



# St Edmund Hall, Oxford

## Annual Report and Financial Statements

*For the 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 EDMUND HALL Report of the Governing Body

The Governing Body of St Edmund Hall presents the annual report and financial statements for the year ended 31 July 2006.

### Status

St Edmund Hall is an eleemosynary chartered charitable corporation aggregate. It was founded under a Royal Charter, dated 15 February 1957, although the Hall was in existence in the 14th century. The corporate name of the College is the Principal, Fellows and Scholars of St Edmund Hall in the University of Oxford. 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 provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research.

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

### Governance

The Governing Body of the College comprises the Principal and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Chancellor of the University of Oxford. The College Statutes are as made from time to time by order of Her Majesty in Council. The Governing Body holds to itself the responsibilities 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 Development Committee.

### Review of operations and finance

The annual report and financial statements have been drafted in accordance with the reporting requirements for Oxford colleges as contained in Statute XV made by the University of Oxford under the Oxford and Cambridge Act, 1923. The accounting format complies in all material aspects with recognised accounting standards. The basis used for preparation of the figures is more fully explained in the statement of accounting policies and the notes to the financial statements.

Income rose by 6.0% (including the sale of a piano), compared with a 5.5% rise in the previous year. Expenditure was up by 5.4%, compared with 2.5% in the previous year. This means that the surplus on the Income and Expenditure Account, which in 2004/5 was £34k in 2004/5, increased to £70k in 2005/06. It was derived from total income from all sources (student teaching and accommodation, endowment and other investments, and conferences) of £5.5m (endowment and other investment income being £938k). The surplus of £70k will be applied to the development of college facilities in future years.

The total recognised gains relating to the year were £2.4 m. Net assets at the year end amounted to £35.7m, having risen from £33.3m at the previous year end. During the year new endowments totalling £0.4m were received. Recognized gains of £1.8m are as a result of the continuing improvement in the equity markets.

Notwithstanding the above, the College continues to operate in difficult conditions. The continued improvement in investment income is a good sign, but as last year the effect of the abolition of tax credit on dividend income was felt by charities such as St Edmund Hall. In addition, the reduction of government support to higher education, over recent years, has resulted in severe pressure on college fees. The 'top-up' fees proposed for 2006/07 are unlikely to help the College substantially as part will accrue to the University and part will be used to provide bursaries for poor students.

Numbers of students were: undergraduates 376, graduates 144 and visiting students (full time equivalent) 25, a total of 545, which is an increase of 12 over the previous year.

**ST EDMUND HALL**  
**Report of the Governing Body**

**Investment performance**

The Investment Committee pursues a total investment return (from income and capital combined) objective of at least 4.2% in real terms taking one year with another. The main portfolios of stocks and shares yielded a total investment return of 9.1% after fees. This is as a result of prudent investment decisions and the continued improvement in the markets in which the College invests.

The main portfolios are divided between two investment managers, which have discretion within the overall policy and report quarterly, in writing and/or in person. The main portfolios and other investments are kept under review by the Finance Bursar and the Investment Committee. Both investment managers take advice from expert ethical investment advisors. The College makes every effort to be a responsible investor.

**Reserves**

The balance on reserves at the year end amounted to £6.9m (note 19). After allowing for amounts invested in fixed assets and designated reserves for special purposes, the College's general reserve was £0.4m. The Governing Body has reviewed the reserves of the College and has concluded a general reserve of at least £0.9m should be established to allow the College to be managed efficiently and to provide a buffer that could ensure uninterrupted services. This equates to approximately two months of expenditure.

**Risk management**

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems are in place to mitigate these risks.

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Principal or one of the Bursars. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Committee. In addition, the Home Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

Approved by the Governing Body on 8 November 2006

D M P Mingos  
Principal