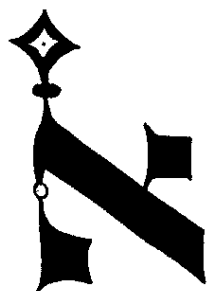


Charity number: 309720
Company number: 1109384



**OXFORD CENTRE FOR
HEBREW AND JEWISH STUDIES**

A Recognized Independent Centre of the University of Oxford



STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED

31 JULY 2012

WENN TOWNSEND

THURSDAY



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COMPANIES HOUSE

WENN TOWNSEND

CHARTERED ACCOUNTANTS

OXFORD

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

Registered in England No 1109384

Registered Charity No 309720

GOVERNORS

The Lord Fink of Northwood (Co-Chairman)

Mr George Pinto (Co-Chairman)

Professor Hugh Williamson (Vice-Chairman)

Professor Martin Goodman

The Lord Guthrie of Craigiebank

* HRH Prince El Hassan bin Talal

Mr David Joseph

Mr David Lewis

* The Lord Marks of Broughton

Mr Martin Paisner

Mr Dan Patterson

Mr Daniel Peltz

Mr Marc Polonsky

The Rt Hon Lord Justice Rix

Mr Stuart Roden

Dr Deborah Sandler

Mr Charles Sebag-Montefiore

Dr David Taylor

Ms Anne Webber

* TERM CONCLUDED 16 JULY 2012

EMERITUS GOVERNORS

Mr Martin Blackman

Sir Zelman Cowen

Mr Michael Garston

Mr Frank Green

Sir Richard Greenbury

Mr David Hyman

Professor Alan Jones

The Lord Moser

The Revd Ernest Nicholson

Mr Felix Posen

Sir Maurice Shock

Sir Sigmund Sternberg

Mr Dennis Trevelyan

Professor Geza Vermes

The Lord Weidenfeld

The Rt Hon The Lord Woolf

The Rt Hon The Lord Young

PRESIDENT

Dr David Ariel

SECRETARY

Mr Martin Paisner

ACCOUNTANT

Mrs Sheila Phillips

ESTATE AND INVESTMENTS BURSAR

Mr Simon Ryde (resigned 31 July 2012)

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REGISTERED OFFICE

Yarnton Manor
Yarnton
Oxford
OX5 1PY

AUDITORS

Wenn Townsend
30 St Giles
Oxford OX1 3LE

INVESTMENT MANAGER

J M Finn & Co
4 Coleman Street
London EC2R 5TA

SOLICITORS

Berwin Leighton Paisner
Bouverie House
154 Fleet Street
London EC41 2JD

Blake Lapthorn
Seacourt Tower
West Way
Oxford OX2 OFB

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OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2012

The Governors present their report and the financial statements for the year ended 31 July 2012

Objective of the Charity

The mission of the Oxford Centre for Hebrew and Jewish Studies is to restore the legacy of Jewish scholarship in Europe, continue the tradition of Hebrew studies at the University of Oxford, support advanced scholarship in academic Jewish studies, promote understanding of the interaction among Judaism, Christianity and Islam, and provide the scholarly understanding of contemporary Jewish life

The Centre is sometimes referred to as "the Charity" in the accounts. A full review of the Centre's activities setting out the achievements of the Centre in meeting its objectives is contained in the separately published academic report for the academic year ended 30 September 2012

Organisational and decision-making structure

All major decisions of the Centre are authorised by its Board of Governors which meets not less than 3 times each year. Other main decision making committees, which all report to the Board of Governors, are the Academic Advisory Council and Library Committees

Charitable status and associated charity

The Centre is a registered charity (no 309720) and has no liability to corporation tax on its charitable activities. The Centre is administered under its Memorandum and Articles of Association. The Centre is a company limited by guarantee and has no share capital. Each member undertakes to subscribe £1 in the event of a winding up of the company. The income and property of the Charity must be applied solely towards the promotion of the objectives of the Centre

Accounting for The Yarnton Trust is included within the Centre's financial statements as authorised by the Uniting Direction dated 22 May 2008, however, the values of the individual funds within the Trust are detailed in the Notes to the Accounts (note 15)

Operating locations

Most of the full-time fellows teach and carry out research at the Hebrew and Jewish Studies Unit of the University of Oxford ('the Unit'). The Unit's premises are located in the Oriental Institute building in the centre of Oxford. At the Yarnton Manor campus, four miles from the centre of Oxford, accommodation, a major research library, teaching and administrative support are provided for the Centre's fellows and other teachers, visiting scholars and students. Numerous related academic activities occur during the year at both locations, including seminars, lectures and conferences. The Looted Art Research Unit is located in London

Investment powers

Under paragraph 10 of the Memorandum of Association, the Centre has the power to invest money, not immediately required for its purposes, in or upon such investments, securities or property as the Governors think fit

Financial Review

A statement of financial activities ('SOFA') for the year has been produced on page 8 showing movements on unrestricted, designated, restricted and endowment funds. The deficit for the year, shown on page 9 was £22,903 (2011 deficit of £57,117). Funds at the end of the year were £9,559,962 (2011 £10,041,682), a decrease of £481,720

Funds and reserves policy

In accordance with the relevant SORP, the Centre's funds are shown in the SOFA and on the balance sheet

The Governors aim to build up the Centre's endowment reserves in order to produce an increase in regular income for the continuing support of operating activities

At 31 July 2012, the Centre had a deficit on unrestricted reserves of £886,633 (2011 £936,142). The decrease in the deficit was encouraging

Fund-raising activities

The Centre received donations of £954,263 (2011 £1,064,530) during the year. No endowment donations were received in the year

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2012 (Continued)

Fund-raising activities (continued)

In May 2012 the Centre celebrated its 40th Anniversary with a Fundraising Dinner held in London. Donations made as a result of the Dinner are disclosed in Note 2.1 on page 14.

Risk review

The Centre carries out an annual assessment of major risks which are reviewed periodically by a committee of Governors. In the view of the Governors, risk management and internal controls are appropriate for the Centre's activities.

Strategic objectives

The Centre's objectives are:

The Centre is a Recognized Independent Centre of the University of Oxford, and its academic strategy is aligned with the mission, purpose, standards, and traditions of the University of Oxford.

The development of Jewish studies at the University of Oxford is the responsibility of the Centre which provides most of the Hebrew, Jewish, and Israel studies at the University.

The Centre is dedicated to the highest standards of academic excellence, devoted to the advancement of knowledge through research, scholarship, publication, teaching, and service to the profession, and committed to the dissemination of knowledge for the greater good of society.

Yarnton Manor is a residential academic community that provides opportunities for scholars in Jewish studies from around the world to live, work, and collaborate on research projects.

The Leopold Muller Library augments the resources of the Bodleian Library by serving as a major repository of books and materials relating to Jewish studies in the last two centuries.

The Board of Governors exercises its responsibilities of financial oversight, establishing policies, engaging in strategic planning, representing the institution to outside constituencies, contributing and/or helping fundraising, and providing expertise in areas needed by the Centre.

The Centre is devoting considerable effort to strengthening its financial position through reducing costs and increasing revenues.

Objective of the charity and activities for the public benefit

The Centre is devoted to the study of Hebrew and other Jewish languages and literatures, and to Jewish thought, history, culture and society across all periods and parts of the world.

The Centre's research activities aim to give the scholarly world and the general public a better understanding of Jewish issues.

The Centre fulfils a wide range of teaching responsibilities. Its fellows provide teaching for all degrees in Hebrew and Jewish Studies at the University of Oxford. In particular, the Centre is wholly responsible for the teaching and administration of the Oxford University MSt in Jewish Studies. Students from many countries and every continent come to the Centre to learn Hebrew and Yiddish and to gain knowledge of Jewish culture. The MSt course is open to all who meet the admission requirements, which are based on scholarly attainment and potential, and various bursaries are available.

The Centre also holds lectures, symposiums and conferences, many of which are not limited to members of the University.

As the foremost institution of its kind in Europe, the Centre fulfils an international role. It has forged close relationships with universities and research bodies throughout the world.

The Centre's library is one of the most important open shelf research facilities in Europe in the field of Jewish studies, and the Centre has become an established meeting point for scholars from across the world.

The Centre also hosts the Central Registry of Information on Looted Cultural Property 1933-1945. The Commission for Looted Art, based in London, is gathering data on objects plundered by Nazis and others.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2012 (Continued)

Objective of the charity and activities for the public benefit (continued)

The Centre is committed to making its research findings in Jewish history, languages, literature and culture available to the general public by all available means

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Centre's aims and objectives, and in implementing and planning current and future activities

Future Plans

The Centre will continue its programme of academic activities and is planning to host further conferences of importance to Hebrew and Jewish Studies

Governors' responsibilities

The Governors (who are also directors of the Centre for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Centre and of the incoming resources and application of resources, including income and expenditure, of the Centre for the year. In preparing these financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Centre will continue in operation

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Centre and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Centre and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Centre's Governors are aware

- there is no relevant audit information of which the Centre's auditors are unaware, and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Centre's auditors are aware of that information

Investment funds

The Centre's investments comprise securities and property. Investment managers are J M Finn & Co

Securities the managed portfolios are as follows

Endowment Portfolio	Valuation at 31 July 2012 (£)	Split
Permanent	1,255,193	OCHJS 62%, The Yarnton Trust 38%
Expendable, subject to note 15	4,335,770	MCA 76%, The Yarnton Trust 24%
Miscellaneous	45,875	OCHJS 100%
Miscellaneous	750,200	OCHJS 100%
	6,387,038	

All three portfolios are managed on a conservative basis with a medium risk profile, and the aim remains to create a balanced return from income and capital growth

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2012 (Continued)

Property the Centre has spent £1,215,000 in properties on the Yarnton Manor Estate. These are referred to as endowment properties.

Permanent Fund £650,000 spent on Manor Farm accommodation.

Expendable Fund £565,000 spent on a property on Church Lane adjacent to the Estate.

Loan The Centre has repaid the second instalment of £80,000 this year in respect of the loan of £800,000 obtained from the MCA fund in 2009/10. At 31 July 2012, the amount still outstanding was £640,000.

Performance comparatives :

Endowment Portfolio	Valuation at 31 July 2012 (£)	Valuation at 31 July 2011 (£)	Increase/ (decrease) in year (£)	Income in year (£)
Permanent	1,255,193	1,256,043	(850)	55,643
Expendable	4,335,770	4,349,476	(13,706)	173,196
Miscellaneous	45,875	40,904	4,971	2,146
Miscellaneous	750,200	1,118,000	(367,800)	88,580
	6,387,038	6,764,423	(377,385)	319,565

Directors and Governors

The Governors (who are also directors of the charitable company) set out below have held office for the whole of the period from 1 August 2011 to the date of this report, unless otherwise stated. In accordance with the Articles of Association, resign and, being eligible, offer themselves for re-election.

The Lord Fink of Northwood	(Co-Chairman)
Mr George Pinto	(Co-Chairman)
Professor Hugh Williamson	(Vice-Chairman)
Dr David Ariel	(President)
Sir Ivor Crewe	(Term concluded July 2012)
HRH Prince El Hassan bin Talal	(Appointed to the International Advisory Council July 2012)
Professor Martin Goodman	
The Lord Guthrie of Craigiebank	
Professor Alan Jones	(Made Ementus July 2012)
Mr David Joseph	
Dr Paul Joyce	(Term concluded July 2012)
Mr David Lewis	
The Lord Marks of Broughton	(Appointed to the International Advisory Council July 2012)
Dr John Muddiman	(Term concluded Dec 2011)
Mr Martin Paisner	
Mr Dan Patterson	
Mr Daniel Peltz	
Mr Marc Polonsky	
The Rt Hon Lord Justice Rix	
Mr Stuart Roden	
Mr Charles Sebag-Montefiore	
Dr David Taylor	
Mr Roger Wingate	(Term concluded Dec 2011)

Appointment of University Board Governors

The following bodies have the power to appoint members of the Board of Governors in accordance with the Articles of Association.

The Humanities Board of the University of Oxford (two members). The current appointees are Dr Paul Joyce and Professor Hugh Williamson.

The Oriental Studies Board of the University of Oxford (two members). The current appointees are Professor Martin Goodman and Dr David Taylor.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2012 (Continued)

Governor Appointments, Induction and Training

Governors are also Trustees of the Charity. Appointments are made by the Board giving proper regard to the range of skills and experience needed to govern the Charity. On appointment, Governors are provided with copies of the Centre's governing documents, annual reports and other current relevant material. Ongoing legal, investment and other advice is thereafter provided to Governors as appropriate.

New Appointments

Miss Anne Webber and Dr Deborah Sandler agreed to become Governors following invitation by the Board, a decision which was ratified at the July 2012 meeting.

Post Balance Sheet Events

Sale of property

Properties on the Yarnton Manor Estate, numbers 50 and 52 Church Lane, were put up for sale in September 2012. Governors came to a decision to sell some property following a review of the accommodation required for Visiting Fellows and Scholars. It was decided that the vacancy rate was too high and as the Centre needed to realize working capital to pay down the current overdraft, these two properties could be sold. The sale was completed on 26th November 2012. Sale proceeds before associated expenses amounted to £650,000. In addition to the sale of these properties, four acres of Manor Farm land, behind the properties has been included in the sale.

Auditors

Wenn Townsend have signified their willingness to continue in office as the Centre's auditors, and a resolution proposing their reappointment will be put forward at the forthcoming Annual General Meeting of the Company.

Approved by the Board of Governors on 3 December 2012 and signed on its behalf by



Dr David Ariel, President

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF THE OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

We have audited the financial statements of Oxford Centre for Hebrew and Jewish Studies ('the Centre') for the year ended 31 July 2012 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Centre's Governors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Centre's Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Centre and the Centre's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and Auditors

As explained more fully in the statement of Governors' Responsibilities set out on page 3, the Governors (who are also the directors of the Centre for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Centre's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 22 to the financial statements concerning the Centre's ability to manage its unrestricted reserves deficit. The Centre generated a net unrestricted reserve surplus of £49,509 in the year, reducing the Centre's total unrestricted reserve deficit to £886,633. This total deficit indicates a material uncertainty which may cast significant doubt on the Centre's ability to continue in its present activities without significantly changing its operations. The Governors (who are also the directors of the Centre for the purposes of company law) have concluded that the Centre's action plan as disclosed in note 22 would enable the Centre to continue as a going concern. The financial statements do not include the adjustment that would result if the Centre was unable to continue as a going concern.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF
THE OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report



Ajay Bahl BA FCA (Senior Statutory Auditor)
for and on behalf of Wenn Townsend
Chartered Accountants and Statutory Auditor
Oxford

6th December 2012

WENN TOWNSEND

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2012

	Note	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2012 £	Total 2011 £
Income							
<i>Incoming resources from generated funds</i>							
Voluntary income	2 1	594,717	2,656	356,890	-	954,263	1,064,530
Activities for generating funds	2 2	39,096	-	-	-	39,096	55,398
Investment income	2 3	11	-	221	380,736	380,968	385,124
Incoming resources from charitable activities	2 4	140,245	84,067	216,406	-	440,718	553,093
Total incoming resources		774,069	86,723	573,517	380,736	1,815,045	2,058,145
Resources expended							
<i>Cost of generating funds</i>							
Cost of generating funds	3	284,181	-	-	33,572	317,753	291,892
Charitable activities	4	562,655	61,340	870,014	-	1,494,009	1,786,574
Governance costs	5	103,216	106	-	-	103,322	90,777
Total resources expended		950,052	61,446	870,014	33,572	1,915,084	2,169,243
Net (outgoing)/incoming resources before transfers		(175,983)	25,277	(296,497)	347,164	(100,039)	(111,098)
Net transfers between funds	15 / 19	225,492	(26,531)	225,339	(424,300)	-	-
Net (outgoing)/incoming resources before revaluations and investment asset disposals		49,509	(1,254)	(71,158)	(77,136)	(100,039)	(111,098)
Fixed asset investments net realised gains/(losses)	11	-	-	-	(28,688)	(28,688)	13,909
Fixed asset investments net unrealised gains/(losses)	11	-	-	-	(352,993)	(352,993)	528,334
Net movement in funds for the year		49,509	(1,254)	(71,158)	(458,817)	(481,720)	431,145
Fund balances at 1 August 2011		(936,142)	73,970	349,431	10,554,423	10,041,682	9,610,537
Fund balances at 31 July 2012		(886,633)	72,716	278,273	10,095,606	9,559,962	10,041,682

The notes on pages 11 to 25 form part of these accounts

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2012

	2012 £	2011 £
Gross income from continuing operations – unrestricted, restricted and designated funds	1,434,309	1,673,499
Transfer from endowment funds	424,300	406,699
Total expenditure of continuing operations	(1,881,512)	(2,137,315)
Total net income/(expenditure) for the year	(22,903)	(57,117)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2012

	2012 £	2011 £
Net income/(expenditure) from Income and Expenditure account (as above)	(22,903)	(57,117)
Capital increases/(decreases) in endowment funds	(77,136)	(53,981)
Net realised gains/(losses) on endowment fund investment	(28,688)	13,909
Total realised net gains/(losses) for the year	(128,727)	(97,189)
Net unrealised gains/(losses) on endowment fund investments	(352,993)	528,334
Total recognised net gains/(losses) for the year	(481,720)	431,145

The notes on pages 11 to 25 form part of these consolidated accounts

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

BALANCE SHEET AS AT 31 JULY 2012

	Note	2012	2011
		£	£
Fixed assets			
Tangible fixed assets	9	2,606,732	2,606,732
Other tangible fixed assets – endowment properties	10	1,215,000	1,215,000
Investments	11	6,387,038	6,764,423
		<u>10,208,770</u>	<u>10,586,155</u>
Current assets			
Debtors – falling due within one year	12	111,090	57,259
Bank deposit – general		319,877	296,550
		<u>430,967</u>	<u>353,809</u>
Current liabilities			
Creditors – falling due within one year	13	(473,456)	(571,978)
Bank overdraft	13	(491,075)	(232,642)
		<u>(964,531)</u>	<u>(804,620)</u>
Net current liabilities		(533,564)	(450,811)
Total assets less current liabilities		<u>9,675,206</u>	<u>10,135,344</u>
Creditors – falling due after more than one year	14	(115,244)	(93,662)
Net assets		<u><u>9,559,962</u></u>	<u><u>10,041,682</u></u>
Capital funds			
Endowments	15	10,095,606	10,554,423
Income funds			
Unrestricted	16	(886,633)	(936,142)
Designated	17	72,716	73,970
Restricted	18	278,273	349,431
		<u><u>9,559,962</u></u>	<u><u>10,041,682</u></u>

The financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies

Approved by the Board of Governors and signed on its behalf on 3 December 2012



Dr David Ariel, President

The notes on pages 11 to 25 form part of these accounts

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

RECONCILIATION OF FUNDS
FOR THE YEAR ENDED 31 JULY 2012

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2012 £	Total 2011 £
At 1 August 2011	(936,142)	73,970	349,431	10,554,423	10,041,682	9,610,537
Movements in year	49,509	(1,254)	(71,158)	(458,817)	(481,720)	431,145
At 31 July 2012	(886,633)	72,716	278,273	10,095,606	9,559,962	10,041,682
Represented by:						
Fixed assets	751,732	-	-	1,855,000	2,606,732	2,606,732
Endowment property	-	-	-	1,215,000	1,215,000	1,215,000
Investments	-	-	-	6,387,038	6,387,038	6,764,423
Debtors	111,090	-	-	-	111,090	57,259
Bank deposit	(345,498)	72,716	577,092	15,567	319,877	296,550
Creditors	(157,638)	-	(298,819)	(16,999)	(473,456)	(571,978)
Bank overdraft	(491,075)	-	-	-	(491,075)	(232,642)
Long term liabilities	(115,244)	-	-	-	(115,244)	(93,662)
Long term loan (*)	(560,000)	-	-	560,000	-	-
Short term loan (*)	(80,000)	-	-	80,000	-	-
	(886,633)	72,716	278,273	10,095,606	9,559,962	10,041,682

(*) As agreed with the Charity Commission, £800,000 was borrowed from the MCA endowment fund to be repaid at £80,000 per annum over ten years. The third of ten repayments will be made in 2012/13

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting Standards, the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005), the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008)

(a) Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of fixed asset investments

(b) Income

Income has been credited to the Income and Expenditure account on the following basis

- Donations and dividends are recognised on a receivable basis and include any income tax recoverable,
- Unrestricted income allocated for a specific purpose by the Centre is treated as a designated fund,
- Donations received for specific purposes and not yet due to be spent, are carried forward as deferred income and matched with related expenditure,
- Interest and rents are recognised on an accruals basis

(c) Fixed Assets

Freehold land and buildings are capitalised in the financial statements, but are not depreciated as the buildings are maintained to such a standard that their estimated residual value is not less than their carrying value. An annual impairment review is carried out by the Governors to ensure that this continues to be the case

Equipment with a value greater than £1,000 is capitalised. Depreciation is provided on a straightline basis at a rate of 25% per annum on the cost less residual value of each asset

(d) Investments

Listed investments are stated at open market value. Net realised and unrealised gains and losses on investment assets are accounted for as part of the related funds when they occur, the calculation having been based on open market value

(e) Taxation

The Centre is a charitable institution with exemption from taxation on its charitable activities under section 505 of the Income and Corporation Taxes Act 1988

(f) Foreign currencies

Donations received in currencies other than sterling have been included at the rates obtained on conversion

(g) Operating leases

Rentals payable under operating leases are charged to the Income and Expenditure account over the term of the lease

(h) Pension costs

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure account represents the contributions payable to the scheme in respect of the accounting period

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
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continued

1 Accounting policies (continued)

(i) Allocation of costs to Resources Expended

Specific items of expenses are attributed to the appropriate category

- cost of generating funds being the costs associated with generating incoming resources from all sources other than undertaking charitable activities,
- charitable activities being the resources applied by the Centre in undertaking its work to meet its charitable objectives,
- governance costs being costs that relate to the general running of the charity and are primarily associated with constitutional and statutory requirements,
- support costs which are allocated to activity cost categories on a consistent basis, e.g. staff costs by the time spent and other costs by their usage

(j) Basis of allocation of costs between Unrestricted and Restricted Funds

Costs are specifically recognised as being for unrestricted or restricted purposes and are allocated accordingly

(k) Fund accounting

Funds held by the Charity are

- unrestricted general funds which can be used in accordance with the charitable objects at the discretion of the Governors,
- designated funds which are funds set aside by the Governors out of unrestricted general funds for specific future purposes or projects,
- restricted funds which can only be used for particular restricted purposes within the objects of the charity as specified by the donor or for which they are raised for particular restricted purposes,
- endowment funds which are capital funds where, apart from endowments expendable in part or in whole (some of which are subject to restrictions on how much capital may be spent on an unrestricted basis), there is normally no power to spend the capital as if it was unrestricted income

Further explanation of the nature and purpose of the funds is included, where practicable, in the notes to the financial statements

(l) Gifts in kind

Properties, investments and other fixed assets donated to the charity are included as donation income at market value at the time of receipt

(m) Going concern

The accounts of the Centre are prepared on a going concern basis. The Governors can only consider with reasonable certainty a budgetary period of twelve months from the year end due to the difficulty in securing voluntary income for unrestricted funds

2. Income

The results for the year are attributable to the principal activity, the advancement of education and research in the field of Hebrew and Jewish Studies

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012**

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2.1 Voluntary income comprises

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2012 £	Total 2011 £
Donations	379,054	2,656	356,890	-	738,600	1,064,530
40th Anniversary Dinner	215,663	-	-	-	215,663	-
	594,717	2,656	356,890	-	954,263	1,064,530

Reconciliation of voluntary income received in the year

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2012 £	Total 2011 £
Total income received in year	594,717	2,656	279,016	-	876,389	1,130,637
Deferred to future years (note 13)	-	-	(4,030)	-	(4,030)	(150,000)
Released from earlier years (note 13)	-	-	153,486	-	153,486	177,555
Amounts received in advance (note 14)	-	-	(71,582)	-	(71,582)	(93,662)
	594,717	2,656	356,890	-	954,263	1,064,530

2.2 Activities for generating funds

These activities include hire of premises and accommodation, charges for minibus usage, photocopying and other office costs

2.3 Investment income

Investment income comprises

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2012 £	Total 2011 £
Dividends and interest	11	-	221	380,736	380,968	332,903
Income from properties	-	-	-	-	-	52,221
	11	-	221	380,736	380,968	385,124

2.4 Incoming resources from charitable activities

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2012 £	Total 2011 £
Conferences, student fees, accommodation and library funding	140,245	19,797	115,781	-	275,823	315,656
Looted Art Research Unit	-	-	100,625	-	100,625	170,105
Journal of Jewish Studies	-	64,270	-	-	64,270	67,332
	140,245	84,067	216,406	-	440,718	553,093

3 Costs of generating funds

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2012 £	Total 2011 £
Advertising and fundraising	123,943	-	-	-	123,943	160,462
40th Anniversary Dinner	52,985	-	-	-	52,985	-
Postage and stationery	9,130	-	-	-	9,130	8,626
Printing	10,880	-	-	-	10,880	10,400
Support costs	87,063	-	-	-	87,063	80,476
	284,001	-	-	-	284,001	259,964
Investment management						
Investment management fees	180	-	-	33,572	33,752	31,928
	284,181	-	-	33,572	317,753	291,892

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

continued

4 Charitable activities	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2012 £	Total 2011 £
Academic	202,935	57,282	452,756	-	712,973	797,307
Yarnton Manor Estate facilities	309,058	2,028	101,033	-	412,119	491,813
Master of Jewish Studies degree	-	2,030	111,869	-	113,899	155,177
Library	50,662	-	78,738	-	129,400	176,884
Looted Art Research Unit	-	-	102,830	-	102,830	138,714
Hebrew and Jewish Studies Unit	-	-	22,788	-	22,788	26,679
	562,655	61,340	870,014	-	1,494,009	1,786,574

5 Governance costs	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2012 £	Total 2011 £
Finance charges	26,782	106	-	-	26,888	12,396
Professional charges	18,135	-	-	-	18,135	21,500
	44,917	106	-	-	45,023	33,896
Internal governance costs	58,299	-	-	-	58,299	56,881
	103,216	106	-	-	103,322	90,777

Professional charges include audit fees of £9,600 (2011 £9,500)

6 Further analysis of total resources expended, between staff and other costs	Staff costs £	Other costs £	Total 2012 £	Total 2011 £
Costs of generating funds	81,392	236,361	317,753	291,892
Charitable activities				
Academic	344,247	368,726	712,973	797,307
Yarnton Manor Estate Facilities	251,435	160,684	412,119	491,813
Master of Jewish Studies Degree	40,200	73,699	113,899	155,177
Library	91,708	37,692	129,400	176,884
Looted Art Research Unit	38,518	64,312	102,830	138,714
Hebrew and Jewish Studies Unit	5,353	17,435	22,788	26,679
	771,461	722,548	1,494,009	1,786,574
Governance costs				
Finance and professional charges	-	45,023	45,023	33,896
Internal governance costs	52,482	5,817	58,299	56,881
	52,482	50,840	103,322	90,777
	905,335	1,009,749	1,915,084	2,169,243

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

continued

7 Governors' remuneration

The President

	2012 £	2011 £
Salary (excluding employer's national insurance)	85,400	84,933
Bonus	20,000	17,400
Employer's national insurance contributions	14,443	13,463
Personal pension	6,465	11,531
Other benefits – private health care	6,308	5,366
	<u>132,615</u>	<u>132,693</u>

Expenses of £17,864 (2011 £15,861) were reimbursed to or paid on behalf of the President. This includes the cost of overseas travel expenses of £9,894 and UK travel of £5,885 in relation to fundraising.

Professor M Goodman is a Fellow and Governor. He received a teaching stipend from the Centre of £2,000 (2011 £2,000) and was reimbursed £144.80 (2011 £216) for expenses incurred on behalf of the Centre.

No other Governor received remuneration or expenses from the Centre during the year.

The cost of Professional Indemnity, Governors' and Officers' Liability and Fidelity Guarantee insurance for the year is included in the total premium for the Fidelity Guarantee Policy, which also includes all staff, and is £2,104 (2011 £2,092).

8 Staff costs

	2012 £	2011 £
Wages and salaries	747,200	962,690
Social security costs	69,447	79,726
Other pension contributions	88,689	103,605
	<u>905,336</u>	<u>1,146,021</u>

The above amounts include Governors' remuneration.

There were no employees other than the President earning over £60,000 per annum.

Research stipends of £49,077 (2011 £53,448) were paid to visiting academics.

Salary grants of £166,984 (2011 £168,506) were paid to the University of Oxford which remunerated five of the Centre's Fellows, (none of whom were Governors during the period) and two of whose contracts ended on 30 September 2011.

The average number of persons employed by the Centre during the year, including Governors and those working part-time on a long-term basis, were as follows:

	2012		2011	
	Full-time	Part-time	Full-time	Part-time
Academic	5	5	11	4
Library	3	1	2	2
Administration	6	5	7	7
Domestic and maintenance	6	5	6	5
	<u>20</u>	<u>16</u>	<u>26</u>	<u>18</u>

Elaboration on Staff Numbers

At the end of the last academic year (30 September 2011) 4 full time Fellows resigned from their posts. One full time lector became part time in April 2012. Two Fellows have since been appointed for the academic year 2012/13.

The Library has an additional full time member of staff and one new part time.

In administration, the Looted Art Unit has had a change of staff during the year from 2 full time and 2 part time staff to 1 member of staff in July 2012. Appointment of 2 additional staff for the Looted Art Unit took place in August and September 2012.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

continued

9 Tangible fixed assets

	2012 £	2011 £
Freehold land and buildings		
Manor Farm - land	485,000	485,000
Manor Farm - buildings	751,731	751,731
	<u>1,236,731</u>	<u>1,236,731</u>
Yarnton Manor Estate		
- Yarnton Manor	1,000,000	1,000,000
- Ricardo House	370,000	370,000
	<u>1,370,000</u>	<u>1,370,000</u>
Books and equipment		
Library collections	1	1
	<u>2,606,732</u>	<u>2,606,732</u>

The assets are all used for the furtherance of the charity's objects in the advancement of education in the field of Hebrew and Jewish Studies

Yarnton Manor Estate

Yarnton Manor was purchased during the year ended 31 July 1992 at a cost of £1 million from the Charles Wolfson Charitable Trust. The Governors are of the opinion that the price paid was substantially below open market value then and at 31 July 2012. The Charles Wolfson Charitable Trust has the right of first refusal if at any time in the period of 50 years ending on 7 May 2042 the Governors of the Centre decide to sell Yarnton Manor. The price to be paid by the Charles Wolfson Charitable Trust would be £1 million.

Manor Farm

In November 2002, the Centre received a gift of land from the Charles Wolfson Charitable Trust, adjacent to the Yarnton Manor Estate on which a library storage facility and two residential units have been built. The value of this development is shown at the value of land and the cost of construction.

Library

The Library collections have been written down to £1 with all subsequent expenditure written off as incurred. The Governors consider that any revaluation of these assets or any attempt to quantify their value would be misleading, as much of it is irreplaceable. The insured value of the library is £5,659,268.

Equipment

In accordance with the accounting policies of the Centre, fixed assets purchased in the period were written down to zero.

Impairment review

In the opinion of the Governors, there have not been any events or changes in market value to indicate that the book value of fixed assets have suffered impairment during the year.

Insured value

The total sum insured of the Centre's assets, which are used to promote the objectives of the Charity, at 31 July 2012 was £26,568,528 (2011: £25,870,408).

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

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10 Other tangible fixed assets – endowment properties

	2012 £	2011 £
Perry Orchard	565,000	565,000
Manor Farm, Phase 2	650,000	650,000
	<u>1,215,000</u>	<u>1,215,000</u>

Perry Orchard was purchased in July 2004 and Manor Farm, Phase 2 was completed in 2009

11 Movement in fixed asset investments

	2012 £
Market value at 1 August 2011	6,764,423
Disposals	(688,253)
Additions	686,225
Change in cash held by investment managers	6,324
Realised gains/(losses)	(28,688)
Unrealised gains/(losses)	(352,993)
Market value at 31 July 2012	<u>6,387,038</u>

Included above are the following investment assets

	2012 £	2011 £
Investment assets inside the United Kingdom	5,036,129	6,058,458
Investment assets outside the United Kingdom	1,350,909	705,965
	<u>6,387,038</u>	<u>6,764,423</u>

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

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12	Debtors		
	Due within one year		
		2012	2011
		£	£
	Debtors	11,970	4,372
	Prepayments and accrued income	99,120	52,887
		111,090	57,259
13	Creditors		
	Due within one year		
		2012	2011
		£	£
	Creditors - suppliers	29,279	11,907
	Other creditors – taxation and social security	28,366	43,068
	Accruals	53,023	40,343
	Payments received in advance	63,969	28,385
	Deferred income	298,819	448,275
	Bank overdraft	491,075	232,642
		964,531	804,620

The bank overdraft is secured on the land on the North and South of Yarnton Manor House, Church Lane, Yarnton

Deferred income funds – movement in year

	Fellowships	Conferences/ Lectures	Library	Total
	£	£	£	£
Opening balance at 1 August 2011	446,708	-	1,567	448,275
Income during the year	-	4,030	-	4,030
Released during the year	(151,919)	-	(1,567)	(153,486)
Closing balance at 31 July 2012	294,789	4,030	-	298,819

14	Creditors		
	Due after one year		
	The Sidney Brichto Fellowship in Israel Studies		
	Fundraising continues for this new post which was advertised during the year. An appointment has been made and will be taken up on 1 February 2013. The balance is made up as follows		
		2012	2011
		£	£
	Opening balance at 1 August 2011	93,662	-
	Donations received (including gift aid)	71,582	93,662
	Transferred to amounts due within one year (see note 13)	(50,000)	-
	Closing balance at 31 July 2012	115,244	93,662
	Total donations pledged but not received to 31 July 2012	271,267	

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

continued

15 Endowment Funds

	Balance 31 July 2011	Management fees	Loan repayment	Net Incoming Resources	Reallocated to Income & Expenditure Unrestricted	Reallocated to Income & Expenditure Restricted	Net Realised Gains/Losses for the year	Net Unrealised Gains/Losses for the year	Balance 31 July 2012
	£	£	£	£	£	£	£	£	£
EXPENDABLE AND PARTLY EXPENDABLE ENDOWMENTS									
Applied for the purchase of property									
Stifung Benevolus	1,000,000	-	-	-	-	-	-	-	1,000,000
Anonymous	370,000	-	-	-	-	-	-	-	370,000
	1,370,000	-	-	-	-	-	-	-	1,370,000
Gift of land – Manor Farm	485,000	-	-	-	-	-	-	-	485,000
MCA Fund – property	565,000	-	-	20,045	(20,045)	-	-	-	565,000
J M Finn Investments The MCA/Muller endowments									
MCA Fund – securities	3,285,828	(19,626)	80,000	131,636	(129,136)	(2,500)	(17,041)	(15,958)	3,313,203
The Leopold Muller Memorial Library fund (The Yarmton Trust)	1,063,648	(6,198)	-	41,567	-	(41,567)	(5,381)	(31,019)	1,021,050
	4,349,476	(25,824)	80,000	173,203	(129,136)	(44,067)	(22,422)	(46,977)	4,334,253
Loan									
MCA fund, loan to working capital	720,000	-	(80,000)	-	-	-	-	-	640,000
The Polonsky Foundation, equities	1,118,000	-	-	88,580	(43,564)	(88,580)	(8,036)	(316,200)	750,200
David Patterson Lecture Series, equities	40,904	(293)	-	2,146	-	(2,146)	920	4,915	46,446
Total MCA/Muller fund Polonsky and DP Lecture Series	6,793,380	-	-	-	-	-	-	-	6,335,899
Total expendable and partly expendable endowments	8,648,380	(26,117)	-	283,974	(192,745)	(134,793)	(29,538)	(358,262)	8,190,899
PERMANENT ENDOWMENTS									
J M Finn investments									
Library									
Catherine Lewis & Simon Davis Library Fund	104,529	(620)	-	4,631	-	(4,631)	71	438	104,418
HRO Library Fund	18,311	(109)	-	811	-	(811)	12	77	18,291
Isaiah Berlin Library Fund	13,154	(78)	-	583	-	(583)	9	55	13,140
Fellowships/scholarships,									
David Patterson Fellowship in Jewish Law	328,825	(1,952)	-	14,567	-	(14,567)	223	1,378	328,474
Jacobs Fellowship	107,905	(640)	-	4,780	-	(4,780)	73	452	107,790
Mason Lectureship	103,905	(617)	-	4,603	-	(4,603)	70	436	103,794
Goldman Lecture fund	13,393	(79)	-	593	-	(593)	9	56	13,379
Dov Biegun Scholarship fund part transferred to property	88,727	(527)	-	3,931	-	(3,931)	60	372	88,632
	778,749	(4,622)	-	34,499	-	(34,499)	527	3,264	777,918
The Paisner, Leigh, Hyman, Green and Schreiber funds (Yarmton Trust)	477,294	(2,833)	-	21,144	(6,216)	(14,928)	323	2,005	476,789
	1,256,043	(7,455)	-	55,643	(6,216)	(49,427)	850	5,269	1,254,707
Manor Farm, phase 2, property investment									
Miscellaneous Fund	421,124	-	-	-	-	-	-	-	421,124
Dov Biegun Scholarship Fund	228,876	-	-	41,119	-	(41,119)	-	-	228,876
	650,000	-	-	41,119	-	(41,119)	-	-	650,000
Total Permanent Endowment Fund	1,906,043	(7,455)	-	96,762	(6,216)	(90,546)	850	5,269	1,904,707
Total All Endowments	10,554,423	(33,572)	-	380,736	(198,961)	(225,339)	(28,688)	(352,993)	10,095,606

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

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15 Endowment Funds (continued)

	Balance 31 July 2011 £	Management Fees £	Net Incoming Resources £	Reallocated to Income & Expenditure Unrestricted £	Reallocated to Income & Expenditure Restricted £	Net Realised Gains/Losses for the year £	Net Unrealised Gains/Losses for the year £	Balance 31 July 2012 £
The Yarnton Trust								
– individual fund values								
Expendable Endowment								
Leopold Muller Memorial Library Fund	1,063,648	(6,198)	41,567	-	(41,567)	(5,381)	(31,019)	1,021,050
Permanent Endowments								
Kennedy Leigh Chantable Trust Fund	103,830	(616)	4,600	(4,600)	-	70	436	103,720
Leslie Paisner Memorial Fund	38,478	(217)	1,616	(1,616)	-	25	153	36,439
David Hyman Fellowship	96,282	(571)	4,265	-	(4,265)	65	404	96,180
Frank Green Fellowship	96,282	(571)	4,265	-	(4,265)	65	404	96,180
Jacob & Shoshana Schreiber Fellowship	144,421	(858)	6,398	-	(6,398)	98	608	144,259
	<u>477,294</u>	<u>(2,833)</u>	<u>21,144</u>	<u>(6,216)</u>	<u>(14,928)</u>	<u>323</u>	<u>2,005</u>	<u>476,789</u>
Total Yarnton Trust	<u>1,540,942</u>	<u>(9,031)</u>	<u>62,711</u>	<u>(6,216)</u>	<u>(56,495)</u>	<u>(5,058)</u>	<u>(29,014)</u>	<u>1,497,839</u>
MCA Fund – summary								
	Balance 31 July 2011 £	Management Fees £	Net Incoming Resources £	Reallocations Unrestricted £	Restricted £	Net Realised Gains/Losses £	Net Unrealised Gains/Losses £	Balance 31 July 2012 £
MCA Fund, aggregate balances	<u>4,570,828</u>	<u>(19,626)</u>	<u>151,681</u>	<u>(149,181)</u>	<u>(2,500)</u>	<u>(17,041)</u>	<u>(15,958)</u>	<u>4,518,203</u>

The MCA Endowment Fund is a separate fund for the purposes of advancing education in Hebrew and Jewish Studies. The donor of the original grant of £3,000,000 specified that the capital which is to be invested on professional advice in order to obtain the maximum long-term total return (net of any tax) which is regarded from time to time as a prudent target for the Fund, may be spent provided that

- the total of income, realized and unrealized gains spent in any full financial year of the Centre does not exceed 8% of the original grant as increased by the percentage increase in the UK Retail Prices Index from 30 June 2001 to the beginning of such financial year, but so that any unspent part of such 8% may be carried forward and spent in subsequent financial years in addition to such 8% limit each such financial year and
- the market value of the capital of the Fund (after deducting any losses and liabilities, whether actual, accrued or contingent) not more than 30 days prior to the date on which the Governors resolve to spend the gains is not less than the original grant (increased as specified in the proviso (1) above) after excluding the gains resolved to be spent

Provisos (1) and (2) are also applied to the additional grants of £1,062,350, from their respective dates of receipt. There were no additional grants during the year ended 31 July 2012 (2011: £nil).

At 31 July 2012 the total grants increased by the UK Retail Prices Index for the relevant periods, amounted to £5,224,212 (2011: £5,094,217) so that the market value of £4,518,203 gave rise to a deficit of £(706,009) (2011: £(523,389)) and no capital may be spent at present.

The unspent parts of 8% per annum aggregate to £2,288,694 (2011: £2,022,438).

16 Unrestricted funds

	31 July 2011 £	Incoming Resources £	Transfers £	Outgoing Resources £	31 July 2012 £
	(936,142)	774,069	225,492	(950,052)	(886,633)

17 Designated Funds

	31 July 2011 £	Incoming Resources £	Transfers £	Outgoing Resources £	31 July 2012 £
Seminars	-	15,000	(15,000)	-	-
Yarnton Manor Estate Facilities	-	4,797	(2,769)	(2,028)	-
David Patterson Memorial Concert	-	2,656	-	(2,030)	626
Journal of Jewish Studies	73,970	64,270	(8,762)	(57,388)	72,090
	<u>73,970</u>	<u>86,723</u>	<u>(26,531)</u>	<u>(61,446)</u>	<u>72,716</u>

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
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18 Restricted Funds

	31 July 2011 £	Incoming resources including transfers £	Reallocation £	Outgoing Resources £	31 July 2012 £
Accommodation	-	36,745	(36,745)	-	-
Assoc for Philosophy of Judaism	-	6,250	-	(990)	5,260
Conferences and lectures	14,172	2,739	496	(7,527)	9,880
Conference, BAJIS	5,631	1,500	(5,905)	(1,226)	-
Conferences (Corob)	19,176	50,000	-	(34,360)	34,816
Fellowships, visiting	54,821	52,591	45,185	(148,552)	4,045
Fellowships, permanent	87,313	313,317	(632)	(349,399)	50,599
Graduate studentship	-	21,940	-	(21,940)	-
Israel lecture series	6,563	12,500	-	(16,650)	2,413
Library fund	12,952	52,824	-	(65,776)	-
Looted Art Research Unit	48,320	100,625	-	(102,830)	46,115
Master of Jewish Studies degree	98,483	147,604	(2,178)	(120,764)	123,145
Other, bank interest	-	221	(221)	-	-
L Paisner Fund	2,000	-	-	-	2,000
	349,431	798,856	-	(870,014)	278,273

Master of Jewish Studies degree – scholarships

This fund represents scholarships received for students studying for the Master of Jewish Studies. Expenses allocated to this fund are those related to the programme.

Fellowships

The money received represents donations to pay for the employment of Centre fellows.

Library Fund

This fund represents money donated directly to the Centre for the library and the money paid by The Yarnton Trust from the Leopold Muller Memorial Library Fund.

Looted Art Research Unit

The donations received for this fund are used to support the work of a Central Registry of Information on Looted Cultural Property 1933 – 1945.

19 Transfers

Transfers between unrestricted, designated, restricted or endowment funds during the year are as disclosed elsewhere in the accounts. This includes a transfer of £43,564 from the endowment fund to unrestricted funds from the sale of Hansard Global shares previously held in the Polonsky Foundation Endowment fund. Permission for this disposal was granted and the money has been used for unrestricted purposes.

20 Analysis of Group Assets

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 July 2012 are represented by					
Tangible fixed assets	751,732	-	-	1,855,000	2,606,732
Endowment property	-	-	-	1,215,000	1,215,000
Investments	-	-	-	6,387,038	6,387,038
Current assets	(234,408)	72,716	577,092	15,567	430,967
Current liabilities	(648,713)	-	(298,819)	(16,999)	964,531
Liabilities greater than one year	(115,244)	-	-	-	(115,244)
Loan between funds	(640,000)	-	-	640,000	-
	(886,633)	72,716	278,273	10,095,606	9,559,962

The deficit on unrestricted funds includes the value of restricted and designated funds spent on operating activities.

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21 Pension Commitments

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK, three are appointed by the University and College Union, of whom at least one must be a USS pensioner member, and a minimum of two and a maximum of four are co-opted directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2012 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Standard mortality tables were used as follows:

Male members' mortality	S1NA ["light"] YoB tables – no age rating
Female members' mortality	S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates. The CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65	23.7 (25.6) years
Males (females) currently aged 45	25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded, on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company, and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

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21 Pension Commitments (continued)

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the previous valuation as at 31 March 2008 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

New Entrants

Other than in specific, limited circumstances, new entrants are now provided on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

Normal pension age

The Normal pension age was increased for future service and new entrants, to age 65.

Flexible Retirement

Flexible retirement options were introduced.

Member contributions increased

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

Cost sharing

If the total contribution level exceeds 23.5% of Salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

Pension increase cap

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the year end, although the market's assessment of inflation has remained reasonably constant. The actuary has estimated that the funding level as at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.9% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2012 was 74%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below:

Assumption	Change in assumption	Impact on shortfall
Investment return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

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continued

21 Pension Commitments (continued)

The trustees believe that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a major exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee needs to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and considers the views of the employers. The positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate although the trustee is mindful of the desirability of keeping the funding level on the scheme's technical provisions close to or above 100% thereby minimizing the risk of the introduction of deficit contributions. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

At 31 March 2012, USS had over 145,000 active members and the institution had 15 active members participating in the scheme. The Centre also had 14 active members in the OSPS scheme.

The total pension cost for the institution was £88,689 (2011 £103,605). The amount payable to the USS scheme was £36,540 (2011 £48,057) and the amount payable to OSPS was £52,148 (2011 £55,547). The contribution rate payable by the institution was 16% of pensionable salaries for USS and 21.5% of pensionable salaries for the OSPS.

22 Going Concern

The Centre continues to rely on the support of Governors and President to raise sufficient unrestricted donations to fund its charitable activities. The budget for 2012/13 shows a deficit of £24,511 on unrestricted funds but every effort will be made during the year to increase income and contain expenditure so that the accumulated deficit is reduced as in 2011/12.

Fundraising targets for 2012/13 have been set and the President will be reporting regularly to Governors during the year and reviews of performance will be made so that any significant shortfall in income can be addressed without delay.