

Charity number: 309720  
Company number: 1109384

**OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED  
31 JULY 2011**

**WENN TOWNSEND**  
CHARTERED ACCOUNTANTS

# OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

Registered in England No: 1109384

Registered Charity No: 309720

## GOVERNORS

Lord Fink of Northwood (Co-Chairman)

Mr George Pinto (Co-Chairman)

Professor Hugh Williamson (Vice-Chairman)

|                                 |                             |
|---------------------------------|-----------------------------|
| Sir Ivor Crewe                  | Mr Martin Paisner           |
| Professor Martin Goodman        | Mr Dan Patterson            |
| The Lord Guthrie of Craigiebank | Mr Daniel Peltz             |
| HRH Prince El Hassan bin Talal  | Mr Marc Polonsky            |
| Professor Alan Jones            | The Rt Hon Lord Justice Rix |
| Mr David Joseph                 | Mr Stuart Roden             |
| Dr Paul Joyce                   | Mr Charles Sebag-Montefiore |
| Mr David Lewis                  | Dr David Taylor             |
| The Lord Marks of Broughton     | Mr Roger Wingate            |
| Dr John Muddiman                |                             |

## EMERITUS GOVERNORS

|                           |                           |
|---------------------------|---------------------------|
| Mr Martin Blackman        | Mr Felix Posen            |
| Sir Zelman Cowen          | Sir Maurice Shock         |
| Mr Michael Garston        | Sir Sigmund Sternberg     |
| Mr Frank Green            | Mr Dennis Trevelyan       |
| Sir Richard Greenbury     | Professor Geza Vermes     |
| The Lord Moser            | The Lord Weidenfield      |
| Mr David Hyman            | The Rt Hon The Lord Woolf |
| The Revd Ernest Nicholson | 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**

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

**SOLICITORS**

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

Blake Laphorn  
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 2011

The Governors present their report and the financial statements for the year ended 31 July 2011.

### **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 2011.

### **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 £57,117 (2010: surplus of £124,398). Funds at the end of the year were £10,041,682 (2010: £9,610,537), an increase of £431,145 in the year.

### **Funds and reserves policy**

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

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

# OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

## REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2011 (Continued)

At 31 July 2011, the Centre had a deficit on unrestricted reserves of £936,142 (2010: £726,458). The increase in the deficit was disappointing given the efforts devoted to fundraising during the year.

Substantial efforts have been made during the year to develop a strategic plan to address the issue of the increasing unrestricted deficit.

In the event that the strategic plan does not eliminate the deficit by, at the latest, July 2013 consideration will be given to the sale of some non-core property and unrestricted investments.

### **Fund-raising activities**

The Centre received donations of £1,512,805 (2010: £1,726,111) during the year. No endowment donations were received in the year.

### **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

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2011 (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 and is planning to host further conferences of importance to Hebrew and Jewish Studies.

**Governors' responsibilities**

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

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

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

## OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

### REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2011 (Continued)

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

In so far as the Centre's Governors are aware:

- there is no relevant audit information of which the Centre's auditors are unaware; and
- 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 Centre's auditors are aware of that information.

#### Investment funds

The Centre's investments comprise cash, securities, property and a loan. Investment Managers are J M Finn & Co.

The Centre has continued to invest in Quality Corporate Bonds, around 25% of value of the total portfolio, and did not have any Gilt holdings at 31 July 2011. The majority of the fund is still invested in predominantly blue chip equities with a slight emphasis on above average yielding stocks.

At 31 July 2011, the total value of all the Centre's quoted investments was £6,764,423 (2010: £6,172,546). In addition, the Centre has invested £1,215,000 in properties on the Yarnton Manor Estate. The first annual repayment of the £800,000 loan was made in this financial year thus reducing the balance to £720,000. The repayment schedule 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 2011 was £1,256,043 (2010: £1,158,667) showing an increase of £97,376.

Within the Permanent Endowment Fund there is £650,000 is invested in the Manor Farm accommodation. During the year, the fund produced a gross income of £32,271.

#### 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 2011 was £4,349,476.(2010: £3,896,567). A further £565,000 of the fund is invested in a residential property and £720,000 was lent to the Centre.

The value of the Polonsky Foundation fund was £1,118,000 (2010: £1,079,000) which is now included in investments held by J M Finn.

The total value of the fund was £6,793,380 (2010: £6,378,879), an increase of £414,501. During the year, the fund produced a gross income of £292,198.



## OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

### REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2011 (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 2010 to the date of this report, unless otherwise stated. In accordance with the Articles of Association, The Rt Hon Lord Justice Rix, Mr Stuart Roden, Dr John Muddiman and Mr Roger Wingate resign and, being eligible, offer themselves for re-election.

The Lord Fink of Northwood (Co-Chairman)  
Mr George Pinto (Co-Chairman)  
Professor Hugh Williamson (Vice-Chairman)  
Dr David Ariel (President)  
Professor Shlomo Ben-Ami (Term concluded Dec 2010)  
Mr Martin Blackman (Made Emeritus Dec 2010)  
Professor Baruch Blumberg (Deceased 11 April 2011)  
Sir Ivor Crewe  
HRH Prince El Hassan bin Talal  
Mr Michael Garston (Made Emeritus Dec 2010)  
Professor Martin Goodman  
Sir Richard Greenbury (Made Emeritus Dec 2010)  
The Lord Guthrie of Craigiebank  
Professor Alan Jones  
Mr David Joseph  
Dr Paul Joyce  
Mr David Lewis  
The Lord Marks of Broughton  
Dr John Muddiman  
Mr Martin Paisner  
Mr Dan Patterson  
Mr Daniel Peltz  
Mr Marc Polonsky  
The Rt Hon Lord Justice Rix  
Mr Stuart Roden  
Mr Charles Sebag-Montefiore  
Dr David Taylor  
The Lord Weidenfeld (Made Emeritus Dec 2010)  
Mr Roger Wingate

#### 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.

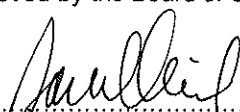
#### Governor Appointments, Induction and Training

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.

Approved by the Board of Governors on <sup>12<sup>DA</sup></sup> 13 December 2011 and signed on its behalf by

  
.....  
Dr David Ariel, President

## OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

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

We have audited the financial statements of Oxford Centre for Hebrew and Jewish Studies ('the Centre') for the year ended 31 July 2011 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of Governors and Auditors**

As explained more fully in the statement of Governors' Responsibilities set out on page 4, the Governors (who are also the directors of the Centre for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the financial statements**

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

#### **Opinion on the financial statements**

In our opinion the financial statements:

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

#### **Emphasis of matter - going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 22 to the financial statements concerning the Centre's ability to manage its unrestricted reserves deficit. The Centre incurred a net unrestricted reserve deficit of £209,684 in the year, increasing the Centre's total unrestricted reserve deficit to £936,142. This indicates a material uncertainty which may cast significant doubt on the Centre's ability to continue in its present activities without significantly changing its operations. The Governors (who are also the directors of the Centre for the purposes of company law) have concluded that the Centre's action plan as disclosed in note 22 would enable the Centre to continue as a going concern. The financial statements do not include the adjustment that would result if the Centre was unable to continue as a going concern.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

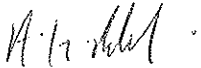
OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

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

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

..... 17 / 12 / ..... 2011

WENN TOWNSEND

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 JULY 2011

|   | Note | Unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Endowment<br>£    | Total<br>2011<br>£ | Total<br>2010<br>£ |
|---|------|-------------------|-----------------|-----------------|-------------------|--------------------|--------------------|
| <b>Income</b>   |      |                   |                 |                 |                   |                    |                    |
| <i>Incoming resources from generated funds</i>  |      |                   |                 |                 |                   |                    |                    |
| Voluntary income  |      | 580,628           | 30,000          | 902,177         | -                 | 1,512,805          | 1,726,111          |
| Less: deferred income   | 13   | -                 | -               | (448,275)       | -                 | (448,275)          | (475,833)          |
|   |      | 580,628           | 30,000          | 453,902         | -                 | 1,064,530          | 1,250,278          |
| <i>Activities for generating funds</i>  | 2.1  | 55,398            | -               | -               | -                 | 55,398             | 88,579             |
| <i>Investment income</i>  | 2.2  | 61                | -               | 417             | 384,646           | 385,124            | 317,760            |
| <i>Incoming resources from charitable activities</i>  | 2.3  | 119,054           | 80,540          | 353,499         | -                 | 553,093            | 513,288            |
| <b>Total incoming resources</b>   |      | <b>755,141</b>    | <b>110,540</b>  | <b>807,818</b>  | <b>384,646</b>    | <b>2,058,145</b>   | <b>2,169,905</b>   |
| <b>Resources expended</b>   |      |                   |                 |                 |                   |                    |                    |
| <i>Cost of generating funds</i>   |      |                   |                 |                 |                   |                    |                    |
|   | 3    | 259,964           | -               | -               | 31,928            | 291,892            | 263,044            |
| <i>Charitable activities</i>  | 4    | 812,106           | 125,617         | 848,851         | -                 | 1,786,574          | 1,713,717          |
| <i>Governance costs</i>   | 5    | 90,777            | -               | -               | -                 | 90,777             | 96,491             |
| <b>Total resources expended</b>   |      | <b>1,162,847</b>  | <b>125,617</b>  | <b>848,851</b>  | <b>31,928</b>     | <b>2,169,243</b>   | <b>2,073,252</b>   |
| Net (outgoing)/incoming resources before transfers  |      | (407,706)         | (15,077)        | (41,033)        | 352,718           | (111,098)          | 96,653             |
| Net transfers between funds   | 19   | 198,022           | (7,163)         | 215,840         | (406,699)         | -                  | -                  |
| <b>Net (outgoing)/incoming resources before revaluations and investment asset disposals</b> |      | <b>(209,684)</b>  | <b>(22,240)</b> | <b>174,807</b>  | <b>(53,981)</b>   | <b>(111,098)</b>   | <b>96,653</b>      |
| Gains and losses on revaluations and disposals of investment assets                         |      |                   |                 |                 |                   |                    |                    |
| Fixed asset investments net realised gains/(losses)   | 11   | -                 | -               | -               | 13,909            | 13,909             | 100,725            |
| Fixed asset investments net unrealised gains/(losses)                                       | 11   | -                 | -               | -               | 528,334           | 528,334            | 705,760            |
| <b>Net movement in funds for the year</b>   |      | <b>(209,684)</b>  | <b>(22,240)</b> | <b>174,807</b>  | <b>488,262</b>    | <b>431,145</b>     | <b>903,138</b>     |
| Fund balances at 1 August 2010  |      | (726,458)         | 96,210          | 174,624         | 10,066,161        | 9,610,537          | 8,707,399          |
| <b>Fund balances at 31 July 2011</b>  |      | <b>(936,142)</b>  | <b>73,970</b>   | <b>349,431</b>  | <b>10,554,423</b> | <b>10,041,682</b>  | <b>9,610,537</b>   |

The notes on pages 11 to 24 form part of these accounts.

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

SUMMARY INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2011

|   | 2010<br>£              | 2009<br>£             |
|---|------------------------|-----------------------|
| Gross income from continuing operations – unrestricted, restricted and designated funds | 1,673,499              | 1,853,235             |
| Transfer from endowment funds   | 406,699                | 314,675               |
| Total expenditure of continuing operations  | <u>(2,137,315)</u>     | <u>(2,043,512)</u>    |
| <b>Total net (expenditure)/income for the year</b>                                      | <b><u>(57,117)</u></b> | <b><u>124,398</u></b> |

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 JULY 2011

|   | 2011<br>£              | 2010<br>£             |
|---|------------------------|-----------------------|
| Net (expenditure)/income from income and expenditure account (as above) | (57,117)               | 124,398               |
| Capital decreases in endowment funds                                    | (53,981)               | (27,745)              |
| Net realised gains/(losses) on endowment fund investment                | 13,909                 | 100,725               |
| <b>Total realised net gains (losses) for the year</b>                   | <b><u>(97,189)</u></b> | <b><u>197,378</u></b> |
| Net unrealised gains/(losses) on endowment fund investments             | 528,334                | 705,760               |
| <b>Total recognised net gains/(losses) for the year</b>                 | <b><u>431,145</u></b>  | <b><u>903,138</u></b> |

The notes on pages 11 to 24 form part of these consolidated accounts.


OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

BALANCE SHEET AS AT 31 JULY 2011

|   | Note | 2011<br>£         | 2010<br>£         |
|---|------|-------------------|-------------------|
| <b>Fixed assets</b>                                     |      |                   |                   |
| Tangible fixed assets                                   | 9    | 2,606,732         | 2,606,732         |
| Investment property                                     | 10   | 1,215,000         | 1,215,000         |
| Investments   | 11   | 7,484,423         | 6,996,161         |
|   |      | <u>11,306,155</u> | <u>10,817,893</u> |
| <b>Current assets</b>                                   |      |                   |                   |
| Debtors – falling due within one year                   | 12   | 57,259            | 63,166            |
| Bank deposit – general                                  | 12   | 296,550           | 192,653           |
|   |      | <u>353,809</u>    | <u>255,819</u>    |
| <b>Current liabilities</b>                              |      |                   |                   |
| Creditors – falling due within one year                 | 13   | (651,978)         | (663,175)         |
| Bank overdraft  | 13   | (232,642)         | -                 |
|   |      | <u>(530,811)</u>  | <u>(407,358)</u>  |
| <b>Net current liabilities</b>                          |      |                   |                   |
|   |      | <u>(530,811)</u>  | <u>(407,358)</u>  |
| <b>Total assets less current liabilities</b>            |      |                   |                   |
|   |      | <u>10,775,344</u> | <u>10,410,537</u> |
| <b>Creditors – falling due after more than one year</b> |      |                   |                   |
| Loan from MCA fund                                      | 14   | (640,000)         | (800,000)         |
| Brichto fellowship                                      | 14   | (93,662)          | -                 |
|   |      | <u>(733,662)</u>  | <u>(800,000)</u>  |
| <b>Net assets</b>                                       |      |                   |                   |
|   |      | <u>10,041,682</u> | <u>9,610,537</u>  |
| <b>Capital funds</b>                                    |      |                   |                   |
| Endowments  | 15   | 10,554,423        | 10,066,161        |
| <b>Income funds</b>                                     |      |                   |                   |
| Unrestricted  | 16   | (936,142)         | (726,458)         |
| Designated  | 17   | 73,970            | 96,210            |
| Restricted  | 18   | 349,431           | 174,624           |
|   |      | <u>10,041,682</u> | <u>9,610,537</u>  |

The notes on pages 11 to 24 form part of these accounts.

Approved by the Board of Governors and signed on its behalf on 12<sup>DA</sup> December 2011

  
Dr David Ariel, President

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011

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 and not yet due to be spent, are carried forward as deferred income and matched with related expenditure;
- Interest and rents are recognised on an accruals basis.

(c) **Fixed Assets**

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011

.....continued

**1 Accounting policies (continued)**

**(j) Allocation of costs to Resources Expended**

Specific items of expenses are attributed to the appropriate category:

- 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 accordingly.

**(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 endowments expendable in part or in whole, 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.

**(m) 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.

**(n) Going concern**

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

**2. Income**

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

**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 2011

.....continued

2.2 Investment income

Investment income comprises

|                                   | Unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Endowment<br>£ | Total<br>2011<br>£ | Total<br>2010<br>£ |
|-----------------------------------|-------------------|-----------------|-----------------|----------------|--------------------|--------------------|
| Dividends and interest            | 61                | -               | 417             | 332,425        | 332,903            | 287,590            |
| Income from investment properties | -                 | -               | -               | 52,221         | 52,221             | 30,170             |
|                                   | <b>61</b>         | <b>-</b>        | <b>417</b>      | <b>384,646</b> | <b>385,124</b>     | <b>317,760</b>     |

2.3 Incoming resources from charitable activities

|  | Unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Endowment<br>£ | Total<br>2011<br>£ | Total<br>2010<br>£ |
|--|-------------------|-----------------|-----------------|----------------|--------------------|--------------------|
| Conferences, student fees<br>accommodation and library funding | 119,054           | 13,208          | 183,394         | -              | 315,655            | 354,591            |
| Looted Art Research Unit                                       | -                 | -               | 170,105         | -              | 170,105            | 100,019            |
| Journal of Jewish Studies                                      | -                 | 67,332          | -               | -              | 67,332             | 58,678             |
|  | <b>119,054</b>    | <b>80,540</b>   | <b>353,499</b>  | <b>-</b>       | <b>553,093</b>     | <b>513,288</b>     |

3 Costs of generating funds

|                             | Unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Endowment<br>£ | Total<br>2011<br>£ | Total<br>2010<br>£ |
|-----------------------------|-------------------|-----------------|-----------------|----------------|--------------------|--------------------|
| Advertising and fundraising | 160,462           | -               | -               | -              | 160,462            | 146,710            |
| Postage and stationery      | 8,626             | -               | -               | -              | 8,626              | 7,816              |
| Printing                    | 10,400            | -               | -               | -              | 10,400             | 6,408              |
| Support costs               | 80,476            | -               | -               | -              | 80,476             | 72,370             |
|                             | <b>259,964</b>    | <b>-</b>        | <b>-</b>        | <b>-</b>       | <b>259,964</b>     | <b>233,304</b>     |
| Investment management       |                   |                 |                 |                |                    |                    |
| Investment management fees  | -                 | -               | -               | 31,928         | 31,928             | 29,740             |
|                             | <b>259,964</b>    | <b>-</b>        | <b>-</b>        | <b>31,928</b>  | <b>291,892</b>     | <b>263,044</b>     |

4 Charitable activities

|                                 | Unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Endowment<br>£ | Total<br>2011<br>£ | Total<br>2010<br>£ |
|---------------------------------|-------------------|-----------------|-----------------|----------------|--------------------|--------------------|
| Academic                        | 273,488           | 66,774          | 457,045         | -              | 797,307            | 778,593            |
| Yarnton Manor Estate facilities | 380,590           | 55,843          | 55,380          | -              | 491,813            | 463,496            |
| Master of Jewish Studies degree | 53,150            | -               | 102,027         | -              | 155,177            | 142,520            |
| Library                         | 104,878           | 3,000           | 69,006          | -              | 176,884            | 197,070            |
| Looted Art Research Unit        | -                 | -               | 138,714         | -              | 138,714            | 108,332            |
| Hebrew and Jewish Studies Unit  | -                 | -               | 26,679          | -              | 26,679             | 23,706             |
|                                 | <b>812,106</b>    | <b>125,617</b>  | <b>848,851</b>  | <b>-</b>       | <b>1,786,574</b>   | <b>1,713,717</b>   |

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011

.....continued

|                           | Unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Endowment<br>£ | Total<br>2011<br>£ | Total<br>2010<br>£ |
|---------------------------|-------------------|-----------------|-----------------|----------------|--------------------|--------------------|
| <b>5 Governance costs</b> |                   |                 |                 |                |                    |                    |
| Finance charges           | 12,396            | -               | -               | -              | 12,396             | 15,427             |
| Professional charges      | 21,500            | -               | -               | -              | 21,500             | 28,151             |
|                           | <u>33,896</u>     | <u>-</u>        | <u>-</u>        | <u>-</u>       | <u>33,896</u>      | <u>43,578</u>      |
| Internal governance costs | 56,881            | -               | -               | -              | 56,881             | 52,913             |
|                           | <u>90,777</u>     | <u>-</u>        | <u>-</u>        | <u>-</u>       | <u>90,777</u>      | <u>96,491</u>      |

Professional charges include audit fees of £9,500 (2010: £9,000).

|  | Staff costs<br>£ | Other<br>costs<br>£ | Total<br>2011<br>£ | Total<br>2010<br>£ |
|--|------------------|---------------------|--------------------|--------------------|
| <b>6 Further analysis of total resources<br/>expended, between staff and other costs</b> |                  |                     |                    |                    |
| <b>Costs of generating funds</b>   | 113,355          | 178,537             | 291,892            | 263,044            |
| <b>Charitable activities</b>   |                  |                     |                    |                    |
| Academic   | 413,788          | 383,519             | 797,307            | 778,593            |
| Yarnton Manor Estate Facilities  | 274,831          | 216,982             | 491,813            | 463,496            |
| Master of Jewish Studies Degree  | 82,818           | 72,359              | 155,177            | 142,520            |
| Library  | 130,686          | 46,198              | 176,884            | 197,070            |
| Looted Art Research Unit   | 74,056           | 64,658              | 138,714            | 108,332            |
| Hebrew and Jewish Studies Unit   | 5,278            | 21,401              | 26,679             | 23,706             |
|  | <u>981,457</u>   | <u>805,117</u>      | <u>1,786,574</u>   | <u>1,713,717</u>   |
| <b>Governance costs</b>  |                  |                     |                    |                    |
| Finance and professional charges   | -                | 33,896              | 33,896             | 43,578             |
| Internal governance costs  | 51,208           | 5,673               | 56,881             | 52,913             |
|  | <u>51,208</u>    | <u>39,569</u>       | <u>90,777</u>      | <u>96,491</u>      |
|  | <u>1,146,020</u> | <u>1,023,223</u>    | <u>2,169,243</u>   | <u>2,073,252</u>   |

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011

.....continued

**7 Governors' Remuneration**

The President

|  | 2011<br>£      | 2010<br>£      |
|--|----------------|----------------|
| Salary (excluding employer's national insurance) | 84,933         | 80,000         |
| Bonus  | 17,400         | 7,050          |
| Employer's national insurance contributions      | 13,463         | 11,243         |
| Personal pension                                 | 11,531         | 6,500          |
| Other benefits – private health care             | 5,366          | 4,585          |
|  | <u>132,693</u> | <u>109,378</u> |

Expenses of £15,861 (2010: £18,052) 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 (2010: £2,000) and was reimbursed £216 (2010: £500) 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 £2,092 (2010: £1,913).

**8 Staff costs**

|                             | 2011<br>£        | 2010<br>£        |
|-----------------------------|------------------|------------------|
| Wages and salaries          | 962,690          | 899,075          |
| Social security costs       | 79,726           | 72,761           |
| Other pension contributions | 103,605          | 98,574           |
|                             | <u>1,146,021</u> | <u>1,070,410</u> |

The above amounts include Governors' remuneration.

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

Research stipends of £53,448 (2010: £82,465) were paid to visiting academics.

Salary grants of £168,506 (2010: £204,861) were paid to the University of Oxford which remunerated five 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:

|                          | 2011      |           | 2010      |           |
|--------------------------|-----------|-----------|-----------|-----------|
|                          | Full-time | Part-time | Full-time | Part-time |
| Academic                 | 11        | 4         | 10        | 3         |
| Library                  | 2         | 2         | 3         | 2         |
| Administration           | 7         | 7         | 7         | 5         |
| Domestic and maintenance | 6         | 5         | 6         | 5         |
|                          | <u>26</u> | <u>18</u> | <u>26</u> | <u>15</u> |

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011

.....continued

9 Tangible fixed assets

|                                    | 2011<br>£               | 2010<br>£               |
|------------------------------------|-------------------------|-------------------------|
| <b>Freehold Land and Buildings</b> |                         |                         |
| Manor Farm - land                  | 485,000                 | 485,000                 |
| Manor Farm - buildings             | 751,731                 | 751,731                 |
|                                    | <u>1,236,731</u>        | <u>1,236,731</u>        |
| <br>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>        |
| <br><b>Books and equipment</b>     |                         |                         |
| 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 2011. 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 and on which a library storage facility and two residential units have been built. The value of this development is shown at the value of the gift and the cost of construction.

**Library**

The Library Collections have been written down to £1 with all subsequent expenditure written off as incurred. The Governors consider that any revaluation of these assets or any attempt to quantify their value would be misleading, as much of it is irreplaceable. The insured value of the library is £4,335,591.

**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 declared value, for insurance purposes, of the assets of the group, which are used to promote the objectives of the charity, at 31 July 2011 was £25,870,408 (2010: £25,525,783).

WENN TOWNSEND

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011

.....continued

10 Investment property

|                     | 2011<br>£        | 2010<br>£        |
|---------------------|------------------|------------------|
| Perry Orchard       | 565,000          | 565,000          |
| Manor Farm, Phase 2 | 650,000          | 650,000          |
|                     | <u>1,215,000</u> | <u>1,215,000</u> |

Perry Orchard was purchased in July 2004 and Manor Farm, Phase 2 was completed in 2009. The Governors are of the opinion that there is no significant difference between the value shown in the accounts and the market value of these properties at 31 July 2011.

11 Movement in fixed asset investments

|  | 2011<br>£               |
|--|-------------------------|
| Market value at 1 August 2010              | 6,172,546               |
| Disposals                                  | (855,144)               |
| Additions                                  | 869,552                 |
| Change in cash held by investment managers | 35,225                  |
| Realised gains                             | 13,909                  |
| Unrealised gains                           | 528,334                 |
| <b>Market value at 31 July 2011</b>        | <u><b>6,764,423</b></u> |
| Loan to Centre                             | 720,000                 |
|  | <u><u>7,484,423</u></u> |

Included above are the following investment assets:

|  | 2011<br>£        | 2010<br>£        |
|--|------------------|------------------|
| Investment assets in the United Kingdom      | 6,778,458        | 6,429,615        |
| Investment assets outside the United Kingdom | 705,965          | 566,546          |
|  | <u>7,484,423</u> | <u>6,996,161</u> |

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011

.....continued

|           |                                |                |                |
|-----------|--------------------------------|----------------|----------------|
| <b>12</b> | <b>Debtors</b>                 |                |                |
|           | <b>Due within one year</b>     |                |                |
|           |                                | 2011           | 2010           |
|           |                                | £              | £              |
|           | Debtors                        | 4,372          | 7,246          |
|           | Prepayments and accrued income | 52,886         | 55,920         |
|           |                                | <u>57,259</u>  | <u>63,166</u>  |
|           | Cash held on deposit accounts  | <u>296,550</u> | <u>192,653</u> |

|           |  |                |                |
|-----------|--|----------------|----------------|
| <b>13</b> | <b>Creditors</b>                               |                |                |
|           | <b>Due within one year:</b>                    |                |                |
|           |  | 2011           | 2010           |
|           |  | £              | £              |
|           | Creditors - suppliers                          | 11,907         | 23,512         |
|           | Other creditors – taxation and social security | 43,068         | 20,685         |
|           | Accruals                                       | 40,343         | 71,124         |
|           | Payments received in advance                   | 28,385         | 19,099         |
|           | Brichto Fellowship                             | -              | 52,925         |
|           | Deferred income                                | 448,275        | 475,830        |
|           | Bank overdraft                                 | 232,642        | -              |
|           | Loan from MCA endowment fund                   | 80,000         | -              |
|           |  | <u>884,620</u> | <u>663,175</u> |

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

**Deferred income funds – movement in year**

|  | Fellowships<br>£ | Conferences/<br>Lectures<br>£ | Scholarships<br>£ | Library<br>£ | Total<br>£     |
|--|------------------|-------------------------------|-------------------|--------------|----------------|
| Opening balance at 1 August 2010       | 472,216          | -                             | -                 | 3,614        | 475,830        |
| Income during the year                 | 150,000          | -                             | -                 | -            | 150,000        |
| Released during the year               | (175,508)        | -                             | -                 | (2,047)      | (177,555)      |
| <b>Closing balance at 31 July 2011</b> | <u>446,708</u>   | <u>-</u>                      | <u>-</u>          | <u>1,567</u> | <u>448,275</u> |

|           |                                 |                |                |
|-----------|---------------------------------|----------------|----------------|
| <b>14</b> | <b>Creditors</b>                |                |                |
|           | <b>Due after one year:</b>      |                |                |
|           |                                 | 2011           | 2010           |
|           |                                 | £              | £              |
|           | 1. Loan from MCA endowment fund | <u>720,000</u> | <u>800,000</u> |

As agreed with the Charity Commission, the second of ten repayment instalments of £80,000 will be made during the year 2011/12.

|  |   |                |          |
|--|---|----------------|----------|
|  | 2. The Sidney Brichto Fellowship in Israel Studies                              |                |          |
|  | Fundraising continues for this new post which will be advertised during 2011/12 |                |          |
|  |   | 2011           | 2010     |
|  |   | £              | £        |
|  | Donations received  | 93,662         | -        |
|  | Total donations pledged but not received to 31 July 2011                        | <u>420,000</u> | <u>-</u> |

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011

.....continued

| 15 Endowment Funds   | Balance<br>31 July<br>2010 | Management<br>fees | Loan<br>repayment | Net<br>Incoming<br>Resources<br><i>Unrestricted</i> | Reallocated<br>to Income &<br>Expenditure<br><i>Restricted</i> | Reallocated<br>to Income &<br>Expenditure | Net Realised<br>Gains/Losses<br>for the year | Net Unrealised<br>Gains/Losses<br>for the year | Balance<br>31 July<br>2011 |
|--|----------------------------|--------------------|-------------------|---|--|---|--|--|----------------------------|
|  | £                          | £                  | £                 | £   | £  | £   | £  | £  | £                          |
| <b>EXPENDABLE AND PARTLY<br/>EXPENDABLE ENDOWMENTS</b>             |                            |                    |                   |   |  |   |  |  |                            |
| <b>Applied for the purchase of<br/>property</b>                    |                            |                    |                   |   |  |   |  |  |                            |
| 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                    |
| MCA Fund – property investments                                    | 565,000                    | -                  | -                 | 19,950  | (19,950)   | -   | -  | -  | 565,000                    |
| <b>J M Finn investments: The MCA/Muller<br/>endowments</b>         |                            |                    |                   |   |  |   |  |  |                            |
| MCA Fund – securities  | 2,922,425                  | (18,599)           | 80,000            | 137,247   | (133,805)  | (2,500)                                   | 3,221  | 297,839  | 3,285,828                  |
| The Leopold Muller Memorial Library<br>fund (The Yarnton Trust)    | 974,142                    | (5,873)            | -                 | 44,893  | -  | (44,585)                                  | 1,017  | 94,054   | 1,063,648                  |
|  | <u>3,896,567</u>           | <u>(24,472)</u>    | <u>-</u>          | <u>182,140</u>                                      | <u>(133,805)</u>   | <u>(47,085)</u>                           | <u>4,238</u>                                 | <u>391,893</u>                                 | <u>4,349,476</u>           |
| <b>Loan</b>  |                            |                    |                   |   |  |   |  |  |                            |
| MCA fund, loan to working capital                                  | 800,000                    | -                  | (80,000)          | -   | -  | -   | -  | -  | 720,000                    |
| The Polonsky Foundation, equities                                  | 1,079,000                  | -                  | -                 | 87,425  | -  | (87,425)                                  | -  | 39,000   | 1,118,000                  |
| David Patterson Lecture Series,<br>equities                        | 38,312                     | (233)              | -                 | 2,683   | -  | (2,562)                                   | -  | 2,704  | 40,904                     |
| <b>Total MCA/Muller fund, Polonsky<br/>and DP Lecture Series</b>   | <b>6,378,879</b>           |                    |                   |   |  |   |  |  | <b>6,793,380</b>           |
| <b>Total expendable and partly<br/>expendable endowments</b>       | <b>8,233,879</b>           | <b>(24,705)</b>    | <b>-</b>          | <b>292,198</b>                                      | <b>(153,755)</b>   | <b>(137,072)</b>                          | <b>4,238</b>                                 | <b>433,597</b>                                 | <b>8,648,380</b>           |
| <b>PERMANENT ENDOWMENTS</b>  |                            |                    |                   |   |  |   |  |  |                            |
| <b>J M Finn investments</b>  |                            |                    |                   |   |  |   |  |  |                            |
| <b>Library</b>   |                            |                    |                   |   |  |   |  |  |                            |
| Catharine Lewis & Simon Davis<br>Library Fund                      | 96,425                     | (601)              | -                 | 5,008   | -  | (4,992)                                   | 805  | 7,884  | 104,529                    |
| HRO Library Fund   | 16,889                     | (105)              | -                 | 879   | -  | (874)                                     | 141  | 1,381  | 18,311                     |
| Isaiah Berlin Library Fund   | 12,134                     | (75)               | -                 | 630   | -  | (628)                                     | 101  | 992  | 13,154                     |
| <b>Fellowships/scholarships,</b>                                   |                            |                    |                   |   |  |   |  |  |                            |
| David Patterson Fellowship<br>in Jewish Law                        | 303,333                    | (1,891)            | -                 | 15,753  | -  | (15,704)                                  | 2,532  | 24,802   | 328,825                    |
| Jacobs Fellowship  | 99,539                     | (820)              | -                 | 5,169   | -  | (5,153)                                   | 831  | 8,139  | 107,905                    |
| Mason Lectureship  | 95,850                     | (598)              | -                 | 4,978   | -  | (4,962)                                   | 800  | 7,837  | 103,905                    |
| Goldman Lecture fund   | 12,355                     | (77)               | -                 | 642   | -  | (640)                                     | 103  | 1,010  | 13,393                     |
| Dov Biegun Scholarship fund,<br>part transferred to property       | 81,850                     | (511)              | -                 | 4,251   | -  | (4,238)                                   | 683  | 6,692  | 88,727                     |
|  | <u>718,375</u>             | <u>(4,478)</u>     | <u>-</u>          | <u>37,310</u>                                       | <u>-</u>   | <u>(37,191)</u>                           | <u>5,996</u>                                 | <u>58,737</u>                                  | <u>778,749</u>             |
| The Paisner, Leigh, Hyman, green<br>and Schreiber funds (Y. Trust) | 440,292                    | (2,745)            | -                 | 22,867  | (6,701)  | (16,094)                                  | 3,675  | 36,000   | 477,294                    |
|  | <u>1,158,667</u>           | <u>(7,223)</u>     | <u>-</u>          | <u>60,177</u>                                       | <u>(6,701)</u>   | <u>(53,285)</u>                           | <u>9,671</u>                                 | <u>94,737</u>                                  | <u>1,256,043</u>           |
| <b>Manor Farm, phase 2, property<br/>investment</b>                |                            |                    |                   |   |  |   |  |  |                            |
| Miscellaneous Fund   | 421,124                    | -                  | -                 | -   | -  | -   | -  | -  | 421,124                    |
| Dov Biegun Scholarship Fund  | 228,876                    | -                  | -                 | 32,271  | (6,790)  | (25,481)                                  | -  | -  | 228,876                    |
|  | <u>650,000</u>             | <u>-</u>           | <u>-</u>          | <u>32,271</u>                                       | <u>(6,790)</u>   | <u>(25,481)</u>                           | <u>-</u>                                     | <u>-</u>                                       | <u>650,000</u>             |
| David Patterson Memorial Scholarship,<br>cash on deposit           | 23,615                     | -                  | -                 | -   | (23,615)   | -   | -  | -  | -                          |
| <b>Total Permanent Endowment Fund</b>                              | <b>1,832,282</b>           | <b>(7,223)</b>     | <b>-</b>          | <b>92,448</b>                                       | <b>(37,106)</b>  | <b>(78,766)</b>                           | <b>9,671</b>                                 | <b>94,737</b>                                  | <b>1,906,043</b>           |
| <b>Total All Endowments</b>  | <b>10,066,161</b>          | <b>31,928</b>      | <b>-</b>          | <b>384,646</b>                                      | <b>(190,861)</b>   | <b>(215,838)</b>                          | <b>13,909</b>                                | <b>528,334</b>                                 | <b>10,554,423</b>          |

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

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15 Endowment Funds (continued)

|  | Balance<br>31 July<br>2010 | Management<br>Fees | Net<br>Incoming<br>Resources<br><i>Unrestricted</i> | Reallocated<br>to Income &<br>Expenditure<br><i>Restricted</i> | Reallocated<br>to Income &<br>Expenditure | Net Realised<br>Gains/Losses<br>for the year | Net Unrealised<br>Gains/Losses<br>for the year | Balance<br>31 July<br>2011 |
|--|----------------------------|--------------------|---|--|---|--|--|----------------------------|
|  | £                          | £                  | £   | £  | £   | £  | £  | £                          |
| <b>The Yarnton Trust</b>                 |                            |                    |   |  |   |  |  |                            |
| – individual fund values                 |                            |                    |   |  |   |  |  |                            |
| <b>Expendable Endowment</b>              |                            |                    |   |  |   |  |  |                            |
| Leopold Muller Memorial Library Fund     | 974,142                    | (5,873)            | 44,893  | -  | (44,585)                                  | 1,017  | 94,054   | 1,063,648                  |
| <b>Permanent Endowments</b>              |                            |                    |   |  |   |  |  |                            |
| Kennedy Leigh Charitable Trust Fund      | 95,781                     | (597)              | 4,974   | (4,959)  | -   | 799  | 7,831  | 103,830                    |
| Leslie Paisner Memorial Fund             | 33,650                     | (210)              | 1,748   | (1,742)  | -   | 281  | 2,751  | 36,478                     |
| David Hyman Fellowship                   | 88,818                     | (554)              | 4,613   | -  | (4,598)                                   | 741  | 7,262  | 96,282                     |
| Frank Green Fellowship                   | 88,818                     | (554)              | 4,613   | -  | (4,598)                                   | 741  | 7,262  | 96,282                     |
| Jacob & Shoshana Schreiber<br>Fellowship | 133,225                    | (831)              | 6,919   | -  | (6,897)                                   | 1,112  | 10,893   | 144,421                    |
|  | <u>440,292</u>             | <u>(2,745)</u>     | <u>22,867</u>                                       | <u>(6,701)</u>   | <u>(16,094)</u>                           | <u>3,675</u>                                 | <u>36,000</u>                                  | <u>477,294</u>             |
| <b>Total Yarnton Trust</b>               | <u>1,414,434</u>           | <u>(8,618)</u>     | <u>67,760</u>                                       | <u>(6,701)</u>   | <u>(16,094)</u>                           | <u>4,692</u>                                 | <u>130,054</u>                                 | <u>1,540,942</u>           |
| <b>MCA Fund – summary</b>                |                            |                    |   |  |   |  |  |                            |
|  | Balance<br>31 July 2010    | Management<br>Fees | Net Incoming<br>Resources                           | Reallocations<br>Unrestricted                                  | Restricted                                | Net Realised<br>Gains/Losses                 | Net Unrealised<br>Gains/Losses                 | Balance<br>31 July 2011    |
| MCA Fund, aggregate balances             | <u>4,287,425</u>           | <u>(18,599)</u>    | <u>157,197</u>                                      | <u>(153,755)</u>   | <u>(2,500)</u>                            | <u>3,221</u>                                 | <u>297,839</u>                                 | <u>4,570,828</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:

- (1) the total of income and 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 matching grants of £1,062,350, from their respective dates of receipt. There were no additional grants during the year ended 31 July 2011 (2010: £nil). At 31 July 2011 the total grants, increased by the UK Retail Price Index for the relevant periods, amounted to £5,094,217 (2010: £4,923,598) so that the market value of £3,887,634 gave rise to a deficit of £1,206,583 (2010: £624,725) and no capital may be spent at present. The unspent parts of 8% per annum aggregate to £2,022,438 (2010: £1,772,098).



OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

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16 Unrestricted funds

| 31 July<br>2010<br>£ | Incoming<br>Resources<br>£ | Transfers<br>£ | Outgoing<br>Resources<br>£ | 31 July<br>2011<br>£ |
|----------------------|----------------------------|----------------|----------------------------|----------------------|
| (726,458)            | 755,141                    | 198,022        | (1,162,847)                | (936,142)            |

17 Designated Funds

|                                 | 31 July<br>2010<br>£ | Incoming<br>resources<br>£ | Transfers<br>£ | Outgoing<br>resources<br>£ | 31 July<br>2011<br>£ |
|---------------------------------|----------------------|----------------------------|----------------|----------------------------|----------------------|
| Seminars                        | (151)                | 10,208                     | (7,613)        | (2,893)                    | 1                    |
| Yarnton Manor Estate Facilities | 23,400               | -                          | -              | (23,400)                   | -                    |
| IT                              | -                    | 30,000                     | -              | (30,000)                   | -                    |
| Library                         | -                    | 3,000                      | -              | (3,000)                    | -                    |
| Journal of Jewish Studies       | 72,961               | 67,332                     | -              | (66,324)                   | 73,969               |
|                                 | <b>96,210</b>        | <b>110,540</b>             | <b>(7,163)</b> | <b>(125,617)</b>           | <b>73,970</b>        |

OXFORD CENTRE FOR HEBREW AND JEWISH STUDIES

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FOR THE YEAR ENDED 31 JULY 2011

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18 Restricted Funds

|                                 | 31 July<br>2010<br>£ | Income<br>received in<br>advance<br>£ | Reallocation<br>£ | Outgoing<br>Resources<br>£ | 31 July<br>2011<br>£ |
|---------------------------------|----------------------|---------------------------------------|-------------------|----------------------------|----------------------|
| Accommodation                   | -                    | 30,323                                | -                 | (30,323)                   | -                    |
| Conferences and lectures        | 7,000                | 15,301                                | -                 | (8,129)                    | 14,172               |
| Conference, BAJJS               | -                    | 7,456                                 | -                 | (1,825)                    | 5,631                |
| Conferences (Corob)             | 27,294               | 50,000                                | -                 | (58,118)                   | 19,176               |
| Fellowships, visiting           | 28,156               | 111,202                               | 4,221             | (88,759)                   | 54,821               |
| Fellowships, permanent          | -                    | 374,035                               | -                 | (286,722)                  | 87,313               |
| Graduate studentship            | -                    | 10,502                                | -                 | (10,502)                   | -                    |
| Israel lecture series           | 10,450               | 43,707                                | -                 | (47,594)                   | 6,563                |
| Library fund                    | 9,807                | 78,866                                | -                 | (75,721)                   | 12,952               |
| Looted Art Research Unit        | 16,929               | 170,105                               | -                 | (138,714)                  | 48,320               |
| Master of Jewish Studies degree | 72,988               | 131,743                               | (4,221)           | (102,027)                  | 98,483               |
| Other, bank interest            | -                    | 417                                   | -                 | (417)                      | -                    |
| L Paisner Fund                  | 2,000                | -                                     | -                 | -                          | 2,000                |
|                                 | <b>174,624</b>       | <b>1,023,657</b>                      | <b>-</b>          | <b>(848,850)</b>           | <b>349,431</b>       |

**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 2011

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20 Analysis of Group Assets

|   | Unrestricted<br>Funds<br>£ | Designated<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>£ |
|---|----------------------------|--------------------------|--------------------------|-------------------------|---------------------|
| Fund balances at 31 July 2011 are represented by: |                            |                          |                          |                         |                     |
| Tangible fixed assets                             | 751,732                    | -                        | -                        | 1,855,000               | 2,606,732           |
| Investment property                               | -                          | -                        | -                        | 1,215,000               | 1,215,000           |
| Investments                                       | -                          | -                        | -                        | 7,484,423               | 7,484,423           |
| Current assets                                    | (844,172)                  | 73,970                   | 891,369                  | -                       | 121,167             |
| Current liabilities                               | (110,040)                  | -                        | (541,938)                | -                       | (651,978)           |
| Liabilities greater than one year                 | (733,662)                  | -                        | -                        | -                       | (733,662)           |
|   | <b>(936,142)</b>           | <b>73,970</b>            | <b>349,431</b>           | <b>10,554,423</b>       | <b>10,041,682</b>   |

21 Pension Commitments

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

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme 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 actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2011 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie 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 (ie 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 FRS 17 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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21 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 to 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. 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 scheme-wide 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, increased the institution contribution rate to 16% of pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fluctuate and as at 31 March 2011 the market's assessment of inflation has increased slightly. The government has also announced a change to the inflation measure used in determining the "Official Pensions Index" from the Retail Prices Index to the Consumer Prices Index. The actuary has taken this into account in his funding level estimates at 31 March 2011 by reducing the assumption for pension increases from 3.3% pa to 2.9% pa. The actuary has estimated that the funding level as at 31 March 2011 under the scheme specific funding regime had fallen from 103% to 98% (a deficit of circa £700 million). Over the past twelve months, the funding level has improved from 91%, as at 31 March 2010 to 98%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the three years 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). The next formal valuation is as at 31 March 2011 and this will incorporate updated assumptions agreed by the trustee company.

With effect from 1 October 2011, new joiners to the scheme will join the new revalued benefits section rather than the existing final salary section. This change will have an impact, expected to be positive, on the future funding levels.

On the FRS 17 basis, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 54%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

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 as at 31 March 2011 and will incorporate allowance for scheme benefit changes and any changes the trustee makes to the underlying actuarial assumptions. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

At 31 March 2011, USS had over 142,000 active members and the institution had 15 active members participating in the scheme. The Centre also had 14 active members in the OSPS scheme.

The total pension cost for the institution was £103,605 (2010: £98,574). The amount payable to the USS scheme was £48,057 and the amount payable to OSPS was £55,547. The contribution rate payable by the institution was 16% of pensionable salaries for USS and 21.5% of pensionable salaries for the OSPS.

22 Going Concern

The Centre is reliant on the continued support of its Governors and its President to raise sufficient unrestricted donations to fund its charitable activities. The deficit on unrestricted reserves is budgeted to increase by a further £358,000 in the year to 31 July 2012.

A small group of Governors (the strategic planning committee) have regularly met over the past nine months and have approved a strategic plan developed by the Centre to remedy the on-going uncertain financial situation.

In the event the strategic plan does not eliminate the deficit by, at the latest, July 2013 consideration will be given to the sale of property and unrestricted investments.

