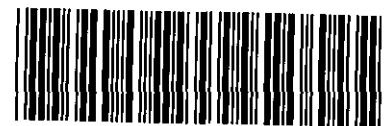


ST. CLARE'S, OXFORD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST, 2006

St. Clare's, Oxford
Company number 1986868
Registered as a Charity 294085

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ST. CLARE'S, OXFORD

FINANCIAL STATEMENTS

For the year ended 31 August, 2006

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ST. CLARE'S, OXFORD

REPORT OF THE GOVERNORS

The Governors present their report and the audited Financial Statements for the year ended 31 August, 2006.

Reference and Administrative Details of the Charity, its Trustees and Advisers

St. Clare's, Oxford (St. Clare's) is a Company limited by guarantee, registered number 1986868 and registered as a charity, number 294085. The address and registered office is 139 Banbury Road, Oxford, OX2 7AL.

Governors

The Governors of St. Clare's, who are also the Trustees of the Charity and the Directors of the Company, are members of the Company but, as there is no share capital, none have any interest in the company as defined by the Companies Act 1985. The Governors who served during the year or were appointed or resigned subsequently are:

<i>Governor</i>	<i>Appointed</i>	<i>Resigned/Retired</i>	<i>Last Reappointment</i>
Mr William Alden	5 June, 2003		22 March, 2006
Mr Jesmond Blumenfeld	25 November, 1997		17 March, 2005
Mr Roderic Bullough	4 October, 1988		9 June, 2004
Mr Richard Dick	22 March, 2001		17 March, 2005
Dr Yao-Su Hu	5 June, 2003		
Dr Kenneth Jordan - USA	21 November 2002		22 March, 2006
Miss Irina Kirillova	1 July, 1994		17 March, 2005
Ms Ann Lewis	23 November, 2000		17 March, 2005
Mrs Catherine Lewis – USA	21 November 2002		22 March, 2006
Mr John Lipscomb	11 April, 1986		9 June, 2004
Mr Nicholas Morris	18 March, 2004		9 June, 2004
Mr James Offen	21 November 2002		22 March, 2006
Mr Peter Oppenheimer - Chairman	11 April, 1986		17 March, 2005
Mr Duncan Stuart	11 December, 1991		9 June, 2004
Mr Jens Tholstrup	22 March, 2006		
Mr Laurence Whitehead	22 March, 2001		22 March, 2006

Key Personnel

The key personnel who served during the year were:

Principal	Mrs Paula Holloway, MSc, BSc, PGCE, Cert. TEFL, Cert. Applied Linguistics
Deputy Principal	Mr Keith Allen, BSc, MA, PGCE
Vice Principal	Mr Tom Walsh, BA, Higher DipEd (Dublin)
Bursar and Company Secretary	Mr Paul Mason, MA, FCA

Advisers

<u>Bankers</u>	Barclays Bank plc, Oxford Corporate Banking Centre, PO Box 858, Oxford, OX2 0XP Brown, Shipley & Co Limited, Founders Court, Lothbury, London, EC2R 7HE
<u>Solicitors</u>	Messrs Marshall & Galpin, North Bailey House, New Inn Hall Street, Oxford, OX1 2EA
<u>Auditors</u>	Grant Thornton UK LLP, Chartered Accountants, Registered Auditors, 1 Westminster Way, Oxford, OX2 0PZ
<u>Surveyors</u>	Marriotts, 29 Beaumont Street, Oxford, OX1 2NP
<u>Insurance Brokers</u>	Richard Thacker & Company Limited, Hexagon House, 21/23 Gatley Road, Cheadle, Cheshire, SK8 1NZ

Structure, Governance and Management

Structure

St. Clare's started in 1953. It was formed into a trust on 8 March, 1962 and registered as a charity on 13 December, 1985. The company limited by guarantee was incorporated on 6 February, 1986.

Governance and Management

Under the Company's Articles of Association the number of Governors shall not be less than five nor more than twenty. Governors are appointed at a full Governors' meeting and serve until the next Annual General Meeting, when they are eligible for re-election. At each Annual General Meeting one-third of the Governors currently serving, or the nearest number to one-third, retire, the Governors retiring being those who have been longest in office since their election or last re-appointment. A retiring Director is eligible for re-appointment.

New Governors are asked to join St. Clare's by general agreement of the serving Governors. St. Clare's particularly wants to appoint people with experience in education, finance, property and general management. New Governors are given briefings on the operations of St. Clare's and receive a selection of printed material to assist them in their understanding of the College's operations and its current position.

The Governors meet three times a year on a regular basis, but may meet more frequently if required. The Board of Governors has two Committees: Finance, Personnel & General Purposes, and Strategic Development. The Committees meet three or four times a year, depending on the amount of business to be discussed. The Governors who served on the Committees during the year are:

Finance, Personnel & General Purposes - Mr Roderic Bullough, Mr William Alden, Mr Jesmond Blumenfeld, Mr John Lipscomb, Mr Nicholas Morris, Mr James Offen, Mr Peter Oppenheimer, and Mr Duncan Stuart
Strategic Development - Mr Jesmond Blumenfeld, Mr Roderic Bullough, Dr Kenneth Jordan, Ms Ann Lewis, Mrs Catherine Lewis, Mr James Offen, Mr Peter Oppenheimer, and Mr Duncan Stuart

The first named person in each Committee is the Chairman of that Committee

The Board also has an Academic Forum which meets three times a year to discuss educational matters presented by members of the senior management of St. Clare's.

Decisions and powers

The Governors determine the general policy of St. Clare's and approve the College's business plan, the five-year financial plans and the annual operating budget. The day-to-day management of the College is delegated to the Principal, Deputy Principal, Vice Principal and Bursar. The Governors receive regular papers giving details of the College's performance against its targets, which are monitored at Board and Committee meetings.

The Memorandum and Articles permit moneys to be invested in such investments, securities or property as may be thought fit. Surplus cash is placed on deposit with Barclays Bank plc, Brown, Shipley & Co Ltd., CAFBank, and Allied Irish Bank (GB) as authorised by the Finance, Personnel & General Purposes Committee.

Objectives and Activities

Objectives

The objects set out in the Company's Memorandum of Association are to:

- advance international education and understanding;
- acquire, establish, maintain and carry on schools, nursery schools, kindergartens, colleges and educational institutions.

The objects were amended in December, 2005 by written resolution of the Governors, and the Charity Commission gave its consent to the changes in the same month.

Activities

The principal activity of St. Clare's is the operation of educational courses in Oxford. The main courses offered are for the International Baccalaureate Diploma, English as a Foreign Language, Liberal Arts courses at university level for visiting students, mainly from the United States, and short summer courses in English. In addition, courses are offered for teachers, and English language testing and consultancy work is undertaken.

Achievements and Performance

The Banbury Road Campus is the principal base for courses for pre-university students aged 16-19. The Bardwell Road Centre is the principal base for courses for students aged over 18. Overall bookings on all courses run during the year were as follows:

	2006 Student Wks No	2005 Student Wks No
International Baccalaureate and other pre-university courses	6,459	7,517
English as a Foreign Language	2,474	2,427
Liberal Arts	870	906
Other academic year courses	832	602
Summer courses for students under 16	608	573
Summer courses for students of 16 and over	1,782	1,652
Closed groups	571	304
IB Institute	259	264
	<u>13,855</u>	<u>14,245</u>

Students came from 84 countries (2005: 78).

St. Clare's aims to achieve annual bookings in the range of 14,500 to 15,000 student weeks, and to maintain staff costs within the range of 50% to 55% of total expenditure (2006: 54.2%; 2005: 52.4%).

27 students (2005: 32) on the International Baccalaureate received scholarships and bursaries amounting to £349,600 (2005: £425,235). Scholarships and bursaries were awarded on other courses for 24 places (2005: 26) amounting to £33,263 (2005: £27,735). 60 students (2005: 68) on the International Baccalaureate obtained places to study at universities and 4 (2005: 2) students went on to other courses in further education.

The Development Office was closed in the year. Relations with St. Clare's Alumni are being handled by the Principal's Office.

Financial Review

Financial Results

St. Clare's financial results for the year were as follows:

	2006 £000	2005 £000
Deficit for the year	<u>106</u>	<u>389</u>
Net cash inflow/(outflow) from operating activities	860	(101)
Less: Costs of servicing finance net of returns on investment	(50)	(26)
Repayment of loans	(360)	(338)
Capital expenditure	<u>(136)</u>	<u>(179)</u>
Increase/(decrease) in overall cash balances	314	(644)
Cash at the beginning of the year	<u>2,330</u>	<u>2,974</u>
Cash at the end of the year	2,644	2,330
Bank loans outstanding at the end of the year	<u>(1,567)</u>	<u>(1,927)</u>
Net funds at the end of the year	<u>1,077</u>	<u>403</u>

As a registered charity St. Clare's is generally exempt from Corporation Tax on its income and gains under S505 ICTA 1988 and S256 TCGA 1992.

Risks

The Governors have reviewed the major strategic, business and operational risks to which St. Clare's is exposed, and systems have been introduced for continual assessment of those risks. The risk register and procedures for regular monitoring have been established in order to minimise exposure to risk. Regular reports are made to the Governors.

The Governors have also reviewed the financial risks to which St. Clare's is exposed. St. Clare's uses various instruments to maintain its financial position and fund its operational needs, including fees receivable from students and a fixed rate loan for its debt. Fees due from individual students and agents are relatively small by comparison with the College's aggregate annual turnover and the financial risk associated with them is assessed to be significantly less than the impact of changes driven by the market or of upheavals caused by epidemic, war and terrorism.

Resources

Note 12 to the Financial Statements sets out the restricted and unrestricted funds and the assets attributable thereto. These assets are sufficient to meet St. Clare's obligations on a fund by fund basis.

The Company's tangible assets are held for use by St. Clare's. The reserves are chiefly invested in properties used for the purposes of teaching and providing residential accommodation for students. Other funds are held on deposit to cover seasonal variations in cash flow and a temporary fall in income. Funds of an average of two months' operating costs are held for these purposes. In addition, funds are held for redevelopment and refurbishment of the portfolio of properties.

Property

There have been no changes in St. Clare's portfolio of properties during the year. The Governors have commissioned a review of the portfolio in the light of occupancy trends in recent years, the continuing need to improve education, residential and catering facilities, and the work required to maintain the properties to a high standard of repair in compliance with all appropriate legislation.

Plans for the future

St. Clare's business of providing courses will continue in much the same way as in previous years. Work will continue, as appropriate, to revise the content of certain courses so as to keep them in line with market expectations and developments in education. St. Clare's will continue to promote the concept of Global Citizenship with its staff and students and within the wider community.

Transactions with Governors and other connected persons

One property used by St. Clare's as a student residence is owned by the Anne Dreydel Foundation. Mr Roderic Bullough and Mr Nicholas Morris, both Governors, are also Trustees of the Anne Dreydel Foundation. Further details of the arrangement are given in Note 16 of the Financial Statements.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as Auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Nicholas Morris
Chairman
7 December, 2006

ST. CLARE'S, OXFORD

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors, who are also Trustees of St. Clare's, Oxford and Directors of the charitable Company, are responsible for preparing the Governors' Report 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 charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company for that period. In preparing these Financial Statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

ST. CLARE'S, OXFORD

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ST. CLARE'S, OXFORD

We have audited the Financial Statements of St. Clare's, Oxford for the year ended 31 August, 2006 which comprise the principal accounting policies, the statement of financial activities incorporating an income and expenditure account, the balance sheet, the cash flow statement and notes 1 to 16. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governors and Auditors

The responsibilities of the Governors, who also act as Trustees of St. Clare's, Oxford and the Directors of the Company, for preparing the Governors' Report and the Financial Statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Governors' Responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Governors' Report is consistent with the Financial Statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Governors' remuneration and other transactions is not disclosed.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion:

- the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable Company's affairs as at 31 August, 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Governors' Report is consistent with the Financial Statements for the year ended 31 August, 2006.

Grant Thornton UK LLP

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
OXFORD
7 DECEMBER, 2006**

ST. CLARE'S, OXFORD

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME & EXPENDITURE ACCOUNT) For the year ended 31 August, 2006

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total 2006 £000	Total 2005 £000
INCOMING RESOURCES					
Income from Charitable Activities					
Fees receivable		8,677	-	8,677	8,550
Other income		113	-	113	115
Incoming Resources from Generated Funds					
Donations		15	8	23	23
Bank and other interest		70	-	70	121
Total incoming resources	1	8,875	8	8,883	8,809

RESOURCES EXPENDED					
Cost of generating funds	2	94	-	94	129
Direct charitable activities	2	8,727	-	8,727	8,877
Governance costs	2	48	-	48	48
Other resources expended	2 & 3	120	-	120	144
Total resources expended	2	8,989	-	8,989	9,198
Net (expenditure)/income for the year and net movement in funds	12	(114)	8	(106)	(389)
Balances brought forward at 1 September, 2005	12	9,961	1	9,962	10,351
Balances carried forward at 31 August, 2006	12	9,847	9	9,856	9,962

All activities of the Charitable Company are classed as continuing

HISTORICAL COST SURPLUSES AND DEFICITS					
Reported (deficit)/surplus for the year		(114)	8	(106)	(389)
Difference between the historical cost depreciation charge and the depreciation charge based on revalued amounts		53	-	53	53
Historical cost (deficit)/surplus retained for the year		(61)	8	(53)	(336)

The accompanying accounting policies and notes form an integral part of these Financial Statements

ST. CLARE'S, OXFORD

BALANCE SHEET As at 31 August, 2006

	Notes	2006 £000	2005 £000
FIXED ASSETS			
Intangible assets	5	446	481
Tangible assets	6	12,123	12,315
		<u>12,569</u>	<u>12,796</u>
CURRENT ASSETS AND LIABILITIES			
Stocks	7	36	29
Debtors	8	1,703	1,220
Cash at bank and in hand		2,644	2,330
Total current assets		<u>4,383</u>	<u>3,579</u>
Creditors falling due within one year	9	5,912	4,846
Net current liabilities		<u>(1,529)</u>	<u>(1,267)</u>
Total assets		11,040	11,529
Creditors falling due after more than one year	10	1,184	1,567
Net assets	12	<u>9,856</u>	<u>9,962</u>
FINANCED BY:			
Capital reserve	12	1,313	1,313
Revaluation reserve	12	5,571	5,624
General Fund	12	2,963	3,024
Unrestricted funds		<u>9,847</u>	<u>9,961</u>
Restricted funds	12	9	1
Total funds		<u>9,856</u>	<u>9,962</u>

The Financial Statements were approved by the Board of Governors on 7 December, 2006


Nicholas Morris
Chairman

The accompanying accounting policies and notes form an integral part of these Financial Statements

ST. CLARE'S, OXFORD

CASH FLOW STATEMENT

For the year ended 31 August, 2006

	Notes	2006 £000	2005 £000
CHANGES IN CASH BALANCES			
Net cash inflow/(outflow) from operating activities		860	(101)
Returns on investments and servicing of finance			
Interest received		70	122
Interest paid		(120)	(148)
Net cash outflow from returns on investments and servicing of finance		(50)	(26)
Investing activities			
Payments to acquire tangible fixed assets		(136)	(179)
Net cash inflow/(outflow) before financing		674	(306)
Financing			
Repayment of borrowings		(360)	(338)
Increase/(decrease) in cash balances		314	(644)

RECONCILIATIONS

Net incoming/(outgoing) resources to net cash flow from operations			
Net outgoing resources		(106)	(389)
Net interest		50	22
Operating surplus		(56)	(367)
Depreciation charge		363	333
Increase in stocks		(7)	(20)
Increase in debtors		(483)	(43)
Increase/(decrease) in creditors		1,043	(4)
Net cash inflow/(outflow) from operating activities		860	(101)

Net cash flow to movement in net funds

Movement in net funds during the year	674	(306)
Net funds as at 1 September, 2005	403	709
Net funds as at 31 August, 2006	1,077	403

Changes in net funds

	Balance as at 01.09.05 £000	Movement for the year £000	Balance as at 31.08.06 £000
Cash in hand and at bank	2,330	314	2,644
Bank loans	(1,927)	360	(1,567)
Total net funds	403	674	1,077

The accompanying accounting policies and notes form an integral part of these Financial Statements

ST. CLARE'S, OXFORD

STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 August, 2006

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to St. Clare's Financial Statements, and have remained unchanged from the previous year.

Basis of Preparation

The Financial Statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities (revised February 2005). They are drawn up under the historical cost convention, except that freehold properties are shown at their 1996 valuation or subsequent historic cost.

Incoming Resources

Incoming resources comprise the amounts receivable for courses delivered by the balance sheet date and other supplies made during the financial year, donations received, and bank and other interest. Donations are deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use of the funds.

Expenditure

Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. VAT is included with the item of expense to which it relates. Support costs incurred for the cost of generating funds, governance costs and other resources expended have not been allocated on the basis that they are small and would make little difference to the costs of those activities.

Depreciation

Depreciation is calculated to write down the cost or revaluation of all tangible fixed assets, other than freehold land, by equal annual instalments over their expected useful lives. The depreciation rates applicable are:

Leasehold property	Period of lease
Freehold buildings and extensions	2% to 10%
Other fixed assets	25%

Goodwill

Purchased goodwill is capitalised and amortised on a straight line basis over its estimated useful economic life of 20 years.

Stocks

Stocks are stated at the lower of cost and net realisable value. Books purchased for the library are written off in the year of purchase.

Foreign Currencies

The College translates all fees invoiced in a foreign currency at a standard rate fixed for each term during the academic year. All differences between the standard rate and the actual rate ruling when fees are received are treated as exchange gains or losses in the year and are included in the General Fund. Foreign currency debtors and cash balances are translated at the rate prevailing at the end of the year.

ST. CLARE'S, OXFORD

STATEMENT OF ACCOUNTING POLICIES For the year ended 31 August, 2006

Contributions to Pension Funds

Defined benefit scheme - Pensions for academic staff are provided by means of the Teachers' Pension Fund, a multi-employer defined benefit scheme. It is being accounted for as defined contribution scheme because St. Clare's is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

Defined contribution scheme - Pensions for other staff currently in employment are provided by means of a defined contribution scheme.

Both schemes are externally managed and the staff and the company make contributions to both of them. The annual cost of these contributions is charged to the General Fund.

Pensions paid to former employees out of the Company's own funds are charged to the General Fund. The number of former employees who are paid pensions is fixed and will not increase.

Education Scholarships

The value of scholarships awarded by St. Clare's to its students is included in both fees receivable and direct charitable expenditure.

Leased assets

All leases are treated as operating leases and the payments made under them are charged to the General Fund on a straight-line basis over the term of the lease.

ST. CLARE'S, OXFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August, 2006

1 INCOMING RESOURCES

Both incoming resources and net incoming resources for the year are attributable to one activity: the provision of educational courses, services and related student accommodation.

	2006 £000	2005 £000
The net incoming resources are stated after:		
Auditors' fees	12	11
Depreciation and amortisation:		
Intangible fixed assets	35	35
Tangible fixed assets, owned	328	297
Hire of plant and machinery under operating leases	43	54
Other operating lease rentals	172	171

2 RESOURCES EXPENDED

	Staff Costs £000	Other £000	Depreciation & amortisation £000	Total 2006 £000	Total 2005 £000
Cost of generating funds					
Staff costs	75	-	-	75	84
Printing, advertising, and mailing	-	19	-	19	45
	75	19	-	94	129
Direct charitable activities					
Teaching costs	2,712	301	33	3,046	2,961
Catering and other domestic costs	1,028	590	11	1,629	1,750
Premises	180	1,317	232	1,729	1,890
Support costs	878	975	87	1,940	1,764
Scholarships	-	383	-	383	455
Masterplan costs	-	-	-	-	57
	4,798	3,566	363	8,727	8,877
Governance costs					
Governors' expenses	-	1	-	1	2
Auditors' fees	-	12	-	12	11
Pension costs to former employees	-	35	-	35	35
	-	48	-	48	48
Other resources expended					
Interest	-	120	-	120	144
Total resources expended	4,873	3,753	363	8,989	9,198
Totals: 2005	4,816	4,049	333	9,198	

Support costs incurred for the cost of generating funds, governance costs and other resources expended have not been allocated on the basis that they are small and would make little difference to the costs of those activities.

ST. CLARE'S, OXFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August, 2006

3 INTEREST PAYABLE

	2006 £000	2005 £000
On loans repayable wholly or partly in more than five years	109	131
Other interest payable and similar charges	11	13
	<u>120</u>	<u>144</u>

4 GOVERNORS AND EMPLOYEES

	2006 £000	2005 £000
Staff costs during the year were as follows:		
Wages and salaries	4,085	4,089
Social Security costs	343	327
Other pension costs	335	328
	<u>4,763</u>	<u>4,744</u>
Other staff costs	110	72
	<u>4,873</u>	<u>4,816</u>

Governors' expenses for travel and accommodation	1	2
--	---	---

Governors are not remunerated for their services

The average number of employees during the year was:

No	No
214	215

The number of employees whose emoluments exceeded £40,000 was:

£40,001 - £50,000	9	6
£50,001 - £60,000	4	3
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

5 PURCHASED GOODWILL

	Date of acquisition	Period of amortisation	Goodwill at original cost £000
Goodwill relates to the following acquisition:			
Trade and certain assets of the Oxford Academy from Gladysic Limited	27.03.99	20 years	646
Legal and accounting fees and Land Registry fees	27.03.99	20 years	62
Cost at 31 August, 2006			<u>708</u>
Cost at 31 August, 2005			<u>708</u>
Amortisation			
		£000	£000
At 1 September		227	192
Provided in the year		35	35
At 31 August		<u>262</u>	<u>227</u>
Net book amount at 31 August		<u>446</u>	<u>481</u>

ST. CLARE'S, OXFORD**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August, 2006

6 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £000	Leasehold Property £000	Fixtures & Fittings £000	Motor Vehicles £000	Total Tangible Assets £000
Cost or Valuation					
At 1 September, 2005	13,443	278	1,125	20	14,866
Additions	-	-	136	-	136
Disposals	-	-	-	-	-
At 31 August, 2006	13,443	278	1,261	20	15,002
Depreciation					
At 1 September, 2005	1,483	129	938	1	2,551
Provided in the year	205	22	96	5	328
Disposals	-	-	-	-	-
At 31 August, 2006	1,688	151	1,034	6	2,879
Net book amount at 31 August, 2006	11,755	127	227	14	12,123
Net book amount at 31 August, 2005	11,960	149	187	19	12,315

Fixtures & Fittings include assets costing £888,168 which have been fully depreciated.

In 1996 FPD Savills, Chartered Surveyors, valued freehold land & buildings held at that date on the basis of existing use assuming vacant possession. Had the valuation not been made freehold land & buildings would have been included on the historical cost basis at the following amounts:

	2006 £000	2005 £000
Cost	7,758	7,758
Accumulated depreciation	1,574	1,422
Net book amount at 31 August	6,184	6,336

7 STOCKS

	2006 £000	2005 £000
General consumables	36	29

8 DEBTORS

	2006 £000	2005 £000
Trade debtors	1,485	955
Prepayments and accrued income	218	265
	1,703	1,220

ST. CLARE'S, OXFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August, 2006

9 CREDITORS FALLING DUE WITHIN ONE YEAR

	2006 £000	2005 £000
Bank loans	383	360
Trade creditors	215	192
Social Security and other taxes	127	129
Other creditors	836	538
Accruals	262	542
Fees and deposits received in advance	4,089	3,085
	<u>5,912</u>	<u>4,846</u>

10 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £000	2005 £000
Bank loan	<u>1,184</u>	<u>1,567</u>

The Company's loan was re-financed with Barclays Bank plc on 30 June, 2004 when three existing loans were consolidated. The new loan was for £2,265,000 repayable in equal quarterly instalments of £118,104 from 25 September, 2004 to 25 September, 2010 at a fixed interest rate of 6.2825%. The loan is secured by charges over 131, 139, 141, 143 and 382 Banbury Road, 3 Bardwell Road and Hampden Manor. The loan amounts to 29% of the assets charged.

	2006 £000	2005 £000
Bank borrowings are repayable as follows:		
Within one year	383	360
After one and within two years	407	383
After two and within five years	777	1,184
After five years	-	-
	<u>1,567</u>	<u>1,927</u>

The total value of bank loans repayable by instalments, any part of which falls due within five years, is:

<u>1,567</u>	<u>1,927</u>
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ST. CLARE'S, OXFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August, 2006

11 PENSION COSTS

The Company operates both defined benefit and defined contribution pension schemes for academic and administrative staff respectively. During the year pension costs of £218,618 (2005: £217,648) and £116,149 (2005: £110,249) were incurred relating to the schemes respectively. The assets of these schemes are administered by Trustees in funds independent from the assets of the Company.

The Company pays contributions to defined benefit schemes where more than one employer participates, and is therefore unable to identify its share of the underlying assets and liabilities of those schemes. Taking advantage of the provision in FRS 17, which allows the Company to account for this scheme as a defined contribution scheme, the pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period.

Pension payments of £34,820 (2005: £34,739) were paid to former employees whose pension costs are borne by the company and charged to the General Fund. Of these pensions, one is increased by three percent per annum and the others are increased at the discretion of the Governors. One of the discretionary pensions is for £24,000 to Miss Anne Dreydel, who is a Trustee of the Anne Dreydel Foundation (see note 16).

12 FUNDS

	Balance as at 01.09.05 £000	Incoming Resources £000	Resources Expended £000	Transfers between funds £000	Balance as at 31.08.06 £000
Unrestricted funds					
Capital Reserve	1,313	-	-	-	1,313
Revaluation Reserve	5,624	-	-	(53)	5,571
General Fund	3,024	8,875	(8,989)	53	2,963
Total unrestricted funds	9,961	8,875	(8,989)	-	9,847
Restricted funds					
H Jordan IT Fund	1	-	-	-	1
Scholarship Fund	-	4	-	-	4
Building Fund	-	4	-	-	4
Total funds: 2006	9,962	8,883	(8,989)	-	9,856
Total funds: 2005	10,351	8,809	(9,198)	-	9,962

The transfer from the revaluation reserve to the General Fund represents the difference between depreciation calculated on historical cost and at valuation.

Analysis of net assets between funds

	Fixed Assets £000	Current Assets £000	Current Liabilities £000	Creditors over 1 year £000	Net Assets	
					2006 £000	2005 £000
Unrestricted funds	12,569	4,374	(5,912)	(1,184)	9,847	9,961
Restricted funds	-	9	-	-	9	1
Total funds: 2006	12,569	4,383	(5,912)	(1,184)	9,856	9,962
Total funds: 2005	12,796	3,579	(4,846)	(1,567)	9,962	

ST. CLARE'S, OXFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August, 2006

12 FUNDS – cont'd

The College's funds are:

- The Capital Reserve - the balance of the accumulated surplus on the Income & Expenditure Account of St. Clare's, Oxford as at 31 August, 1986 when the College's operations as a charitable trust were taken over by the Company. The balance on the Capital Reserve has not altered since that date.
- The Revaluation Reserve - the balance of the unamortised surplus on the revaluation of the Company's freehold properties.
- The General Fund - the accumulated surplus on the Company's operations since it took over the business of St. Clare's on 1 September, 1986.
- The H Jordan IT Fund - funds donated for use over the four years from 1 September, 2004 to purchase computer equipment for students at St. Clare's.
- The Scholarship Fund – funds donated for providing scholarships to students.
- The Building Fund – funds donated to support development work on St. Clare's building programme.

13 CAPITAL COMMITMENTS

St. Clare's entered into a contract to purchase 7 projectors and 12 laptops for delivery and installation in the College in the first two weeks of September, 2006 at a cost of £15,360 (2005: 12 LCD data projectors £16,298).

14 LEASING COMMITMENTS

	2006 Land & Buildings £000	2006 Other £000	2005 Land & Buildings £000	2005 Other £000
In one year or less	-	-	-	24
Between one and five years	43	11	43	11
In five years or more	130	-	130	-
	<u>173</u>	<u>11</u>	<u>173</u>	<u>35</u>

15 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 August, 2006 (2005: None).

16 RELATED PARTY TRANSACTIONS

One residential boarding property occupied by St. Clare's, Oxford is the freehold property of the Anne Dreydel Foundation, a registered charity. Two Governors, Mr Roderic Bullough and Mr Nicholas Morris, are Trustees of the Anne Dreydel Foundation. In lieu of rent for the property up to two full scholarships for tuition fees, the "Anne Dreydel Scholarships", are awarded to students on the International Baccalaureate each academic year. The combined cost during the current year of the four scholarships held is £59,360 (2005: £56,000).

ST. CLARE'S, OXFORD

THE LAST TEN YEARS

	Year ended 31 August - £000s									
	1997 £000	1998 £000	1999 £000	2000 £000	2001 £000	2002 £000	2003 £000	2004 £000	2005 £000	2006 £000
Incoming Resources										
Fees receivable	5,413	5,545	6,836	7,021	7,127	7,911	7,586	8,642	8,550	8,677
Other income	132	93	91	89	98	415	64	75	115	113
Donations	-	-	-	-	-	-	2	5	23	23
Bank & other interest	78	99	137	128	101	248	66	98	121	70
Total incoming resources	5,623	5,737	7,064	7,239	7,326	8,574	7,718	8,820	8,809	8,883
Resources Expended										
Cost of Generating Funds	-	-	-	-	-	64	120	142	129	94
Direct Charitable Expenditure										
Teaching costs	1,922	2,034	2,372	2,556	2,509	2,795	2,802	2,988	2,961	3,046
Catering and domestic costs	1,223	1,285	1,492	1,648	1,534	1,612	1,643	1,703	1,750	1,629
Premises	778	688	811	1,064	1,078	1,170	1,133	1,279	1,890	1,729
Support costs	1,078	1,118	1,357	1,469	1,446	1,486	1,477	1,590	1,764	1,940
Scholarships	135	195	257	323	362	473	419	434	455	383
Masterplan costs	-	-	-	-	-	-	-	155	57	-
Other Expenditure										
Managing the Charity	29	30	33	32	56	56	49	46	48	48
Interest	169	176	235	321	329	300	271	264	144	120
Total resources expended	5,334	5,526	6,557	7,413	7,314	7,956	7,913	8,601	9,198	8,989
Net Incoming Resources	290	211	507	(174)	12	618	(195)	219	(389)	(106)
Unrealised revaluation surplus	1,204	-	-	-	-	-	-	-	-	-
Net movement in funds	1,494	211	507	(174)	12	618	(195)	219	(389)	(106)
Opening fund balances	7,659	9,153	9,364	9,871	9,697	9,709	10,327	10,132	10,351	9,962
Closing fund balances	9,153	9,364	9,871	9,697	9,709	10,327	10,132	10,351	9,962	9,856
Historical cost surplus/(deficit)	343	264	560	(121)	66	671	(142)	272	(336)	(53)
Fixed assets	10,745	10,686	12,580	12,479	13,609	13,538	13,233	12,950	12,796	12,569
Current assets	1,846	2,272	3,372	2,900	2,363	4,758	4,956	4,161	3,579	4,383
Current liabilities	1,677	1,940	2,632	2,500	2,523	4,586	5,069	4,832	4,846	5,912
Net current assets/(liabilities)	169	332	740	400	(160)	172	(113)	(671)	(1,267)	(1,529)
Creditors due in over 1 year	(1,686)	(1,601)	(3,421)	(3,179)	(3,738)	(3,383)	(2,988)	(1,927)	(1,567)	(1,184)
Provisions	(75)	(53)	(28)	(3)	(2)	-	-	-	-	-
Net assets	9,153	9,364	9,871	9,697	9,709	10,327	10,132	10,352	9,962	9,856
Share premium account	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313	1,313
Revaluation reserve	6,049	5,996	5,943	5,890	5,836	5,783	5,730	5,677	5,624	5,571
General fund	1,791	2,055	2,615	2,494	2,560	3,231	3,089	3,360	3,024	2,963
Restricted fund	-	-	-	-	-	-	-	2	1	9
Total funds	9,153	9,364	9,871	9,697	9,709	10,327	10,132	10,352	9,962	9,856

This page does not form part of the statutory Financial Statements which are the subject of the Independent Auditors' Report.