

Charity number: 309720
Company number: 1109384

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED

31 JULY 2009

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 David Lewis
Mr Martin Blackman	The Lord Marks of Broughton
Professor Baruch Blumberg	Dr John Muddiman
Sir Ivor Crewe	Mr Martin Paisner
Mr Michael Garston	Mr Dan Patterson
Professor Martin Goodman	Mr Daniel Peltz
Dr Alfred Gottschalk	Mr Marc Polonsky
Sir Richard Greenbury	Sir Bernard Rix
The Lord Guthrie of Craigiebank	Mr Stuart Roden
HRH Prince El Hassan bin Talal	Mr Charles Sebag-Montefiore
Professor Alan Jones	Dr David Taylor
Mr David Joseph	The Lord Weidenfield
Dr Paul Joyce	Mr Roger Wingate

EMERITUS GOVERNORS

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

PRESIDENT

Dr David Ariel

SECRETARY

Mr Martin Paisner

BURSAR

Mr Simon Ryde

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REGISTERED OFFICE

Yarnton Manor
Yarnton
Oxford
OX5 1PY

AUDITORS

Wenn Townsend
30 St Giles
Oxford OX1 3LE

INVESTMENT MANAGER

Barclays Wealth (until 12 December 2008)
1 Churchill Place
London EC15 5HP

J M Finn & Co (from 13 December 2008)
4 Coleman Street
London EC2R 5TA

SOLICITORS

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

Blake Lapthorn Tarlo Lyons
Seacourt Tower
West Way
Oxford OX2 OFB

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OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2009

The Governors present their report and the financial statements for the year ended 31 July 2009.

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 2009.

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, Fund Raising and Library Committees.

Charitable status and associated charity

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

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

Operating locations

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

Investment powers

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

Financial Review

A statement of financial activities ('SOFA') for the year has been produced on page 7 showing movements on unrestricted, designated, restricted and endowment funds. The deficit for the year, shown on page 8 was £474,011 (2008: £360,493). Funds at the end of the year were £8,707,399 (2008: £9,838,616), a decrease of £1,131,217 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 aware of the Centre's need to source substantial new funding and have already put into place a robust fundraising strategy.

The Governors aim to build up its endowment reserves in order to produce more certain regular income for its activities.

Since the financial year end, the stock market recovery has significantly increased the value of the Centre's reserves.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2009 (Continued)

At 31 July 2009, the Centre had a deficit on unrestricted reserves of £757,115 despite having net reserves of £8,707,399. The Governors are aware of this deficit and plan to remedy this position through the following measures:

1. Increase in donations by both Governors and other Centre supporters together with an expansion of fundraising activities by the North American Friends of the Centre.
2. A continuation of the strict budgetary control over the Centre's operational expenses.

Fund-raising activities

The Centre received donations of £1,472,300 (2008: £1,480,192) during the year. No endowment donations were received in the year (2008: £1,757,000). The Centre has an agreement with an individual to raise funds on behalf of the Charity. Payment of commission on funds raised in accordance with this agreement amounted to £6,536 (2008: £16,856).

Risk review

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

Strategic objectives

The 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. The Centre made contributions to the University of Oxford towards the running costs of the Oriental Institute, 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 and various Oxford Colleges for fee arrangements relating to the MSt degree programme.
- enhance further 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.
- to promote additional public benefit through:
 - access to the Centre's lecture series
 - access to library facilities
 - invitation to Open Days

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2009 (Continued)

Objective of the charity and activities for the public benefit

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

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

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

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

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

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

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

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

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

Future Plans

The Centre will continue its programme of academic activities. During 2009-2011, the Centre will host a major visiting fellows program.

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.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2009 (Continued)

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 Centre's investments comprise cash, securities, property and a loan. Investment Managers, Barclays Wealth were replaced by J M Finn & Co in December 2008.

During the year, there was a withdrawal of £800,000 from the Expendable endowment fund which was predominantly funded by sales of Gilts. In order to replace the investment income, a major reallocation into corporate bonds was undertaken such that around one quarter of each portfolio is in this investment category.

At 31 July 2009, the total value of all the Centre's quoted investments was £5,393,807 (2008: £6,438,841). In addition, the Centre has invested £1,215,000 in properties on the Yarnton Manor Estate and was in receipt of a loan of £800,000 to support operating activities. This arrangement was formally agreed by the Charity Commission.

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 funds held by J M Finn as at 31 July 2009 was £1,000,933 (2008: £1,181,554) showing a decrease of £180,621.

Within the Permanent Endowment fund, there is a cash holding of £23,615 and £650,000 is invested in the Manor Farm accommodation. During the year the fund produced a gross income of £88,229.

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. The total value of the funds held by J M Finn as at 31 July 2009 was £3,425,703. A further £565,000 of the fund is invested in a residential property and £800,000 was lent to the Centre.

The value of the Polonsky Foundation fund was £930,475.

The total value of the fund was £5,757,874 (2008: £6,235,105), a decrease of £477,231. During the year, the fund produced a gross income of £280,326.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2009 (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 2008 to the date of this report, unless otherwise stated. In accordance with the Articles of Association, Mr George Pinto, Mr Hugh Williamson, Professor Baruch Blumberg, Professor Alan Jones, Mr David Lewis, Mr Martin Paisner and Mr Charles Sebag-Montefiore resign and, being eligible, offer themselves for re-election.

Mr Stanley Fink (Co-Chairman)	The Lord Marks of Broughton
Mr George Pinto (Co-Chairman)	Dr John Muddiman
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 Marc Polonsky (appointed 16.12.2008)
Sir Ivor Crewe	Sir Bernard Rix
HRH Prince El Hassan bin Talal	Mr Stuart Roden
Mr Michael Garston	Mr Charles Sebag-Montefiore
Professor Martin Goodman	Dr David Taylor
Dr Alfred Gottschalk (deceased 12.09.09)	The Lord Weidenfeld
Sir Richard Greenbury	Mr Roger Wingate
The Lord Guthrie of Craigiebank	
Professor Alan Jones	
Mr David Joseph	
Dr Paul Joyce	
Mr David Lewis	

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 (three 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 Company.

Post Balance Event

Additional pledges of £320,000 and statements of intent of a further £180,000 have been made by the Governors of which £200,000 has been received together with a loan of £50,000.

Approved by the Board of Governors on 15 December 2009

Signed on its behalf by


Dr David Anel, 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 2009 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 sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Centre's Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Centre and the Centre's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As 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) 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 and are 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 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

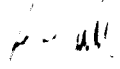
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 Centre's affairs as at 31 July 2009, and of the Centre's incoming resources and application of resources, including its income and expenditure in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Governors' Annual Report is consistent with the financial statements.


Mr Ajay Bahl
for and on behalf of Wenn Townsend
Chartered Accountants and Registered Auditors
Oxford

15 December 2009

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE CHARITY
FOR THE YEAR ENDED 31 JULY 2009

Charity	Note	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2009 £	Total 2008 £
Income							
<i>Income from generated funds</i>							
Voluntary income		168,275	10,120	1,293,905	-	1,472,300	1,480,192
Less deferred income	13	-	-	(693,898)	-	(693,898)	(561,570)
		168,275	10,120	600,007	-	778,402	918,622
<i>Activities for generating funds</i>	2.1	70,591	-	-	-	70,591	69,471
Investment income	2.2	366	-	259	368,555	369,180	345,370
Income from charitable activities	2.3	138,511	68,447	258,494	-	465,452	497,802
Other incoming resources		-	-	-	-	-	1,757,000
Total incoming resources		377,743	78,567	858,760	368,555	1,683,625	3,588,265
Resources expended							
<i>Cost of generating funds</i>	3	117,849	-	65,536	32,941	216,326	189,870
Charitable activities	4	792,979	48,940	1,040,009	-	1,881,928	1,856,985
Governance costs	5	87,377	-	2,274	-	89,651	110,029
Total resources expended		998,205	48,940	1,107,819	32,941	2,187,905	2,156,884
Net (outgoing)/incoming resources before transfers		(620,462)	29,627	(249,059)	335,614	(504,280)	1,431,381
Net transfers between funds	19	198,745	(17,591)	184,729	(365,883)	-	-
Net (outgoing)/incoming resources before revaluations and investment asset disposals		(421,717)	12,036	(64,330)	(30,269)	(504,280)	1,431,381
<i>Gains and losses on revaluations and disposals of investment assets</i>							
Fixed asset investments realised losses	11	-	-	-	(453,375)	(453,375)	(194,440)
Fixed asset investments unrealised losses		-	-	-	(173,562)	(173,562)	(1,766,552)
Net movement in funds for the year		(421,717)	12,036	(64,330)	(657,206)	(1,131,217)	(529,611)
Fund balances at 1 August 2008		(335,398)	41,775	187,611	9,944,628	9,838,616	10,368,227
Fund balances at 31 July 2009		(757,115)	53,811	123,281	9,287,422	8,707,399	9,838,616

The notes on pages 10 to 23 form part of these accounts.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2009

	2009 £	2008 restated £
Gross income from continuing operations – unrestricted, restricted and designated funds	1,315,070	1,488,261
Transfer from endowment funds	365,883	291,217
Total expenditure of continuing operations	(2,154,964)	(2,139,971)
Total net expenditure for the year	<u>(474,011)</u>	<u>(360,493)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2009

	2009 £	2008 restated £
Net expenditure from income and expenditure account (as above)	(474,011)	(360,493)
Capital (decreases) / increases in endowment funds	(30,269)	1,791,874
Net realised losses on endowment fund investment	(453,375)	(194,440)
Total realised net (losses)/gains for the year	<u>(957,655)</u>	<u>1,236,941</u>
Net unrealised losses on endowment fund investments	(173,562)	(1,766,552)
Total recognised net losses for the year	<u>(1,131,217)</u>	<u>(529,611)</u>

The notes on pages 10 to 23 form part of these consolidated accounts.

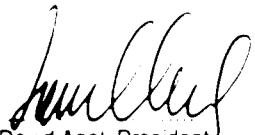
OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

BALANCE SHEET AS AT 31 JULY 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible fixed assets	9	2,606,732	2,606,732
Investment property	10	1,215,000	1,215,000
Investments	11	6,217,422	6,868,921
		<u>10,039,154</u>	<u>10,690,653</u>
Current assets			
Debtors – falling due within one year	12	116,319	80,414
Bank deposit – general		253,466	860,786
		<u>369,785</u>	<u>941,200</u>
Current liabilities			
Creditors – falling due within one year	13	(829,797)	(792,331)
Bank overdraft	13	(71,743)	(1,000,906)
		<u>(531,755)</u>	<u>(852,037)</u>
Net current liabilities		<u>(531,755)</u>	<u>(852,037)</u>
Total assets less current liabilities		<u>9,507,399</u>	<u>9,838,616</u>
Creditors – falling due after more than one year			
Loan from MCA fund	14	(800,000)	-
Net assets		<u><u>8,707,399</u></u>	<u><u>9,838,616</u></u>
Capital funds			
Endowments	15	9,287,422	9,944,628
Income funds			
Unrestricted	16	(757,115)	(335,398)
Designated	17	53,811	41,775
Restricted	18	123,281	187,611
		<u>8,707,399</u>	<u>9,838,616</u>

The notes on pages 10 to 23 form part of these accounts.

Approved by the Board of Governors and signed on its behalf on 15 December 2009


 Dr David Anel President

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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 2006.

(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 and rents are recognised on an accruals basis.

(c) **Fixed Assets**

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

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 2006 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 on its charitable activities under section 505 of the Income and Corporation Taxes Act 1988.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

.....continued

(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 for unrestricted or restricted purposes and are allocated appropriately.

(l) **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.

2.1 **Activities for generating funds**

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

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

.....continued

2.2 Investment income

Investment income comprises

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2009 £	Total 2008 £
Dividends and interest	366	-	259	313,584	314,209	288,833
Income from investment properties	-	-	-	54,971	54,971	56,537
	366	-	259	368,555	369,180	345,370

2.3 Incoming resources from charitable activities

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2009 £	Total 2008 £
Conferences, student fees accommodation and library funding	138,511	6,097	182,606	-	327,214	322,149
Looted Art Research Unit	-	-	75,888	-	75,888	130,205
Journal of Jewish Studies	-	62,350	-	-	62,350	45,448
	138,511	68,447	258,494	-	465,452	497,802

3 Costs of generating funds

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2009 £	Total 2008 £
Advertising and fundraising	44,380	-	30,536	-	74,916	66,457
Postage and stationery	6,737	-	-	-	6,737	8,489
Printing	7,047	-	-	-	7,047	6,172
Support costs	59,685	-	35,000	-	94,685	91,839
	117,849	-	65,536	-	183,385	172,957
Investment management						
Investment management fees	-	-	-	32,941	32,941	16,913
	117,849	-	65,536	32,941	216,326	189,870

Commission payments to fundraisers were made during the year, Dr S Brichto (dec'd) £6,536 (2008: £8,428) and Mr A Byrne £ nil (2008: £8,428). Mrs C Brichto of CB Event Production received fees in respect of the annual fundraising dinner amounting to £4,166 (2008: £15,000). The May 2009 dinner did not go ahead. Out of respect for Dr S Brichto who died in December 2008, the Governors cancelled the May 2009 dinner.

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2009 £	Total 2008 £
4 Charitable activities						
Academic	156,337	48,041	607,894	-	812,272	829,363
Yarnton Manor Estate facilities	518,563	779	8,527	-	527,869	462,699
Master of Jewish Studies degree Library	-	-	194,945	-	194,945	257,868
Looted Art Research Unit	118,079	120	85,362	-	203,561	175,700
Hebrew and Jewish Studies Unit	-	-	124,011	-	124,011	108,093
	-	-	19,270	-	19,270	23,262
	792,979	48,940	1,040,009	-	1,881,928	1,856,985

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2009 £	Total 2008 £
5 Governance costs						
Finance charges	16,125	-	-	-	16,125	11,365
Professional charges	25,210	-	-	-	25,210	20,993
	<u>41,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,335</u>	<u>32,358</u>
Internal governance costs	46,042	-	2,274	-	48,316	77,671
	<u>87,377</u>	<u>-</u>	<u>2,274</u>	<u>-</u>	<u>89,651</u>	<u>110,029</u>

Professional charges include audit fees of £8,809 (2008: £9,000).

	Staff costs £	Other costs £	Total 2009 £	Total 2008 £
6 Further analysis of total resources expended, between staff and other costs				
Costs of generating funds	84,733	131,593	216,326	189,870
Charitable activities				
Academic	410,309	401,963	812,272	829,389
Yarnton Manor Estate Facilities	305,689	222,180	527,869	462,673
Master of Jewish Studies Degree	122,526	72,419	194,945	257,868
Library	152,927	50,634	203,561	175,700
Looted Art Research Unit	56,501	67,510	124,011	108,093
Hebrew and Jewish Studies Unit	5,103	14,167	19,270	23,262
	<u>1,053,055</u>	<u>828,873</u>	<u>1,881,928</u>	<u>1,856,985</u>
Governance costs				
Finance and professional charges	-	41,335	41,335	32,357
Internal governance costs	42,918	5,398	48,316	77,672
	<u>42,918</u>	<u>46,733</u>	<u>89,651</u>	<u>110,029</u>
	<u>1,180,706</u>	<u>1,007,199</u>	<u>2,187,905</u>	<u>2,156,884</u>

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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7 **Governors' Remuneration**

The President

	2009 £	2008 £
	Mr D Ariel appointed 01.10.08	Mr P Oppenheimer retired 16.04.08
Salary (excluding employer's national insurance)	66,666	48,679
Bonus	12,500	-
Employer's national insurance contributions	9,542	6,815
Personal pension	4,200	-
Other benefits – private health care	7,718	-
	<u>100,626</u>	<u>55,494</u>

Mr P M Oppenheimer (President, retired 16.04.08) received £7,000 in consultancy fees for the period 1 August to 30 September 2008.

Expenses of £ nil (2008: £1,110) were reimbursed to or paid on behalf of the past President.

Expenses of £10,344 were reimbursed to or paid on behalf of the President, D Ariel. (£9,231 fundraising travel/entertaining and £1,113 telephone).

Professor M Goodman is a Fellow and Governor. He received a teaching stipend from the Centre of £2,000 (2008: £2,000) and was reimbursed £500 (2008: £443) for expenses incurred on behalf of the Centre.

No other Governor received remuneration or expenses 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 £1,913 (2008: £1,913).

8 **Staff costs**

	2009 £	2008 £
Wages and salaries	994,541	994,800
Social security costs	78,804	78,415
Other pension contributions	107,361	107,206
	<u>1,180,706</u>	<u>1,180,421</u>

The above amounts include Governors' remuneration.

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

Research stipends of £13,465 (2008: £9,549) were paid to visiting academics.

Salary grants of £224,229 (2008: £206,049) were paid to the University of Oxford which remunerated six of the Centre's Fellows, (none of whom were Governors during the period).

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

	2009		2008	
	Full-time	Part-time	Full-time	Part-time
Academic	10	2	12	3
Library	3	2	3	3
Administration	6	6	6	6
Domestic and maintenance	6	5	6	7
	<u>25</u>	<u>15</u>	<u>27</u>	<u>19</u>

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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9 Tangible fixed assets

	2009 £	2008 £
Freehold Land and Buildings		
Manor Farm - land	485,000	485,000
Manor Farm - buildings	751,731	751,731
	<u>1,236,731</u>	<u>1,236,731</u>
Yarnton Manor Estate		
- Yarnton Manor	1,000,000	1,000,000
- Ricardo House	370,000	370,000
	<u>1,370,000</u>	<u>1,370,000</u>
Books and equipment		
Library collections	1	1
	<u><u>2,606,732</u></u>	<u><u>2,606,732</u></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 2009. 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.

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 book value of fixed assets have suffered impairment during the year.

Insured value

The total insured value at 31 July 2009 of the assets of the Centre, which are used to promote the objectives of the charity was £24,556,760 (2008: £23,612,604).

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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10 Investment property

	2009 £	2008 £
Perry Orchard	565,000	565,000
Manor Farm, Phase 2	650,000	650,000
	<u>1,215,000</u>	<u>1,215,000</u>

Perry Orchard was purchased in July 2004. The Governors are of the opinion that there is no significant difference between the value shown in the accounts and the market value of Perry Orchard at 31 July 2009. Manor Farm, Phase 2 was completed in the year. Again, the Governors are of the opinion that there is no significant difference between the value shown in the accounts and the market value of the property at 31 July 2009.

11 Movement in fixed asset investments

	2009 £
Market value at 1 August 2008	6,868,921
Disposals	(3,165,679)
Additions	2,697,667
Change in cash held by investment managers	(380,165)
Realised losses	(453,375)
Unrealised losses	(173,562)
Market value at 31 July 2009	<u>5,393,807</u>
Loan to Centre	800,000
Cash investment	23,615
	<u><u>6,217,422</u></u>

Included above are the following investment assets:

	2009 £
Investment assets in the United Kingdom	5,730,349
Investment assets outside the United Kingdom	487,073
	<u><u>6,217,422</u></u>

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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12	Debtors Due within one year	2009 £	2008 £
	Debtors	8,839	11,826
	Other debtors	58,510	-
	Prepayments and accrued income	48,970	68,588
		<u>116,319</u>	<u>80,414</u>

13	Creditors Due within one year:	2009 £	2008 £
	Creditors - suppliers	10,408	14,650
	Other creditors – taxation and social security	35,541	12,313
	Accruals	89,950	203,798
	Deferred income	693,898	561,570
	Bank overdraft	71,743	1,000,906
		<u>901,540</u>	<u>1,793,237</u>

Deferred income funds – movement in year

	Fellowships £	Conferences/ Lectures £	Scholarships £	Library £	Total £
Opening balance at 1 August 2008	299,897	10,000	251,673	-	561,570
Income during the year	154,629	117,750	58,510	6,000	336,889
Released during the year	(93,622)	(10,000)	(100,939)	-	(204,561)
Closing balance at 31 July 2009	<u>360,904</u>	<u>117,750</u>	<u>209,244</u>	<u>6,000</u>	<u>693,898</u>

14	Creditors Due after one year:	2009 £	2008 £
	Loan from MCA endowment fund	800,000	-

On 19 January 2009 the Centre obtained an order under section 26(4) of the Charities Act to spend £800,000 from its permanent endowment fund. The money was advanced from the Centre's MCA expendable endowment and it was agreed with the Charity Commission that the fund would be repaid over a four year period. On 12 November 2009 an order was obtained from the Charity Commission to increase the repayment period to ten years. The first capital repayment will take place in March 2010. The Centre requested the grant of the order by the Charity Commission as they were aware that the deficit on unrestricted reserves would grow beyond the 2008 level of £442,155 and that additional working capital would be needed to fund the Centre's continuing operations. The Governors have considered the Centre's working capital requirements for the next academic year and are of the opinion that with the introduction of the measures outlined on page 2, that the Centre will have adequate resources to fund its charitable activities for at least the next academic year, as disclosed in note 21. The Governors are of the opinion that the Centre will be able to make capital repayments to the MCA fund and have the working capital to fund its charitable activities for the next academic year.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

continued

15	Endowment Funds	Balance 31 July 2008	New Investment & cash transfers	Net Income Resources	Reallocated to Income & Expenditure <i>Unrestricted</i>	Reallocated to Income & Expenditure <i>Restricted</i>	Net Realised Gains/Losses for the year	Net Unrealised Gains/Losses for the year	Balance 31 July 2009
		£	£	£	£	£	£	£	£
	CHARITY								
	Expendable Endowments								
	Applied for the purchase of property								
	Stifung Benevolus	1,000,000	-	-	-	-	-	-	1,000,000
	Anonymous	370,000	-	-	-	-	-	-	370,000
		1,370,000	-	-	-	-	-	-	1,370,000
	Gift of land – Manor Farm	485,000	-	-	-	-	-	-	485,000
	Expendable endowments								
	MCA Fund – property investments	565,000	-	26,400	(26,400)	-	-	-	565,000
	J M Finn investments: The MCA/Muller endowments								
	MCA Fund – securities	3,840,071	(814,901)	138,472	(113,104)	(2,500)	(294,695)	(184,066)	2,569,277
	MCA Fund – cash	7,783	(8,896)	-	-	-	1,555	(442)	-
	The Leopold Muller Memorial Library fund (The Yarnton Trust)	961,195	-	33,732	-	(33,732)	(91,108)	(13,661)	856,426
		4,809,049	(823,797)	172,204	(113,104)	(36,232)	(384,248)	(198,169)	3,425,703
	Loan								
	MCA fund, loan to working capital	-	800,000	-	-	-	-	-	800,000
	The Polonsky Foundation, equities	827,125	-	79,625	-	(79,625)	-	103,350	930,475
	David Patterson Lecture Series, equities	33,931	-	2,097	-	-	668	-	36,696
	Total MCA/Muller fund, Polonsky and DP Lecture S	6,235,105							5,757,874
	Total Expendable Endowments	8,090,105	(23,797)	280,326	(139,504)	(115,857)	(383,580)	(94,819)	7,612,874
	J M Finn investments: Permanent Endowments								
	Library								
	Catherine Lewis & Simon Davis Library Fund	99,801	-	4,911	-	(4,911)	(5,808)	(10,695)	83,298
	HRO Library Fund	17,479	-	860	-	(860)	(1,017)	(1,873)	14,589
	Sarah Berlin Library Fund	12,559	-	618	-	(618)	(731)	(1,346)	10,482
	Fellowships/scholarships,								
	David Patterson Fellowship in Jewish Law	313,959	-	15,449	-	(15,449)	(18,273)	(33,645)	262,041
	Jacobs Fellowship	103,025	-	5,070	-	(5,070)	(5,996)	(11,041)	85,988
	Mason Lectureship	99,206	-	4,882	-	(4,882)	(5,774)	(10,631)	82,801
	Goldman Lecture fund	12,787	-	629	-	(629)	(744)	(1,370)	10,673
	Dev Biegun Scholarship fund, part transferred to property	84,717	-	4,169	-	(4,619)	(4,930)	(9,079)	70,708
		743,533	-	36,588	-	(36,588)	(43,273)	(79,680)	620,580
	The Paisner, Leigh, Hyman, green and Schreiber funds (Y. Trust)	438,021	(32,083)	22,424	(6,592)	(15,832)	(26,522)	937	380,353
		1,181,554	(32,083)	59,012	(6,592)	(52,420)	(69,795)	(78,743)	1,000,933
	Manor Farm, phase 2, property investment								
	Miscellaneous Fund	421,124	-	18,511	(18,511)	-	-	-	421,124
	Dev Biegun Scholarship Fund	228,876	-	10,060	-	(10,060)	-	-	228,876
		650,000	-	28,571	(18,511)	(10,060)	-	-	650,000
	David Patterson Memorial Scholarship, cash on deposit	22,969	-	646	-	-	-	-	23,615
	Total Permanent Endowment Fund	1,854,523	(32,083)	88,229	(25,103)	(62,480)	(69,795)	(78,743)	1,674,548
	Total All Endowments	9,944,628	(55,880)	368,555	(164,607)	(178,337)	(453,375)	(173,562)	9,287,422

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
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15 Endowment Funds (continued)

	Balance 31 July 2008	New Investment & cash transfers	Net Incoming Resources	Reallocated to Income & Expenditure <i>Unrestricted</i>	Reallocated to Income & Expenditure <i>Restricted</i>	Net Realised Gains/Losses for the year	Net Unrealised Gains/Losses for the year	Balance 31 July 2009
	£	£	£	£	£	£	£	£
The Yarnton Trust – individual fund values								
Expendable Endowment								
Leopold Muller Memorial Library Fund	961,195	-	33,732	-	(33,732)	(91,108)	(13,661)	856,426
Permanent Endowments								
Kennedy Leigh Charitable Trust Fund	95,286	(6,979)	4,877	(4,877)	-	(5,769)	204	82,742
Leslie Paisner Memorial Fund	33,478	(2,452)	1,715	(1,715)	-	(2,029)	72	29,069
David Hyman Fellowship	88,359	(6,472)	4,523	-	(4,523)	(5,349)	189	76,727
Frank Green Fellowship	88,359	(6,472)	4,523	-	(4,523)	(5,349)	189	76,727
Jacob & Shoshana Schreiber Fellowship	132,539	(9,708)	6,786	-	(6,786)	(8,026)	283	115,088
	<u>438,021</u>	<u>(32,083)</u>	<u>22,424</u>	<u>(6,592)</u>	<u>(15,832)</u>	<u>(26,522)</u>	<u>937</u>	<u>380,353</u>
Total Yarnton Trust	<u>1,399,216</u>	<u>(32,083)</u>	<u>56,156</u>	<u>(6,592)</u>	<u>(49,564)</u>	<u>(117,630)</u>	<u>(12,724)</u>	<u>1,236,779</u>
MCA Fund – summary								
	Balance 31 July 2008	Transfer	Net Incoming Resources	Reallocations <i>Unrestricted</i>	Reallocations <i>Restricted</i>	Net Realised Gains/Losses	Net Unrealised Gains/Losses	Balance 31 July 2009
MCA Fund, aggregate balances	<u>4,412,854</u>	<u>(23,797)</u>	<u>164,872</u>	<u>(139,504)</u>	<u>(2,500)</u>	<u>(293,140)</u>	<u>(184,508)</u>	<u>3,934,277</u>

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

- the total of income, 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
- 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 2009 (2008: £nil). At 31 July 2009 the total grants, increased by the UK Retail Price Index for the relevant periods, amounted to £4,732,668 (2008: £4,789,541) so that the market value of £3,934,277 gave rise to a deficit of £(798,390) (2008: £376,721) and no capital may be spent at present. The unspent parts of 8% per annum aggregate to £1,516,134 (2008: £1,261,092).

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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16 Unrestricted funds

	31 July 2008 £	Net Incoming Resources £	Unrealised and Realised Gains £	Transfers £	31 July 2009 £
	(335,398)	(421,717)	-	-	(757,115)

17 Designated Funds

	31 July 2008 £	Net incoming resources £	Transfers £	Outgoing resources £	31 July 2009 £
Seminars	-	16,097	(12,233)	(4,015)	(151)
Library	-	120	-	(120)	-
Journal of Jewish Studies	41,775	62,350	(5,358)	(44,805)	53,962
	41,775	78,567	(17,591)	(48,940)	53,811

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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18 Restricted Funds

	31 July 2008 £	Income received in advance £	Reallocation £	Outgoing Resources £	31 July 2009 £
Accommodation	-	27,027	(18,501)	(8,526)	-
Conferences and lectures	6,270	10,468	-	(14,457)	2,281
Fellowships, visiting	10,930	5,465	-	(16,395)	-
Fellowships, permanent	-	536,450	19,364	(555,814)	-
Israel lecture series	13,683	33,001	-	(37,470)	9,214
Library fund	26,483	78,643	-	(85,362)	19,764
Looted Art Research Unit	76,962	75,888	(3,597)	(124,011)	25,242
Master of Jewish Studies degree	43,715	209,185	2,734	(194,947)	60,687
Other, bank interest	-	259	-	(259)	-
L Paisner Fund	2,000	-	-	-	2,000
Secretarial salary	5,295	8,103	-	(9,305)	4,093
Salary, project	2,274	59,000	-	(61,274)	-
	187,612	1,043,489	-	(1,107,820)	123,281

Master of Jewish Studies degree – scholarships

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

Fellowships

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

Library Fund

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

Looted Art Research Unit

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

19 **Transfers**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

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20 Analysis of Group Assets

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31st July 2009 are represented by:					
Tangible fixed assets	751,731	-	-	1,855,001	2,606,732
Investment property	-	-	-	1,215,000	1,215,000
Investments	-	-	-	6,275,932	6,275,932
Current assets	(572,947)	53,811	817,179	(58,511)	239,532
Current liabilities	(935,899)	-	(693,898)	-	(1,629,797)
	(757,115)	53,811	123,281	9,287,422	8,707,399

21 Post Balance Sheet Events

Since 31 July 2009, the President has confirmed (on 7 October 2009) that five Governors have pledged a total of £500,000 in new funding for the financial year beginning 1 August 2009, of which £250,000 has been received, (£50,000 in the form of a loan).

22 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. USS has over 130,000 active members and the Centre has 15 active members participating in the scheme. The Centre also participates in the University of Oxford Staff Scheme ("OSPS") for administrative and support staff and makes an unfunded pension payment to one individual. The assets of the USS and OSPS are held in a separate trustee administered fund. Because of the mutual nature of the scheme, 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 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

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

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic Scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.3% per annum.

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts), the funding level was approximately 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004, the Scheme was 107% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date), the assets would have been approximately 79% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 6.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%.

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.....continued

22 Pension Commitments (continued)

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions except that the valuation rate of interest assumed asset outperformance over gilts of 1.7% per annum (compared with 2% per annum for the technical provisions) giving a discount rate of 6.1% per annum; also the allowance for promotional salary increases was not as high. There is currently uncertainty in the sector regarding pay growth. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

The institution contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the institution contribution rate to 16% of pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fall and at 31 March 2009 the actuary has estimated that the funding level under the new scheme-specific funding regime had fallen from 103% to 74%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the year and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions).

On the FRS17 basis, using a AA bond discount rate of 7.1% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2009 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 46%.

Surpluses or deficits which arise at future valuations may impact on the Centre's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could perhaps be used to similarly reduce contribution requirements. USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

There is no actuarial valuation available for the OSPS.

The total pension cost for the Centre was £107,361 (2008: £107,206). The amount payable to the USS scheme was £43,721 and the amount payable to OSPS was £61,083. The contribution rates payable by the Centre were 14% of pensionable salaries for USS and 21.5% of pensionable salaries for the OSPS.