsequently by vacation conference clients and now that construction is complete the College can concentrate on taking full advantage of the new facilities.

The total recognised gains for the year (taking account of the appreciation of endowment asset investments, new endowments received and net additions to deferred capital) amounted to £2.67m, resulting in an increase in total funds of 7.2% over the year.

Further payments of £704k on the Ruth Deech Building are the major part of capital expenditure in the year. However, proceeds of sale of two houses and reduction of debtors during the year allowed repayment of £3m of short term borrowings.

In order to maintain College buildings and meet loan repayments it will be necessary to operate at breakeven at the continuing operations level from 2009 and this is reflected in College plans. Before then the College will need to adapt to changing conditions in the Higher Education sector starting with the implementation of a new national academic pay spine in August 2006 which has added 14% to the overall academic staff costs. Also under discussion in the University is a new method of calculating academic income, currently based on student numbers, with increased reference to research activities undertaken by staff employed by the College. The effect of this change is not yet apparent in College plans.

Investment performance

The Investment Committee meets four times a year. It is chaired by the Principal and membership consists of six other college fellows and five external members with investment expertise. The committee pursues a total return policy for the fund subject to the generation of a target level of income each year. The main endowment fund produced a total return of 12.2% over the year and income generated was 8.8% above the target.

Reserves

The balance on reserves at the year end amounted to £11.2m (2005 £11.0m). After allowing for reserves designated for special purposes, the consolidated general reserve was £10.3m (2005 £8.68m).

Risk management

The major risks to which the College is exposed have been reviewed and systems have been established to mitigate these risks.

Approved by the Governing Body on 1st November 2006

ST ANNE'S COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2006

	Notes	2006 £	2005 £
INCOME			
Academic fees and tuition income	1	2,122,367	2,068,165
Other operating income	2	4,139,936	3,599,609
Endowment return and interest receivable	3	1,154,720	1,067,422
Total income		<u>7,417,023</u>	<u>6,735,196</u>
EXPENDITURE			
Staff costs	4	3,852,317	3,701,156
Depreciation		970,984	597,540
Other operating expenses		2,323,093	2,407,804
Interest payable		622,185	198,932
Contribution under Statute XV		0	0
Total expenditure	6	<u>7,768,579</u>	<u>6,905,432</u>
Surplus for the year on continuing operations before taxation and disposal of fixed assets		(351,556)	(170,236)
Share of operating deficit in associate Company		(22,381)	(1,434)
Surplus (deficit) on disposal of fixed assets		804,579	0
Taxation	7	0	0
Surplus for the year after taxation	8	<u>430,642</u>	<u>(171,670)</u>

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

	Notes	2006 £	2005 £
Reserves			
Surplus/deficit for the year		430,642	(171,670)
Endowments			
Income receivable from endowment asset investments	17	1,125,331	1,044,715
Endowment return transferred to income and expenditure account	17	(1,047,477)	(978,033)
Appreciation of endowment asset investments	17	1,710,697	3,291,126
New endowments received	17	39,684	100,353
Other			
Net additions to (deductions from) deferred capital	16	410,949	566,873
Total recognised gains relating to the year		<u>2,669,826</u>	<u>3,853,364</u>
Opening fund balances		37,081,429	33,228,065
Closing fund balances		<u>39,751,255</u>	<u>37,081,429</u>