

# **ST. CLARE'S, OXFORD**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST, 2009**

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

# **ST. CLARE'S, OXFORD**

## **FINANCIAL STATEMENTS** **For the year ended 31 August, 2009**

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## ST. CLARE'S, OXFORD

### REPORT OF THE GOVERNORS

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The Governors present their report and the audited Financial Statements for the year ended 31 August, 2009.

#### 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 2006. 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 Jesmond Blumenfeld	25 November, 1997		13 December, 2007
Mr David Christie	7 December, 2006		
Mr John Church	14 June, 2007		
Mr Richard Dick	22 March, 2001		17 March, 2005
Dr Yao-Su Hu	5 June, 2003		12 March, 2009
Miss Irina Kirillova	1 July, 1994		13 December, 2007
Ms Ann Lewis	23 November, 2000		13 December, 2007
Mr Dermot McMeekin	13 December, 2007		
Mr Nicholas Morris - Chairman	18 March, 2004		12 March, 2009
Mr James Offen	21 November 2002		12 March, 2009
Mr Peter Oppenheimer	11 April, 1986		13 December, 2007
Mr Jens Tholstrup	22 March, 2006		
Mr Laurence Whitehead	22 March, 2001		12 March, 2009

#### Key Personnel

The key personnel who served during the year were:

Principal	Mrs Paula Holloway, MSc, BSc, PGCE, Cert. TEFL, Cert. Applied Linguistics
Vice Principal	Mr Tom Walsh, BA, Higher DipEd (Dublin)
Bursar and Company Secretary	Mr Nick Paladina, FCA – appointed 20 April 2009
	Mr Paul Mason, FCA – retired 15 May, 2009

#### Advisers

<u>Bankers</u>	Barclays Bank plc, Oxford Corporate Banking Centre, PO Box 858, Oxford, OX2 0XP CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ Allied Irish Bank (GB), 51 Belmont Road, Uxbridge, Middlesex, UB8 1RZ Bank of Scotland, 600 Gorgie Road, Edinburgh, EH11 3XP Abbey, Abbey National House, 301 St Vincent Street, Glasgow, G2 5NT
<u>Solicitors</u>	Oxford Legal Services, 88 Lime Walk, Headington, Oxford, OX3 7AF Withy King (formerly Marshall & Galpin), North Bailey House, New Inn Hall Street, Oxford, OX1 2EA Darbys LLP, 52 New Inn Hall Street, Oxford, OX1 2DN
<u>Auditor</u>	Grant Thornton UK LLP, Chartered Accountants, Registered Auditor, 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 was founded 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.

### ***Subsidiary company***

St. Clare's Services Limited was incorporated on 30 April, 2008. The subsidiary was formed to manage the property developments of St. Clare's, and will gift aid any profit it makes to St. Clare's, see note 4 to the Financial Statements. St. Clare's owns 100% of the subsidiary's share capital, and these Financial Statements present the consolidated results of both entities.

### ***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 Governor 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 Nicholas Morris, Mr Jesmond Blumenfeld, Mr Dermot McMeekin, , Mr James Offen, Mr Peter Oppenheimer, and Mr John Church.

*Strategic Development* - Mr Jesmond Blumenfeld, Ms Ann Lewis, Mr Dermot McMeekin, Mr Nicholas Morris, Mr James Offen and Mr Peter Oppenheimer.

*The first named person in each Committee is or was 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 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 of Association 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, Abbey, CAF Bank, Halifax Bank of Scotland, 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.

### 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 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:

	2009 Student Wks No	2008 Student Wks No
International Baccalaureate and other pre-university courses	8,984	9,231
English as a Foreign Language	2,212	2,138
Liberal Arts	810	1,053
Other academic year courses	1,229	549
Summer courses for students under 16	543	576
Summer courses for students of 16 to 18	1,970	2,101
IB Institute	361	266
	<u>16,109</u>	<u>15,914</u>

Students on all courses came from 78 countries (2008: 74).

St. Clare's aims to achieve annual bookings of at least 15,000 student weeks, and to maintain staff costs within the range of 50% to 55% of total expenditure (2009: 52.99%; 2008: 53.49%).

### Public Benefit

24 students (2008: 25) on the International Baccalaureate received scholarships and bursaries amounting to £386,762 (2008: £354,257). Scholarships and bursaries were awarded on other courses for 12 places (2008: 19) amounting to £28,628 (2008: £13,376). 80 students (2008: 90) graduating this year obtained places to study at universities and 2 (2008: 3) students went on to other courses in further education.

All awards of scholarships and bursaries are means tested. For the International Baccalaureate St. Clare's invites applications for awards, and candidates attend a day at the College during which they are tested for academic ability, all round suitability for the demands of the two year programme, and life in a College with students from a variety of national backgrounds. Parents or other representatives of the candidates are interviewed on their financial position. Awards are made on the basis of students' performances during the scholarship day, school reports and an assessment of the maximum amount which parents can afford to pay towards the fees.

Each year St. Clare's hosts a student conference for IBSCA (International Baccalaureate Schools and Colleges Association). This year's conference was entitled 'The Palestinian / Israeli Question', and 43 students from a range of schools attended. IBSCA's membership is mainly state schools and St. Clare's subsidises their participation in the conference.

All students on the International Baccalaureate are required to participate in the CAS Programme (Creativity, Activity & Service) and to complete a minimum of fifty hours of Service in the two year course. The programme is carried out under guidelines provided by the International Baccalaureate Organization (IBO).

Students are able to choose Service activities within or outside St. Clare's – recycling, the Student Council, teaching languages to other students, voluntary work in a charity shop, exercise for children, visiting the elderly, conservation, working in a primary school library and crèche or teaching assistants for the North Oxford Association.

St. Clare's provides accommodation for two language schools operating classes on Saturday mornings.

The governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

## Financial Review

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

	2009 £000	2008 £000
Surplus for the year	980	2,295
Net cash inflow from operating activities	1,277	2,500
Less: Costs of servicing finance net of returns on investment	(9)	78
Repayment of loans	(433)	(407)
Capital expenditure net of proceeds on disposals	(713)	(3,566)
Increase/(decrease) in overall cash balances	122	(1,395)
Cash at the beginning of the year	2,835	4,230
Cash at the end of the year	2,957	2,835
Bank loans outstanding at the end of the year	(344)	(777)
Net funds at the end of the year	2,613	2,058

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.

The charity's wholly owned trading subsidiary, St Clare's Services Limited, was set up as an efficient way to manage and control construction services on the charity's properties. Total profits generated of £11,473 (2008 £1,426) were gift aided to the Company.

## 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. During the year the Governors introduced a Business Continuity Plan in the event of a major disaster affecting St. Clare's students, staff or buildings.

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 or 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 to the College's portfolio of properties during the year.

During the year St. Clare's has continued to implement its property plan agreed in 2007. Planning consent for 121 and 127 Banbury Road was given by Oxford City Council. Designs for 121 Banbury Road were developed to RIBA stage F. Remedial work to the residential flat at 127 Banbury Road was undertaken in July 2009. The refurbishment of the main part of the building began in September 2009 and is expected to be completed by the summer of 2010.

## **Plans for the future**

St. Clare's business of providing courses will continue in much the same way as in previous years. The College will seek out new markets in order to keep the flow of student enrolments for Pre-University courses as high as possible. 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.

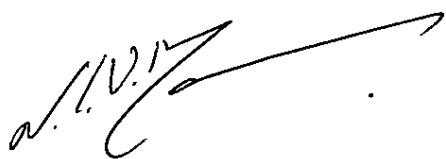
## **Transactions with Governors and other connected persons**

There were no transactions with Governors or other connected persons during the year.

## **Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



Nicholas Morris  
Chairman  
10 December 2009

## **ST. CLARE'S, OXFORD**

### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

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The Governors (who are also directors of St. Clare's, Oxford 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 regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law, the Governors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Governors are responsible for keeping adequate 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 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Governors is aware:

- there is no relevant audit information of which the charitable 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**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. CLARE'S, OXFORD**

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We have audited the group and parent charitable company financial statements (the 'financial statements') of St. Clare's, Oxford for the year ended 31 August 2009 which comprise the principal accounting policies, the group statement of financial activities, the group and charitable company balance sheets, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its 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 Governors' (who are also the directors of St. Clare's, Oxford for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view 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 (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether the information given in the Report of the Governors is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Governors' remuneration specified by law are not made.

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

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK 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 group's and charitable 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.

**ST. CLARE'S, OXFORD**

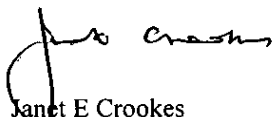
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. CLARE'S, OXFORD**

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**Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2009 and of the group's 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 United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Governors is consistent with the financial statements for the year ended 31 August 2009.



Janet E Crookes  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
OXFORD  
Date: 23 December 2009

ST. CLARE'S, OXFORD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 August, 2009

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total 2009 £000	Total 2008 £000
<b>INCOMING RESOURCES</b>					
Income from Charitable Activities					
Fees receivable		11,167	-	11,167	10,719
Other income		198	-	198	165
Incoming Resources from Generating Funds					
Donations		5	4	9	907
Bank and other interest		42	-	42	153
Total incoming resources		<u>11,412</u>	<u>4</u>	<u>11,416</u>	<u>11,944</u>

<b>RESOURCES EXPENDED</b>					
Cost of generating funds	1	-	-	-	-
Direct charitable activities	1	10,407	-	10,407	9,949
Governance costs	1	27	-	27	27
Other resources expended	1 & 2	51	-	51	75
Total resources expended	1	<u>10,485</u>	<u>-</u>	<u>10,485</u>	<u>10,051</u>
Profit on disposal of fixed assets		<u>49</u>	<u>-</u>	<u>49</u>	<u>402</u>
Net income for the year and net movement in funds	12	976	4	980	2,295
Balances brought forward at 1 September, 2008	12	12,991	11	13,002	10,707
Balances carried forward at 31 August, 2009	12	<u>13,967</u>	<u>15</u>	<u>13,982</u>	<u>13,002</u>

*All incoming resources and resources expended derive from continuing activities*

<b>HISTORICAL COST SURPLUSES AND DEFICITS</b>					
Reported surplus for the year		976	4	980	2,295
Difference between the historical cost depreciation charge and the depreciation charge based on revalued amounts		53	-	53	53
Historical cost surplus retained for the year		<u>1,029</u>	<u>4</u>	<u>1033</u>	<u>2,348</u>


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

ST. CLARE'S, OXFORD

BALANCE SHEETS  
As at 31 August, 2009

	Notes	Consolidated		Company	
		2009	2008	2009	2008
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Investments	4	-	-	-	-
Intangible assets	5	234	305	234	305
Tangible assets	6	15,921	15,561	15,939	15,565
		<u>16,155</u>	<u>15,866</u>	<u>16,173</u>	<u>15,870</u>
<b>CURRENT ASSETS AND LIABILITIES</b>					
Stocks	7	45	38	45	38
Debtors	8	1,196	1,025	1,165	998
Cash at bank and in hand		2,957	2,835	2,953	2,831
Total current assets		<u>4,198</u>	<u>3,898</u>	<u>4,163</u>	<u>3,867</u>
Creditors falling due within one year	9	6,371	6,419	6,336	6,390
Net current liabilities		<u>(2,173)</u>	<u>(2,521)</u>	<u>(2,173)</u>	<u>(2,523)</u>
Total assets less current liabilities		13,982	13,345	14,000	13,347
Creditors falling due after more than one year	10	-	343	-	343
Net assets		<u>13,982</u>	<u>13,002</u>	<u>14,000</u>	<u>13,004</u>
<b>FINANCED BY:</b>					
Capital reserve	12 & 13	1,313	1,313	1,313	1,313
Revaluation reserve	12 & 13	5,412	5,465	5,412	5,465
General Fund	12 & 13	7,242	6,213	7,260	6,215
Unrestricted funds		<u>13,967</u>	<u>12,991</u>	<u>13,985</u>	<u>12,993</u>
Restricted funds	12 & 13	15	11	15	11
Total funds		<u>13,982</u>	<u>13,002</u>	<u>14,000</u>	<u>13,004</u>

The Financial Statements were approved by the Board of Governors on 10 December 2009

  
Nicholas Morris  
Chairman

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

# ST. CLARE'S, OXFORD

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 August, 2009

	2009 £000	2008 £000	
<b>CHANGES IN CASH BALANCES</b>			
Net cash inflow from operating activities	1,277	2,500	
<b>Returns on investments and servicing of finance</b>			
Interest received	42	153	
Interest paid	(51)	(75)	
Net cash (outflow)/ inflow from returns on investments and servicing of finance	(9)	78	
<b>Investing activities</b>			
Payments to acquire tangible fixed assets	(762)	(4,351)	
Proceeds on disposal of tangible fixed assets	49	785	
<b>Net cash (outflow)/inflow before financing</b>	555	(988)	
<b>Financing</b>			
Repayment of borrowings	(433)	(407)	
Increase/(decrease) in cash balances	122	(1,395)	
<b>RECONCILIATIONS</b>			
<b>Net incoming resources to net cash flow from operations</b>			
Net incoming/(outgoing) resources	980	2,295	
Net interest	9	(78)	
Profit on disposal of fixed assets	(49)	(402)	
Operating surplus	940	1,815	
Depreciation and amortisation charge	473	468	
(Increase)/decrease in stocks	(7)	(7)	
(Increase)/decrease in debtors	(171)	(41)	
Increase in creditors	42	265	
Net cash inflow from operating activities	1,277	2,500	
<b>Net cash flow to movement in net funds</b>			
Movement in net funds during the year	555	(988)	
Net funds as at 1 September, 2008	2,058	3,046	
Net funds as at 31 August, 2009	2,613	2,058	
<b>Changes in net funds</b>			
	Balance as at 01.09.08 £000	Movement for the year £000	Balance as at 31.08.09 £000
Cash in hand and at bank	2,835	122	2,957
Bank loans	(777)	433	(344)
Total net funds	2,058	555	2,613

*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, 2009

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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 (SORP), 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.

#### **Basis of consolidation**

The Financial Statements consolidate the results of the St. Clare's and its wholly owned subsidiary St Clare's Services Limited on a line by line basis.

#### **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. Irrecoverable 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.

#### **Investments**

Investments in subsidiaries are included in the company's accounts at cost.

#### **Fixed Assets**

Tangible fixed assets are capitalised at cost where their acquisition value is greater than £500, and are stated at cost net of depreciation.

Freehold land and buildings held in 1996 were valued by FPD Savills, Chartered Surveyors. Those properties are included at the value derived at that date. Additions to freehold land and buildings since that date are included at their original cost.

#### **Assets under construction;**

Design fees, refurbishment and other professional and construction expenditure incurred on properties owned by the College are classed as 'Assets under construction' until refurbishment work has been completed. On completion of work the value of those costs is transferred to 'Freehold Land and Buildings'. No depreciation is charged on additions to 'Assets under construction'.

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%
Other fixed assets	25%
Fixtures & fittings	25%

## **ST. CLARE'S, OXFORD**

### **STATEMENT OF ACCOUNTING POLICIES**

For the year ended 31 August, 2009

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#### **Goodwill**

Purchased goodwill is capitalised and amortised on a straight line basis over its estimated useful economic life. Goodwill has been assessed and the rate of amortisation has been increased from 5% per annum to 10% per annum with effect from 1 September, 2007. Goodwill will be fully amortised within seven years by 2013, and will be reviewed on an annual basis.

#### **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.

#### **Liabilities**

Liabilities are recognised when there is a legal and constructive obligation committing the company to the expenditure.

#### **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.

#### **Contributions to Pension Funds**

*Defined benefit scheme* – The College participates in the Teachers' Pension Scheme (England and Wales) for its academic staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the College. Therefore it is being accounted for as a defined contribution scheme.

*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.

#### **Funds**

Funds are described in Note 12 to the Financial Statements.

# ST. CLARE'S, OXFORD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August, 2009

### 1 GROUP RESOURCES EXPENDED

	Staff Costs £000	Other £000	Depreciation & amortisation £000	Total 2009 £000	Total 2008 £000
Cost of generating funds					
Staff costs	-	-	-	-	-
Printing, advertising, and mailing	-	-	-	-	-
	-	-	-	-	-
Direct charitable activities					
Teaching costs	3,133	315	12	3,460	3,303
Catering and other domestic costs	1,267	680	24	1,971	1,916
Premises	241	1,841	247	2,329	2,213
Support costs	915	1,128	189	2,232	2,149
Scholarships	-	415	-	415	368
	5,556	4,379	472	10,407	9,949
Governance costs					
Governors' expenses	-	2	-	2	1
Auditors' fees	-	14	-	14	15
Pension costs to former employees	-	11	-	11	11
	-	27	-	27	27
Other resources expended					
Interest	-	51	-	51	75
Total resources expended 2009	5,556	4,457	472	10,485	10,051
Totals: 2008	5,374	4,210	467	10,051	

*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.*

Total resources expended include:

	2009 £000	2008 £000
The net incoming resources are stated after:		
Auditors' remuneration:		
Audit services	13	14
Non audit services	1	1
Depreciation and amortisation:		
Intangible fixed assets	71	71
Tangible fixed assets, owned	401	396
Hire of plant and machinery under operating leases	82	51
Other operating lease rentals	230	266



## ST. CLARE'S, OXFORD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August, 2009

#### 2 GROUP INTEREST PAYABLE

	2009 £000	2008 £000
On loans repayable wholly or partly in more than five years	34	61
Other interest payable and similar charges	17	14
	<u>51</u>	<u>75</u>

#### 3 GROUP GOVERNORS AND EMPLOYEES

	2009 £000	2008 £000
Staff costs during the year were as follows:		
Wages and salaries	4,650	4,489
Social Security costs	392	371
Other pension costs	397	378
	<u>5,439</u>	<u>5,238</u>
Other staff costs	117	137
	<u>5,556</u>	<u>5,375</u>

Governors' expenses for travel and accommodation	2	1
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Governors are not remunerated for their services

	No	No
The average number of employees during the year was:	226	222

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

£40,001 - £50,000	16	15
£50,001 - £60,000	2	3
£60,001 - £70,000	3	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,000 - £110,000	1	-

#### 4 INVESTMENTS

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Investments in subsidiary undertakings	-	-	-	-

St Clare's Services Limited (incorporated in the United Kingdom) was set up to manage and control construction services on the College's property developments. The £1 ordinary share capital is held by St. Clare's, Oxford, and its results are included in the consolidated Financial Statements.

Any profits St Clare's Services Limited generates will be gifted to St. Clare's, Oxford. Profits gifted this year were £11,473 (2008: £1,426).

## ST. CLARE'S, OXFORD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August, 2009

#### 5 PURCHASED GOODWILL

Group and Company	Date of acquisition	Goodwill at original cost
		£000
Goodwill relates to the following acquisition:		
Trade and certain assets of the Oxford Academy from Gladysric Limited	27.03.99	646
Legal and accounting fees and Land Registry fees	27.03.99	62
Cost at 31 August, 2009		708
Cost at 31 August, 2008		708
<b>Amortisation</b>		
	2009	2008
	£000	£000
At 1 September, 2008	403	332
Provided in the year	71	71
At 31 August, 2009	474	403
Net book amount at 31 August, 2009	234	305

The rate of amortisation was increased from 5% per annum to 10% per annum with effect from 1 September, 2007. Goodwill will be fully amortised in 2013.

#### 6 TANGIBLE FIXED ASSETS

Group	Freehold Land & Buildings £000	Leasehold Property £000	Fixtures & Fittings £000	Motor Vehicles £000	Assets Under Construction £000	Total Tangible Assets £000
Cost or Valuation						
At 1 September, 2008	17,130	278	1,668	24	-	19,100
Reclassification	(202)	-	-	-	202	-
Additions	-	-	114	-	648	762
Transfer	321	-	-	-	(321)	-
At 31 August, 2009	17,249	278	1,782	24	529	19,862
Depreciation						
At 1 September, 2008	2,036	195	1,291	17	-	3,539
Provided in the year	231	22	143	6	-	402
Disposals	-	-	-	-	-	-
At 31 August, 2009	2,267	217	1,434	23	-	3,941
Net book amount						
At 31 August, 2009	14,982	61	348	1	529	15,921
At 31 August, 2008	15,094	83	377	7	-	15,561

The classification of freehold property was reviewed during the year, and Assets under Construction have been separated and reclassified from within freehold land and property accordingly, which total £529,477 at 31 August 2009 and £202,149 brought forward as at 31 August, 2008.

# ST. CLARE'S, OXFORD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August, 2009

### 6 TANGIBLE FIXED ASSETS CONTINUED

Fixtures & Fittings include assets costing £966,109 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:

	2009 £000	2008 £000
Cost	12,093	11,445
Accumulated depreciation	(2,052)	(1,874)
Net book amount at 31 August, 2009	10,041	9,571

Company	Freehold Land & Buildings £000	Leasehold Property £000	Fixtures & Fittings £000	Motor Vehicles £000	Assets Under Construction £000	Total Tangible Assets £000
Cost or Valuation						
At 1 September, 2008	17,134	278	1,668	24	-	19,104
Reclassification	(206)	-	-	-	206	-
Additions	-	-	114	-	662	776
Transfers	328	-	-	-	(328)	-
At 31 August, 2009	17,256	278	1,782	24	540	19,880
Depreciation						
At 1 September, 2008	2,036	195	1,291	17	-	3,539
Provided in the year	231	22	143	6	-	402
Disposals	-	-	-	-	-	-
At 31 August, 2009	2,267	217	1,434	23	-	3,941
Net book amount						
At 31 August, 2009	14,989	61	348	1	540	15,939
At 31 August, 2008	15,098	83	377	7	-	15,565

The classification of freehold property was reviewed during the year and Assets under Construction have been separated and reclassified from within freehold land and property accordingly, which total £540,886 at 31 August 2009 and £206,274 brought forward as at 31 August, 2008.

Fixtures & Fittings include assets costing £1,171,408 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:

	2009 £000	2008 £000
Cost	12,111	11,449
Accumulated depreciation	(2,052)	(1,874)
Net book amount at 31 August, 2009	10,059	9,575

# ST. CLARE'S, OXFORD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August, 2009

### 7 STOCKS

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
General consumables	45	38	45	38

### 8 DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Trade debtors	971	868	971	868
Prepayments and accrued income	225	157	189	130
Inter-group account	-	-	5	-
	1,196	1,025	1,165	998

### 9 CREDITORS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Bank loans	344	434	344	434
Trade creditors	369	172	362	133
Social Security and other taxes	131	132	131	134
Other creditors	566	474	566	474
Accruals	101	351	73	300
Fees and deposits received in advance	4,860	4,856	4,860	4,856
Inter-group account	-	-	-	59
	6,371	6,419	6,336	6,390

## ST. CLARE'S, OXFORD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August, 2009

#### 10 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Bank loans	-	343	-	343

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 & 382 Banbury Road and 3 Bardwell Road. The loan amounts to 15% of the assets charged.

	2009	2008
	£000	£000
Bank borrowings are repayable as follows:		
Within one year	344	434
After one and within two years	-	343
After two and within five years	-	-
	<u>344</u>	<u>777</u>

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

344	777
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#### 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 £254,184 (2008: £244,197) and £143,346 (2008: £133,748) 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 College participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its academic staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the College. 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.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1<sup>st</sup> April, 2001 to 31<sup>st</sup> March, 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceed the value of the Scheme's assets (estimated future contributions together with the proceeds from notional investments held at the valuation date) by 2%.

From 1<sup>st</sup> January, 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations); a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable. The valuation of the Scheme by the Government Actuary as at 31<sup>st</sup> March, 2008 is expected to be issued early in 2010.

Pension payments of £11,073 (2008: £11,171) 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.

## ST. CLARE'S, OXFORD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August, 2009

#### 12 GROUP FUNDS

	Balance as at 01.09.08	Incoming Resources	Resources Expended	Transfer between funds	Balance at 31.08.09
	£000	£000	£000	£000	£000
Unrestricted funds					
Capital Reserve	1,313	-	-	-	1,313
Revaluation Reserve	5,465	-	-	(53)	5,412
General Fund	5,734	11,412	(10,436)	(261)	6,449
Repairs & Maintenance (Designated)	479	-	-	314	793
Total unrestricted funds	12,991	11,412	(10,436)	-	13,967
Restricted funds					
Building Fund	7	1	-	-	8
Scholarship Fund	4	3	-	-	7
	11	4	-	-	15
Total funds: 2009	13,002	11,416	(10,436)	-	13,982
Total funds: 2008	10,707	11,944	(9,649)	-	13,002

The transfer from the revaluation reserve to the General Fund represents the difference between depreciation calculated on historical cost and at valuation. The transfer to the Designated Fund for Repairs & Maintenance for the year amounts to £300,000 plus notional interest of £13,990.

The funds are:

- 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.
- Revaluation Reserve - the balance of the unamortised surplus on the revaluation of the Company's freehold properties.
- General Fund - the accumulated surplus on the Company's operations since it took over the business of St. Clare's on 1 September, 1986.
- Designated Fund for Repairs & Maintenance - to finance projects for repair and renovation of St. Clare's properties, funded by annual appropriations, including notional interest, from the General Fund up to a maximum fund balance of £1.5m.
- Scholarship Fund - funds donated for providing scholarships to students.
- Building Fund - funds donated to support development work on St. Clare's building programme.

#### Analysis of net assets between funds

	Fixed Assets	Current Assets	Current Liabilities	Creditors over 1 year	Net Assets 2009	Net Assets 2008
	£000	£000	£000	£000	£000	£000
Unrestricted funds	16,159	4,183	(6,371)	-	13,971	12,991
Restricted funds	-	15	-	-	15	11
Total funds: 2009	16,159	4,198	(6,371)	-	13,986	13,002
Total funds: 2008	15,866	3,898	(6,419)	(343)	13,002	

## ST. CLARE'S, OXFORD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August, 2009

#### 13 COMPANY FUNDS

	Balance as at 01.09.08	Incoming Resources	Resources Expended	Transfer between funds	Balance at 31.08.09
	£000	£000	£000	£000	£000
Unrestricted funds					
Capital Reserve	1,313	-	-	-	1,313
Revaluation Reserve	5,465	-	-	(53)	5,412
General Fund	5,736	11,423	(10,431)	(261)	6,467
Repairs & Maintenance (Designated)	479	-	-	314	793
Total unrestricted funds	12,993	11,423	(10,431)	-	13,985
Restricted funds					
Building Fund	7	1	-	-	8
Scholarship Fund	4	3	-	-	7
	11	4	-	-	15
Total funds: 2009	13,004	11,427	(10,431)	-	14,000
Total funds: 2008	10,707	11,944	(9,647)	-	13,004

#### 14 CAPITAL COMMITMENTS

There were no capital commitments as at 31 August, 2009 (2008: None).

#### 15 LEASING COMMITMENTS

	2009 Land & Buildings £000	2009 Other £000	2008 Land & Buildings £000	2008 Other £000
In one year or less	-	3	11	-
Between one and five years	196	67	185	34
In five years or more	45	1	45	-
	241	71	241	34

#### 16 CONTINGENT LIABILITIES AND ASSETS

At 31 August 2009 there was a capital commitment of £1.25million for the refurbishment of 127 Banbury Road (2008: None).

#### 17 RELATED PARTY TRANSACTIONS

The College is exempt from the requirement of FRS 8 to disclose transactions with its wholly owned subsidiary St Clare's Services Limited.

Expenses were reimbursed to 5 governors during the year, amounting to £1,663 (2008: £638 in respect of travel and subsistence).

There were no other related party transactions during the year.