

Charity number: 309720
Company number: 1109384

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED
31 JULY 2007

WENN TOWNSEND
CHARTERED ACCOUNTANTS

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

Registered in England No: 1109384
Registered Charity No: 309720

GOVERNORS

Mr Stanley Fink (Co-Chairman)
Mr George Pinto (Co-Chairman)
Professor Hugh Williamson (Vice-Chairman)

Professor Shlomo Ben-Ami	Mr Peter Oppenheimer
Mr Martin Blackman	Mr Martin Paisner
Professor Baruch Blumberg	Mr Dan Patterson
Mrs Elizabeth Corob	Mr Daniel Peltz
Mr Michael Garston	Mr Moshe Raviv
Professor Martin Goodman	Sir Bernard Rix
Dr Alfred Gottschalk	Mr Charles Sebag-Montefiore
Sir Richard Greenbury	Dr David Taylor
The Lord Guthrie of Craigiebank	Mr Dennis Trevelyan
HRH Prince El Hassan bin Talal	Dr Diana Walford
Professor Alan Jones	The Lord Weidenfield
Dr Paul Joyce	Mr Roger Wingate
Mr David Lewis	
The Lord Marks of Broughton	
Dr John Muddiman	

EMERITUS GOVERNORS

Sir Zelman Cowen	Mr Felix Posen
Mr William Frankel	Sir Maurice Shock
Mr Frank Green	Sir Sigmund Sternberg
Sir Claus Moser	Professor Geza Vermes
The Revd. Ernest Nicholson	The Rt Hon. The Lord Woolf
Mr David Hyman	The Rt Hon. The Lord Young

PRESIDENT

Mr Peter Oppenheimer

SECRETARY

Mr Martin Paisner

BURSAR

Mr Peter Da Costa (to 27 June 2007)
Mr Simon Ryde (from 28 June 2007)

REGISTERED OFFICE

Yarnton Manor
Yarnton
Oxford
OX5 1PY

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

AUDITORS

Wenn Townsend
30 St Giles
Oxford OX1 3LE

INVESTMENT MANAGER

Gerrard Investment Management Limited
Old Mutual Place
2 Lambeth Hill
London EC4V 4GG

SOLICITORS

Berwin Leighton Paisner
Bouverie House
154 Fleet Street
London EC4A 2JD

Blake Laphorn Tarlo Lyons
Seacourt Tower
West Way
Oxford OX2 0FB

WENN TOWNSEND

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REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2007

The Governors present their report and the financial statements for the year ended 31 July 2007.

Objective of the Charity

The principal activity of the Oxford Centre for Hebrew and Jewish Studies ('the Centre') is the advancement of research and education in the field of Hebrew and Jewish Studies. 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 ending 30 September 2007.

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, Finance 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 Centre must be applied solely towards the promotion of the objectives of the Centre. The Yarnton Trust is an associated trust governed under a separate trust deed and is a registered charity (no. 278877). The Centre and The Yarnton Trust are together referred to as "the Group".

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, 4 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. The Yarnton Trust has the power to invest money under its trust deed as the Trustees think fit.

Financial Review

Statements of financial activities ('SOFAs') for the year have been produced on pages 6 and 7 showing movements on unrestricted, designated, restricted and endowment funds. The consolidated Group deficit for the year was £386,604 (2006: £232,359). Group funds at the end of the year were £10,368,227 (2006: £10,333,709), an increase of £34,518 in the year.

Funds and reserves policy

In accordance with the relevant SORP, the Centre's funds are shown in the SOFA and at the balance sheet date the Governors are of the opinion that the funds are adequate to fulfill the current obligations of the Centre and during the 12 months from the date of this report. The Centre aims to build up its endowment reserves in order to produce more certain regular income for its activities.

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2007 (Continued)

Fund-raising activities

The Centre received donations of £1,279,419 (2006: £927,426) during the year, of which £20,278 (2006: £2,104) were to endowment funds. The Centre has agreements with two individuals to raise funds on behalf of the Charity. Payment of commission on funds raised in accordance with these agreements amounted to £11,850 (2006: £nil).

Grant making policy

The Centre made grants during the year to:

- the University of Oxford towards the running costs of the Oriental Institute building, for remuneration of Centre fellows who are also members of the Unit and for student fees relating to the Master of Studies degree "MSt" programme.
- various Oxford Colleges for fee arrangements relating to the MSt degree programme.

Under the various related agreements with the University and Colleges, it is intended that these grants will continue for the foreseeable future.

Risk review

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

Strategic objectives

The Governors aim to:

- build on the achievements of the Centre and to continue to meet the highest standards of academic excellence;
- maintain and highlight the strong position of Oxford University in Jewish studies.
- further enhance the role of the Leopold Muller Memorial Library as a major source of research material, particularly in modern Jewish history.
- continue to expand the Centre's endowment capital, especially for the purpose of funding fellowships and graduate student scholarships.
- develop further the facilities of the Yarnton Manor estate and to increase its role as an academic study and conference centre.
- develop co-operation with other institutions engaged in postgraduate teaching and research in the Centre's fields of endeavour.

Future Plans

The Centre will continue its programme of academic activities. The building of further new accommodation on the Manor Farm site was completed in May 2007 and is an investment of the Centre's permanent endowment funds.

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2007 (Continued)

Governors' responsibilities

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 surplus or deficit of the Centre for that period. In preparing those 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 financial statements, and;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Centre will continue in business.

The Governors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Centre. 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 accordance with company law, as the Centre's Governors we certify that:

- so far as we are aware, there is no relevant audit information of which the Centre's auditors are unaware; and
- as the Governors of the Centre 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 charity's auditors are aware of that information.

Investment funds

The Group's investments comprise Charifund Units, cash, securities and property. Gerrard Investment Management Ltd. has continued to manage the Group's securities.

At 31 July 2007 the total value of all the Centre's investment funds was £7,086,624 (2006: £7,279,756). In addition the Centre has invested £1,175,000 in properties on the Yarnton Estate.

The Permanent Endowment Fund of the Centre

The investment objective of the fund is to maximise income but with retention of capital values in real terms over the longer term. The total value of the fund as at 31 July 2007 was £1,482,281 (2006: £1,425,568) showing an increase of £56,713 which represents an appreciation of 4%. The value of the funds held by Gerrard is £849,898 and £610,000 is investment in development of Manor Farm accommodation. During the year the fund produced a gross income of £55,829.

The Expendable Endowment Fund of the Centre

The investment objective of the fund is to obtain the maximum total return considered prudent but with a preference for income. At 31 July 2007 the value of the fund held by Gerrard was £4,518,323 and £565,000 of the fund was invested in a residential property making the total value of the fund £5,083,323 (2006: £4,816,627), an increase of £266,696 which represents an appreciation of 5.5%. During the year, the fund produced a gross income of £157,628.

The Permanent Endowment Fund of The Yarnton Trust

The investment objective of the fund is to maximise income but with retention of capital values in real terms over the longer term. The total value of the fund as at 31 July 2007 was £529,779 (2006: £512,597) showing an increase of £17,182. During the year the fund produced a gross income of £34,393.

The Expendable Endowment Fund of The Yarnton Trust

The investment objective of the fund is to obtain the maximum total return considered prudent but with a preference for income. The total value of the fund as at 31 July 2007 was £1,127,268 (2006: £1,058,964) an increase of £68,304 which represents an appreciation of 6.4%. During the year the fund produced a gross income of £42,420.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2007 (Continued)

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 2005 to the date of this report, unless otherwise stated. In accordance with the Articles of Association, Mr Martin Blackman, The Lord Marks of Broughton, Mr Michael Garston, Dr John Muddiman, HRH Prince El Hassan bin Talal, Mr Dennis Trevelyan and The Lord Weidenfeld resign and, being eligible, offer themselves for re-election. Mrs Corob has indicated that she does not wish to stand for re-election, and the Governors express their appreciation for her invaluable contribution over many years.

Mr Stanley Fink (Chairman)	Mr Peter Oppenheimer (President)
Professor Hugh Williamson (Vice-Chairman)	Mr Martin Paisner
Professor Shlomo Ben-Ami	Mr Dan Patterson
Mr Martin Blackman	Mr Daniel Peltz
Professor Baruch Blumberg	Mr George Pinto
Mrs Elizabeth Corob	HRH Prince El Hassan bin Talal
Mr Michael Garston	Mr Moshe Raviv
Sir Richard Greenbury	Sir Bernard Rix
The Lord Guthrie of Craigiebank (appointed (27.06.07)	Mr Charles Sebag-Montefiore
Professor Martin Goodman	Dr David Taylor
Dr Alfred Gottschalk	Mr Dennis Trevelyan
Professor Alan Jones	Dr Diana Walford
Dr Paul Joyce	The Lord Weidenfeld
Mr David Lewis	Mr Roger Wingate
The Lord Marks of Broughton	
Dr John Muddiman	

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.

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.

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 Board of Governors.

Post Balance Event

There were no significant events to report.

Approved by the Board of Governors on 19 December 2007.

Signed on its behalf by

Mr Peter Oppenheimer, 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 2007 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Centre's Governors, 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 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 described in the Statement of Governors' Responsibilities the Governors (who are also the directors of the Centre for the purposes of company law) are responsible for the preparation of the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. (United Kingdom Generally Accepted Accounting Practice.)

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Governors' Annual Report is not consistent with the financial statements, if the Centre 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' Annual Report 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 Centre's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 Group and Centre's affairs as at 31 July 2007, and of the Group and Centre's incoming resources and application of resources, including the Group's income and expenditure in the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Governors' report is consistent with the financial statements.

Wenn Townsend
Wenn Townsend
Chartered Accountants and Registered Auditors
Oxford

19 December 2007

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE CHARITY
FOR THE YEAR ENDED 31 JULY 2007

Charity	Note	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2007 £	Total 2006 £
Income							
<i>Incoming resources from generated funds</i>							
Voluntary income		249,572	46,490	983,357	-	1,279,419	927,426
Less: deferred income	13	-	-	(577,096)	-	(577,096)	(159,000)
		249,572	46,490	406,261	-	702,323	768,426
<i>Activities for generating funds</i>	2	84,793	-	-	-	84,793	63,978
<i>Investment income</i>	2	3,658	-	6,238	235,793	245,689	259,418
Investment income from The Yarnton Trust		-	-	-	67,440	67,440	38,096
<i>Incoming resources from charitable activities</i>		80,946	50,638	289,452	-	421,036	411,688
<i>Other incoming resources</i>	2	-	-	-	20,278	20,278	27,104
Total incoming resources	2	418,969	97,128	701,951	323,511	1,541,559	1,568,710
Resources expended							
<i>Cost of generating funds</i>							
	3	154,683	46,490	27,601	20,815	249,589	136,849
<i>Charitable activities</i>	4	686,853	48,831	852,300	-	1,587,984	1,579,337
<i>Governance costs</i>	5	69,281	-	71	-	69,352	78,282
Total resources expended		910,817	95,321	879,972	20,815	1,906,925	1,794,468
Net (outgoing)/incoming resources before transfers		(491,848)	1,807	(178,021)	302,696	(365,366)	(225,758)
Net transfers between funds	18	178,469	-	102,988	(281,457)	-	-
Net (outgoing)/incoming resources before revaluations and investment asset disposals		(313,379)	1,807	(75,033)	21,239	(365,366)	(225,758)
<i>Gains and losses on revaluations and disposals of investment assets</i>							
Investment property	10	10,500	-	-	-	10,500	723,953
Fixed asset investments unrealised gains	11	-	-	-	260,087	260,087	280,903
Fixed asset investments realised gains		-	-	-	43,999	43,999	81,750
Net movement in funds for the year		(302,879)	1,807	(75,033)	325,325	(50,780)	860,848
Fund balances at 1 August 2006		419,388	19,059	192,139	8,131,374	8,761,960	7,901,112
Fund balances at 31 July 2007		£ 116,509	£ 20,866	£ 117,106	£ 8,456,699	£ 8,711,180	£ 8,761,960

The notes on pages 10 to 22 form part of these accounts.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST JULY 2007

	Note	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2007 £	Total 2006 £
Income							
<i>Incoming resources from generated funds</i>							
Voluntary income		249,572	46,490	983,357	-	1,279,419	927,426
Less: deferred income	13	-	-	(577,096)	-	(577,096)	(159,000)
		<u>249,572</u>	<u>46,490</u>	<u>406,261</u>	<u>-</u>	<u>702,323</u>	<u>768,426</u>
<i>Activities for generating funds</i>	2	84,793	-	-	-	84,793	63,978
<i>Investment income</i>	2	3,658	-	6,238	316,726	326,622	309,811
<i>Incoming resources from charitable activities</i>	2	80,946	50,638	289,452	-	421,036	411,688
<i>Other incoming resources</i>		-	-	-	20,278	20,278	27,104
Total incoming resources	2	<u>418,969</u>	<u>97,128</u>	<u>701,951</u>	<u>337,004</u>	<u>1,555,052</u>	<u>1,581,007</u>
Resources expended							
<i>Cost of generating funds</i>	3	154,683	46,490	27,601	27,664	256,438	146,426
<i>Charitable activities</i>	4	686,853	48,831	852,300	-	1,587,984	1,579,337
<i>Governance costs</i>	5	69,281	-	71	-	69,352	78,282
Total resources expended		<u>910,817</u>	<u>95,321</u>	<u>879,972</u>	<u>27,664</u>	<u>1,913,774</u>	<u>1,804,045</u>
Net (outgoing)/incoming resources before transfers		(491,848)	1,807	(178,021)	309,340	(358,722)	(223,038)
Net transfers between funds	18	178,469	0	102,988	(281,457)	-	-
Net incoming resources before revaluations and investment assets disposals		<u>(313,379)</u>	<u>1,807</u>	<u>(75,033)</u>	<u>27,883</u>	<u>(358,722)</u>	<u>(223,038)</u>
Gains and losses on revaluations and disposals of investment assets							
Investment property	10	10,500	-	-	-	10,500	723,953
Fixed asset investments unrealised gains	11	-	-	-	328,932	328,932	334,709
Fixed asset investments realised gains		-	-	-	53,808	53,808	82,148
Net movement in funds for the year		<u>(302,879)</u>	<u>1,807</u>	<u>(75,033)</u>	<u>410,623</u>	<u>34,518</u>	<u>917,772</u>
Fund balances at 1 August 2006		419,388	19,059	192,139	9,703,123	10,333,709	9,415,937
Fund balances at 31 July 2007		<u>£ 116,509</u>	<u>£ 20,866</u>	<u>£ 117,106</u>	<u>£ 10,113,746</u>	<u>£ 10,368,227</u>	<u>£ 10,333,709</u>

Consolidated figures represent the Group, which combines the Centre and The Yarnton Trust.

The notes on page 10 to 22 form part of these accounts.

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2007

	Note	2007 £	2006 £
Gross income from continuing operations – unrestricted, restricted and designated funds	2	1,218,048	1,508,191
Transfer from endowment funds		281,457	37,797
Total expenditure of continuing operations		(1,886,109)	(1,778,347)
Total net expenditure for the year		£ (386,604)	£ (232,359)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2007

	2007 £	2006 £
Net expenditure from income and expenditure account (as above)	(386,604)	(232,359)
Capital increases in endowment funds	27,883	9,321
Net realised gains on endowment fund investment	53,808	82,148
Net realised gains on sale of investment properties	-	723,953
Total realised net (losses)/gains for the year	(304,913)	583,063
Net unrealised gains on endowment fund investments	328,932	334,709
Total recognised net gains for the year	£ 24,019	£ 917,772

Consolidated figures represent the Group, which combines the Centre and The Yarnton Trust.

The notes on pages 10 to 22 form part of these consolidated accounts.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

BALANCE SHEET AS AT 31 JULY 2007

	Note	2007 £	Group 2006 £	2007 £	Charity 2006 £
Fixed assets					
Tangible fixed assets	9	2,590,647	2,590,647	2,590,647	2,590,647
Investment property	10	1,175,000	565,000	1,175,000	565,000
Investments	11	7,086,624	7,279,756	5,440,823	5,709,269
		<u>10,852,271</u>	<u>10,435,403</u>	<u>9,206,470</u>	<u>8,864,916</u>
Current assets					
Debtors – falling due within one year	12	41,068	63,906	28,555	62,647
Bank deposit – general		295,715	266,593	295,712	266,591
		<u>336,783</u>	<u>330,499</u>	<u>324,267</u>	<u>329,238</u>
Current liabilities					
Creditors – falling due within one year	13	(820,827)	(432,193)	(819,557)	(432,194)
		<u>(484,044)</u>	<u>(101,694)</u>	<u>(495,290)</u>	<u>(102,956)</u>
Net current liabilities					
Net assets					
		<u>£ 10,368,227</u>	<u>£ 10,333,709</u>	<u>£ 8,711,180</u>	<u>£ 8,761,960</u>
Capital funds					
Endowments	14	10,113,746	9,703,123	8,456,699	8,131,374
Income funds					
Unrestricted	15	116,509	419,388	116,509	419,388
Designated	16	20,866	19,059	20,866	19,059
Restricted	17	117,106	192,139	117,106	192,139
		<u>£ 10,368,227</u>	<u>£ 10,333,709</u>	<u>£ 8,711,180</u>	<u>£ 8,761,960</u>

Consolidated figures represent the Group, which combines the Centre and The Yarnton Trust.
The notes on pages 10 to 22 form part of these accounts.

Approved by the Board of Governors and signed on its behalf on 19 December 2007

M/ Peter Oppenheimer – President

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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) and the Companies Act 1985.

(a) Accounting convention

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

(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, restricted on a time basis, are carried forward as deferred income and matched with related expenditure;
- Interest on an accruals basis;
- Rents 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.

All other assets are written off to the income and expenditure account in the year of acquisition.

(d) Investment Properties

Investment properties are included in the balance sheet at their open market value based on periodical valuations. This accounting policy is in accordance with the Statement of Standard Accounting Practice (SSAP 19), Accounting for Investment Properties. However, this is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. It is the opinion of the Governors that compliance with the Standard (SSAP 19) is necessary for the financial statements to give a true and fair view.

(e) 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.

(f) Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

.....continued

- (g) **Foreign currencies**
Donations received in currencies other than sterling have been included at the rates obtained on conversion.
- (h) **Operating leases**
Rentals payable under operating leases are charged to the income and expenditure account over the term of the lease.
- (i) **Pension costs**
The Centre accounts for pensions contributions as if payments were being made to defined contribution pension schemes. 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.
- (j) **Allocation of costs to Resources Expended**
Specific items of expenses are attributed to the appropriate category of:
- cost of Generating Funds are the costs associated with generating incoming resources from all sources other than undertaking charitable activities;
 - charitable activities are the resources applied by the Centre in undertaking its work to meet its charitable objectives;
 - governance costs are costs that relate to the general running of the charity and are primarily associated with constitutional and statutory requirements;
 - support costs have been allocated to activity cost categories on a consistent basis, e.g. staff costs by the time spent and other costs by their usage.
- (k) **Basis of allocation of costs between Unrestricted and Restricted Funds**
Costs are specifically recognised as being unrestricted or restricted and are allocated appropriately.
- (l) **Basis of Consolidation**
The financial statements for the Centre and The Yarnton Trust, which donates funds to the Centre, are consolidated as the Centre has control over The Yarnton Trust. The Centre's Governors appoint the Trustees of The Yarnton Trust.
- (m) **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 when funds are raised for particular restricted purposes;
 - endowment funds which are capital funds where, apart from expendable endowments, 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.
- (n) **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.

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.

Other incoming resources include hire of premises and accommodation, charges for minibus usage, photocopying and other office costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

.....continued

2.1 Investment income

Investment income comprises

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2007 £	Total 2006 £
Dividends and interest	3,658	-	6,238	290,326	300,222	279,719
Income from investment properties	-	-	-	26,400	26,400	30,092
	£ 3,658	£ -	£ 6,238	£ 316,726	£ 326,622	£ 309,811

2.2 Incoming resources from charitable activities

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2007 £	Total 2006 £
Conferences, student fees accommodation and library funding	80,946	10,144	187,429	-	278,519	263,299
Looted Art Research Unit	-	-	102,023	-	102,023	108,714
Journal of Jewish Studies	-	40,494	-	-	40,494	39,675
	£ 80,946	£ 50,638	£ 289,452	£ -	£ 421,036	£ 411,688

3 Costs of generating funds

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2007 £	Total 2006 £
Advertising and fundraising	70,502	-	-	-	70,502	43,905
Postage and stationery	8,350	-	-	-	8,350	8,023
Printing	6,019	46,490	-	-	52,509	6,395
Support costs	69,812	-	27,601	-	97,413	62,405
	154,683	46,490	27,601	-	228,774	120,728
Investment management						
Investment management fees	-	-	-	27,664	27,664	25,698
	£ 154,683	£ 46,490	£ 27,601	£ 27,664	£ 256,438	£ 146,426

4 Charitable activities

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2007 £	Total 2006 £
Academic	169,641	39,796	366,933	-	576,370	555,888
Yarnton Manor Estate facilities	443,883	4,770	39,317	-	487,970	491,412
Master of Jewish Studies degree	-	-	220,760	-	220,760	206,619
Library	73,329	4,265	95,094	-	172,688	179,580
Looted Art Research Unit	-	-	102,023	-	102,023	107,790
Hebrew and Jewish Studies Unit	-	-	23,412	-	23,412	21,986
St Petersburg Project	-	-	4,761	-	4,761	16,062
	£ 686,853	£ 48,831	£ 852,300	£ 0	£ 1,587,984	£ 1,579,337

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

.....continued

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2007 £	Total 2006 £
5 Governance costs						
Finance charges	6,827	-	71	-	6,898	21,710
Professional charges	19,872	-	-	-	19,872	13,280
	26,699	-	71	-	26,770	34,990
Internal governance costs	42,582	-	-	-	42,582	43,292
	£ 69,281	£ -	£ 71	£ -	£ 69,352	£ 78,282

Professional charges include audit fees of £8,526 (2006: £8,113).

	Staff costs £	Other costs £	Total 2007 £	Total 2006 £
6 Further analysis of total resources expended, between staff and other costs				
Costs of generating funds	96,723	159,715	256,438	146,426
Charitable activities				
Academic	322,904	253,466	576,370	555,888
Yarnton Manor Estate Facilities	312,693	175,277	487,970	491,413
Master of Jewish Studies Degree Library	124,026	96,734	220,760	206,619
Looted Art Research Unit	109,631	63,057	172,688	179,580
Hebrew and Jewish Studies Unit	48,060	53,963	102,023	107,790
St Petersburg Project	4,935	18,477	23,412	21,986
	-	4,761	4,761	16,061
	922,249	665,735	1,587,984	1,579,337
Governance costs				
Finance and professional charges	-	26,770	26,770	34,990
Internal governance costs	34,292	8,290	42,582	43,292
	£ 1,053,264	£ 860,510	£ 1,913,774	£ 1,804,045

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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7 Governors' Remuneration

The President

	2007	2006
	£	£
Salary (excluding national insurance)	65,013	62,805
Pension contributions	9,102	2,931
Other benefits – private health care	-	1,060
	<u>£ 74,115</u>	<u>£ 66,796</u>

Expenses of £2,083 (2006: £2,656) were reimbursed to or paid on behalf of the President.

Professor M Goodman is a Fellow and Governor. He received a teaching stipend from the Centre of £2,000 (2006: £2,000) and was reimbursed £549 (2006: £243) 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 £1,826 (2006: £787).

8 Staff costs

	2007	2006
	£	£
Wages and salaries	883,478	776,618
Social security costs	69,315	62,122
Other pension contributions	100,471	85,247
	<u>£ 1,053,264</u>	<u>£ 923,987</u>

The above amounts include Governors' remuneration.

There were no other employees earning over £50,000 per annum.

Research stipends of £7,611 (2006: £nil) were paid to visiting academics.

Salary grants of £142,196 (2006: £131,528) were paid to the University of Oxford which remunerated 4 of the Centre's Fellows, (none of whom were Governors during the period) and 1 part-time secretary.

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

	2007		2006	
	Full-time	Part-time	Full-time	Part-time
Academic	10	2	10	3
Library	2	3	2	3
Administration	10	5	10	5
Domestic and maintenance	5	6	6	6
	<u>27</u>	<u>16</u>	<u>28</u>	<u>17</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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9 Tangible fixed assets	Group and Charity	
	2007	2006
	£	£
Freehold Land and Buildings		
Manor Farm - land	485,000	485,000
Manor Farm - buildings	735,646	735,646
	<u>1,220,646</u>	<u>1,220,646</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>£ 2,590,647</u>	<u>£ 2,590,647</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 2007. 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 plus the cost of any additional capital expenditure. Such additional capital expenditure was incurred in the building of Ricardo House.

In the event that Yarnton Manor is sold in the 50 year period and the Charles Wolfson Charitable Trust exercises its right under the above agreement, that trust entered into a commitment, which is expressed not to be legally binding, to make a donation to the Centre of one half of any selling price received by the Charles Wolfson Charitable Trust in excess of the re-purchase price paid to the Centre by the Trustees.

Manor Farm

In November 2002 the Centre received a gift of land from the Charles Wolfson Charitable Trust, adjacent to the Yarnton Manor Estate. The market value of the gift was £485,000. A similar right of refusal, as described above for the Yarnton Manor Estate, applies to this land.

Development of Manor Farm

The second phase of construction of accommodation at Manor Farm was completed in May 2007 and consists of four two bedroomed apartments and one 3 bedroomed apartment. The total cost of the building work will be £650,000.

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.

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 value of fixed assets have suffered impairment during the year.

Insured value

The total insured value of the assets of the Group, which are used to promote the objectives of the charity, at 31 July 2007, is £22,283,273 (2006: £19,119,523).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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10 Investment property

	Group and Charity	
	2007	2006
	£	£
Perry Orchard	565,000	565,000
Manor Farm, Phase 2	610,000	-
	<u>£ 1,175,000</u>	<u>£ 565,000</u>

11 Movement in fixed asset investments

	Group 2007 £	Charity 2007 £
Market value at 1 August 2006	7,279,756	5,709,269
Disposals	(758,370)	(591,851)
Additions	810,635	634,707
Change in cash held by investment managers	(628,137)	(615,388)
Unrealised gains	328,932	260,087
Realised gains	53,808	43,999
Market value at 31 July 2007	<u>£ 7,086,624</u>	<u>£ 5,440,823</u>

Included above are the following investment assets:

	Group	Charity
Investment assets in the United Kingdom	5,756,475	4,359,805
Investment assets outside the United Kingdom	1,330,149	1,081,018
	<u>£ 7,086,624</u>	<u>£ 5,440,823</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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12 Debtors
Due within one year

	Group		Charity	
	2007 £	2006 £	2007 £	2006 £
Debtors	18,261	10,271	5,748	10,271
Prepayments and accrued income	22,807	53,635	22,807	52,376
	<u>£ 41,068</u>	<u>£ 63,906</u>	<u>£ 28,555</u>	<u>£ 62,647</u>

13 Creditors
Due within one year:

	Group		Charity	
	2007 £	2006 £	2007 £	2006 £
Creditors - suppliers	14,943	45,377	14,943	45,377
Other creditors – taxation and social security	35,677	19,505	35,677	19,505
Accruals and income in advance	193,111	40,544	191,841	40,545
Bank overdraft (secured)	-	167,767	-	167,767
Deferred income	577,096	159,000	577,096	159,000
	<u>£ 820,827</u>	<u>£ 432,193</u>	<u>£ 819,557</u>	<u>£ 432,194</u>

Deferred income funds – movement in year

	Fellowships £	Conferences/ Lectures £	Scholarships £	Total £
Opening balance at 1 August 2006	70,000	10,000	79,000	159,000
Income during the year	286,579	17,305	360,462	664,346
Released during the year	(20,000)	(10,000)	(216,250)	(246,250)
Closing balance at 31 July 2007	<u>£ 336,579</u>	<u>£ 17,305</u>	<u>£ 223,212</u>	<u>£ 577,096</u>

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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14	Endowment Funds	Balance 31 July 2006 £	Net Incoming Resources £	Transfers £	Reallocated to investment property £	Net realised Gains/Losses for the year £	Net unrealised Gains/Losses for the year £	Balance 31 July 2007 £
	Charity							
	Expendable Endowments							
	Applied for the purchase of property							
	Stiftung Benevolus	1,000,000	-	-	-	-	-	1,000,000
	Anonymous	370,000	-	-	-	-	-	370,000
		<u>1,370,000</u>						<u>1,370,000</u>
	Gift of land - Manor Farm	485,000	-	-	-	-	-	485,000
	Other Expendable Endowments							
	MCA Fund - Gerrard investments	4,251,627	131,228	(131,228)	-	31,039	235,657	4,518,323
	MCA Fund - Property investment	565,000	26,400	(26,400)	-	-	-	565,000
		<u>4,816,627</u>						<u>5,083,323</u>
	David Patterson Lecture Series	34,179	1,523	(1,523)	-	-	1,916	36,095
		<u>6,705,806</u>	<u>159,151</u>	<u>(159,151)</u>	<u>-</u>	<u>31,039</u>	<u>237,573</u>	<u>6,974,418</u>
	Permanent Endowments							
	Library							
	Catherine Lewis and Simon Davis Library Fund	111,305	4,290	(4,290)	-	1,013	1,760	114,078
	HRO Library Fund	19,495	751	(751)	-	177	308	19,980
	Isaiah Berlin Library Fund	14,005	540	(540)	-	128	222	14,355
	David Patterson Fellowship in Jewish Law	350,145	13,496	(13,496)	-	3,188	5,538	358,871
	Jacobs Fellowship	114,901	4,429	(4,429)	-	1,046	1,817	117,764
	Mason Lectureship	110,641	4,265	(4,265)	-	1,007	1,750	113,398
	Goldman Lecture Fund	14,260	550	(550)	-	130	226	14,616
	Dov Biegun Scholarship Fund	278,765	10,745	(10,745)	(188,876)	2,538	4,409	96,836
	Miscellaneous	409,946	16,763	(15,801)	(421,124)	3,732	6,484	
		<u>1,423,463</u>	<u>55,829</u>	<u>(54,867)</u>	<u>(610,000)</u>	<u>12,959</u>	<u>22,514</u>	<u>849,898</u>
	Manor Farm, Phase 2, property investment							
	Miscellaneous Fund				421,124			421,124
	Dov Biegun Scholarship Fund				188,876			188,876
								<u>610,000</u>
	David Patterson Memorial Scholarship cash on deposit	2,105	20,278	-	-	-	-	22,383
	Total permanent endowment fund	£ 1,425,568	£ 76,107	£ (54,867)	£ -	£ 12,959	£ 22,514	£1,482,281
	Total Charity	£ 8,131,374	£ 235,258	£ (214,018)	£ -	£ 43,998	£ 260,087	£8,456,699
	The Yarnton Trust							
	Expendable Endowment							
	Leopold Muller Memorial Library Fund	1,058,964	42,420	(43,492)	-	7,760	61,616	1,127,268
	Permanent Endowments							
	Kennedy Leigh Charitable Trust Fund	111,549	7,481	(5,803)	-	446	1,573	115,246
	Leslie Paisner Memorial Fund	39,192	2,629	(2,039)	-	157	553	40,491
	David Hyman Fellowship	103,441	6,938	(5,381)	-	413	1,458	106,869
	Frank Green Fellowship	103,441	6,938	(5,381)	-	413	1,458	106,869
	Jacob and Shoshana Schreiber Fellowship	155,162	10,407	(8,072)	-	620	2,187	160,304
		<u>512,784</u>	<u>34,393</u>	<u>(26,676)</u>	<u>-</u>	<u>2,049</u>	<u>7,229</u>	<u>529,779p</u>
	Total Yarnton Trust	£ 1,571,748	£ 76,813	£ (70,168)	£ -	£ 9,809	£ 68,845	£ 1,657,047
	Total Group	£ 9,703,122	£ 312,071	£(284,186)	£ -	£ 53,807	£ 328,932	£10,113,746

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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14 Endowment Funds (continued)

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:

1) the total of income, realised and unrealised 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

2) 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 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 2007 (2006: £nil). At 31 July 2007 the total grants, increased by the UK Retail Price Index for the relevant periods, amounted to £4,586,423 (2006: £4,453,178) so that the market value of £5,083,323 gave rise to a surplus of £496,900 (2006: £363,449) which was more restrictive than the cumulative unspent parts of 8% per annum aggregating £1,027,521 (2006: £791,835).

15 Unrestricted funds

	31 July 2006 £	Net Incoming Resources £	Unrealised and Realised Gains £	Transfers £	31 July 2007 £
The Charity and Group	£ 419,388	£ (313,379)	£ 10,500	£ -	£ 116,509

16 Designated Funds

	31 July 2006 £	Net incoming resources £	Income received in advance £	Transfers £	Outgoing resources £	31 July 2007 £
Seminars	2,262	5,879	-	-	(7,766)	375
Library	-	4,265	-	-	(4,265)	-
Journal of Jewish Studies	16,797	40,494	-	-	(36,800)	20,491
Marketing brochure	-	46,490	-	-	(46,490)	-
The Charity and Group	£ 19,059	£ 97,128	£ -	£ -	£ (95,321)	£ 20,866

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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17 Restricted Funds

	31 July 2006 £	Incoming Resources £	Income received in advance £	Reallocation £	Transfers £	Outgoing Resources £	31 July 2007 £
The Charity and Group							
Accommodation	-	20,709	-	-	-	(20,709)	-
Conferences and lectures	32,933	43,488	-	-	-	(65,248)	11,173
Fellowships, visiting	26,333	30,624	-	(8,808)	-	(31,968)	16,181
Fellowships, permanent	-	204,177	-	-	7,374	(211,551)	-
Israel lecture series	-	9,150	-	-	-	(4,098)	5,052
Library fund	-	95,094	-	-	-	(95,094)	-
Looted Art Research Unit	54,850	102,023	-	-	-	(102,023)	54,850
Master of Jewish Studies-degree	66,300	270,812	-	-	-	(313,017)	24,095
Other, bank interest	-	6,238	-	(6,167)	-	(71)	-
Secretarial salary	6,918	2,625	-	-	-	(3,788)	5,755
Salary, project	-	20,000	-	-	7,601	(27,601)	-
St. Petersburg Project	4,805	-	-	-	-	(4,805)	-
	£ 192,139	£ 804,940	£ -	£(14,975)	£ 14,975	£ (879,973)	£ 117,106

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.

18 Transfers

Transfers between unrestricted, designated, restricted or endowment funds during the year are as disclosed elsewhere in the accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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19 Analysis of Group Assets

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31st July 2007 are represented by:					
Tangible fixed assets	735,646	-	-	1,855,001	2,590,647
Investment property	-	-	-	1,175,000	1,175,000
Investments	-	-	-	7,086,624	7,086,624
Current assets	(536,958)	20,866	823,490	29,385	336,783
Current liabilities	(82,179)	-	(706,384)	(32,264)	(820,827)
	£ 116,509	£ 20,866	£ 117,106	£ 10,113,746	£ 10,368,227

Reconciliation of movement in unrealised gains/(losses) on Investment Assets

Total net unrealised gains/(losses) at 1 August 2006	-	-	-	213,026	213,026
Net gains/(losses) arising on revaluations in the year	-	-	-	328,932	328,932
Realisation of revaluation gains	10,500	-	-	-	10,500
Total net unrealised gains/(losses) at 31st July 2007	£ 10,500	£ -	£ -	£ 541,958	£ 552,458

20 The Yarnton Trust

The Centre's Governors appoint the Trustees of The Yarnton Trust and so exercise control.

The principal activity of The Yarnton Trust is to invest its endowment funds in order to maximise donations to the Centre.

The income and expenditure for The Yarnton Trust consolidated with the Centre is as follows:

	2007 £	2006 £
Incoming resources	76,812	57,196
Donations to the Centre	(63,319)	(44,899)
Portfolio management fees	(6,849)	(9,577)
	6,644	2,720
Net realised gain	9,809	398
Net unrealised gain	68,845	53,806
	85,298	56,924
Fund balances at 1 August 2006	1,571,746	1,514,822
Fund balances at 31 July 2007	£ 1,657,044	£ 1,571,746

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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21 Pension Commitments

The Centre participates in the Universities Superannuation Scheme ("USS"), a defined benefit scheme which is externally funded and contracted out of the State Second Pension for academic staff; to the University of Oxford Staff Scheme ("OSPS") for administrative and support staff; to individual policies for one individual; and makes unfunded pension payments to two individuals. The assets of the USS and OSPS are held in a separate trustee administered fund. The Centre is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by FRS 17 "retirement benefits", accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

The latest actuarial valuation of the USS was at 31 March 2005. 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) and the rates of increase in salary, pensions and changes in longevity projections. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.9% per annum (plus an additional allowance for increases in salaries due to age and promotion in line with recent experience) and pensions would increase by 2.9% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.2% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 3.9% per annum (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 2.9% per annum. The valuation was carried out using the projected unit method.

At the valuation date, the value of the assets of the scheme was £21,740 million and the value of the past service liabilities was £28,308 million indicating a deficit of £6,568 million. The assets therefore were sufficient to cover 77% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Using the Minimum Funding Requirement prescribed assumptions introduced by the Pensions Act 1995, the scheme was 126% funded at the valuation date and under the Pension Protection Fund regulations introduced by the Pensions Act 2004 it was 110% funded.

The Centre's contribution rate required for future service benefits alone at the date of the valuation was 14.3% of pensionable salaries but the trustee company, on the advice of the actuary, decided to maintain the Centre contribution rate at 14% of pensionable salaries.

Surpluses or deficits which arise at future valuations may impact on the Centre's future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as 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.

The next formal triennial actuarial valuation is due as at 31 March 2008. The contribution rate will be reviewed as part of each valuation.

There is no actuarial valuation available for the OSPS.

The total pension cost for the Centre was £100,471 (2006: £85,247). The amount payable to the USS scheme was £49,224 and the amount payable to OSPS was £44,049. The contribution rates payable by the Centre were 14% of pensionable salaries for USS and 17.5% of pensionable salaries for the OSPS.