

Annual report and financial statements
for the year ended
31 July, 2004

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Dr D.J. Zizzo	(resigned 31 August, 2004)
Dr G. Wilkinson	
Professor R.L. Davies	
Professor J.I. Bell	
Professor S.E. Randolph	
Dr A.J. Clark	(appointed 1 October, 2003)
Dr J.G.E. Cross	(appointed 1 October, 2003)
Dr B.G.F. Currie	(appointed 1 October, 2003, resigned 30 September, 2004)
Dr J.J. Davis	(appointed 1 October, 2003)
Dr G.A. Johnson	(appointed 1 October, 2003)
Professor C.B.R. Pelling	(appointed 1 October, 2003)
Dr P. Quattrone	(appointed 1 October, 2003)
Mrs R. Taylor	(appointed 1 October, 2003)
Dr B.W. Young	(appointed 1 October, 2003)
Professor N. Thrift	(appointed 1 October, 2003)
Dr J. Thanassoulis	(appointed 1 September, 2004)
Dr. M.C.A. Bose	(appointed 1 October, 2004)

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Christ Church Report of the Governing Body

The Governing Body of Christ Church presents the annual report and financial statements for the year ended 31 July, 2004.

Status

Christ Church is a joint foundation - of a college in the University of Oxford and of the Cathedral Church of the Diocese of Oxford - supported by a single corporate endowment. The present collegiate foundation was established by King Henry VIII in 1546. Statutes were conferred by the Christ Church Oxford Act, 1867 and these, as modified subsequently by Oxford University Commissions and by Order of Her Majesty in Council, govern its affairs. The government of the foundation vests in the Governing Body formed of the Dean, certain of the Canons and the elected Students. Christ Church is an exempt charity under s. 3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

Christ Church is recognised by the University of Oxford as a college of the University and it is part of the collegiate University. There are significant inter-dependencies of the University and the colleges within the collegiate University.

Objective

Christ Church's objective is learning, through teaching and research, together with sustaining the Cathedral Church of the Diocese of Oxford, for which it maintains a choir with its related choir school.

Scope of financial statements

Christ Church is required to produce accounts annually in compliance with Statute XV of the University of Oxford. The financial statements consolidate the accounts of the constituent parts of Christ Church: the College, the Cathedral, Christ Church Cathedral School, Christ Church Library Services Limited and American Friends of Christ Church, Inc..

Review of operations and finance

The consolidated deficit for the year was £997,259, which increases the deficit on general reserve. This deficit for the year includes expenditure of £1,364,000 on the repair and refurbishment of accommodation on staircase 1, and the renewal of the roof and high-level stonework at the eastern end of Meadow Building.

Large sums of money need to be spent on maintaining and improving facilities. The Development Campaign for Christ Church aims to contribute to this, as well as to secure funding for the long-term for academic posts critical to the continuation of the tutorial system.

An average of historic market values of endowment assets is used to determine spending from the endowment, and this has the effect of smoothing short-term fluctuations. However, the prolonged and significant fall in equity market values which occurred during 2000 to 2003 has put additional pressure on finances.

Investment performance

The market value of the endowment grew from £173.4 million to £180.9 million during the year, of which £2.8 million (2003: £2.2 million) is attributable to new contributions. The gross total return achieved, before spending, was 7.0 per cent. (2003: 9.0 per cent.), which compares with the total return from the FT All-Share index of 10.7 per cent. (2003: 3.4 per cent.).

The endowment is invested for the long term and it would be misleading to focus on one year's performance, particularly as much ground still has to be made up to begin to repair falls in value incurred during 2000 to 2003 in both nominal and real terms.

Christ Church Report of the Governing Body

Reserves

The total amount of designated and general reserves at the year end amounted to a deficit of £646,419 (2003: surplus £281,810). After allowing for the amount of designated reserves for special purposes, Christ Church has a deficit on general reserve of £3,433,147 (2003: £2,272,125). The policy of the Governing Body is to pre-fund expenditure programmes within designated reserves and to establish a general reserve to cover a reasonable level of contingency, budget variances and working capital for operations. The target for the general reserve is the total of the higher of projected gross income or expenditure for the next financial year. It is hoped to eliminate the current deficit and establish the targeted reserve by achieving a surplus over a number of years.

Risk management

The major risks to which Christ Church is exposed, as identified by the Governing Body, have been

Christ Church Responsibilities of the Governing Body

In accordance with Christ Church's Statutes, the Governing Body is responsible for the administration and management of Christ Church's affairs.

It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University of Oxford.

In preparing the financial statements, the Governing Body has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- it is satisfied that it has adequate resources to continue in operation for the foreseeable future: accordingly, the financial statements are prepared on a going concern basis.

The Governing Body has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard the assets of Christ Church and prevent and detect fraud; and
- secure the economical, efficient and effective management of Christ Church's resources and expenditure.

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

Under the Charities Act 1993 Christ Church is an exempt charity and the members of the Governing Body must ensure that the property and income of Christ Church are applied only in support of purposes which are charitable in law.

Christ Church

Report of the independent auditors to the Governing Body

We have audited the financial statements of Christ Church for the year ended 31 July, 2004 which comprise the principal accounting policies, the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the balance sheets, the consolidated cash-flow statement, and notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Governing Body, in accordance with Christ Church's statutes. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Christ Church and Christ Church's Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governing Body and auditors

The Governing Body's responsibilities for preparing the Report of the Governing Body and the financial statements in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder, are set out in the Responsibilities of the Governing Body.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder. We also report to you if, in our opinion, the Report of the Governing Body is not consistent with the financial statements, if Christ Church has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Report of the Governing Body and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements, or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to Christ Church's circumstances, consistently applied and adequately disclosed.

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

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Opinion

In our opinion:

a) the financial statements give a true and fair view of the state of affairs of Christ Church, and of Christ Church consolidated with its constituent parts and connected entities, as at 31 July, 2004 and of its consolidated deficit for the year then ended and have been properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder, and

b) in all material respects, income received from the University of Oxford out of grants from the Higher Education Funding Council for England during the year ended 31 July, 2004 has been applied to the purposes for which it was received.

Christ Church

Statement of principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of endowment asset investments, and in accordance with both applicable accounting standards and, to the extent appropriate, the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions ("the SORP").

Christ Church is a joint foundation - of a college in the University of Oxford and of the Cathedral Church of the Diocese of Oxford - supported by a single corporate endowment. Accordingly, the financial statements consolidate the accounts of the College, the Cathedral, Christ Church Cathedral School, Christ Church Library Services Limited and American Friends of Christ Church, Inc.. The accounts of the affiliated student bodies (including Christ Church Junior and Graduate Common Rooms) have not been consolidated because the College does not control these activities.

Recognition of income and endowment return

Fees and other income for services provided are credited to the income and expenditure account on a receivable basis.

Endowments are accounted for on a total return basis, so that the return in terms of both income receivable from endowment asset investment and capital appreciation or depreciation, whether realised or unrealised, is credited or charged to endowment funds.

Income from endowment funds transferred to the income and expenditure account is determined by a spending rule which, subject to a floor and a ceiling, currently permits the transfer to income of up to 4.0 per cent. of the average of the latest 5 years' year-end market valuations of the endowment.

General donations

Unrestricted donations and benefactions are credited to income and expenditure account on a receivable basis.

Pension costs

Contributions to the pension schemes provided for employees of Christ Church are charged to the income and expenditure account on the basis of the contributions payable during the year.

Fixed assets - tangible assets

Fixed assets are stated at cost less depreciation. The historic cost of most tangible fixed assets (particularly of historic fixed assets) is not material and the age of the assets is such that they would by now have been fully depreciated in accordance with this accounting policy.

Tangible assets are included at a nominal £1 as they are either fully depreciated or the current estimated recoverable amount of value in use is nil.

The full cost of tangible fixed assets is charged to the income and expenditure account in the year of acquisition and individual items costing more than £10,000 are capitalised. Donations received to finance the acquisition of tangible fixed assets are released to income immediately to match the depreciation of the related asset.

Works of art and other valuable artefacts that can be regarded as inalienable are not included in the financial statements.

Investments

Endowment asset investments are included in the balance sheet at market value. The market value of listed securities and pooled fund investments are stated at published prices. Unquoted securities are stated at managers' declared net asset values less an appropriate discount for non-tradeability. Property investments are valued using professional advice on the basis of market value as defined in the RICS Appraisal and Valuation Manual ("The Red Book").

Current asset investments are included at the lower of cost and net realisable value.

Surpluses or deficits arising on the revaluation or realisation of endowment asset investments are added to, or subtracted from, the funds concerned.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Christ Church

Statement of principal accounting policies

moving and defective stocks.

Maintenance of premises

The cost of routine corrective maintenance and of renovation and refurbishment of premises is charged to the income and expenditure account in the period it is incurred.

Provisions

Provisions are recognised when Christ Church has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the obligation.

Endowments

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of Christ Church at its desired level of activity.

Specific endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor or by the Governing Body in times gone by and which can only be used for that purpose or activity.

General endowment represents the corporate capital of Christ Church and includes bequests and gifts where the use of the capital and income is for the general purposes of Christ Church.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resultant exchange differences are included in the income and expenditure account for the year.

Taxation status

As an exempt charity within the meaning of Schedule 2 of the Charities Act 1993, Christ Church is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or

Christ Church
Consolidated income and expenditure account
Year ended 31 July, 2004

	Notes	2004 £	2003 £
Income			
Academic fees and tuition income	1	1,895,815	1,745,807
Other operating income	2	4,540,721	4,673,691
Cathedral: Chapter		124,745	150,253
Cathedral: School		1,097,121	1,067,062
Endowment return and interest receivable	3	7,832,284	7,810,718
Total income		<u>15,490,686</u>	<u>15,447,531</u>
Expenditure			
Staff costs	4	5,256,953	5,018,994
Other operating expenses		8,820,666	7,284,492
Cathedral: Chapter		855,169	649,332
Cathedral: School		1,235,523	1,162,708
College Contribution under Statute XV		231,451	237,549
Total expenditure	6	<u>16,399,762</u>	<u>14,353,075</u>
Total income, less total expenditure		<u>(909,076)</u>	<u>1,094,456</u>
Net surplus on specific endowments transferred to designated reserves		(88,183)	(224,516)
(Deficit)/surplus for the year	8	<u>(997,259)</u>	<u>869,940</u>

Consolidated statement of total recognised gains and losses
Year ended 31 July, 2004

	Notes	2004 £	2003 £
Reserves			
(Deficit)/surplus for the year	8	(997,259)	869,940
Net additions to reserves	9	69,030	279,771
		<u>(928,229)</u>	<u>1,149,711</u>
Endowments			
Income receivable from endowment asset investments	16	4,526,916	4,352,249
Appreciation (depreciation) of endowment asset investments	16	7,849,708	10,835,254
Endowment return transferred to income and expenditure account	16	(7,646,729)	(7,582,619)
Additions to endowments	16	2,797,799	2,176,419
		<u>7,527,694</u>	<u>9,781,303</u>
Total recognised gains relating to the year		6,599,465	10,931,014
Opening reserves and endowments		#####	#####
Closing reserves and endowments		<u>#####</u>	<u>#####</u>

**Christ Church
Balance sheets
As at 31 July, 2004**

	Notes	Consolidated		College	
		2004 £	2003 £	2004 £	2003 £
Fixed assets					
Tangible assets	10	1	1	1	1
Investments	11	-	-	2	2
		<u>1</u>	<u>1</u>	<u>3</u>	<u>3</u>
Endowment asset investments					
Securities and cash deposits		#####	92,242,484	#####	90,840,112
Land and property		74,272,000	81,145,959	74,272,000	81,145,959
	12	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>
Debtors:					
Amounts falling due after more than one year	13	<u>851,631</u>	<u>948,197</u>	<u>4,418,572</u>	<u>1,210,394</u>
Current assets:					
Stocks		310,561	303,857	310,561	303,857
Debtors	13	1,729,640	1,269,836	1,824,133	1,279,590
Investments and cash deposits		1,696,798	1,200,211	1,696,798	1,200,211
Cash at bank and in hand		1,483,026	1,545,655	1,102,418	1,188,731
		<u>5,220,025</u>	<u>4,319,559</u>	<u>4,933,910</u>	<u>3,972,389</u>
Creditors:					
Amounts falling due within one year	14	#####	#####	#####	#####
Net current (liabilities)/ assets		<u>(19,970)</u>	<u>834,358</u>	<u>(22,457)</u>	<u>843,558</u>
Total assets less current liabilities		#####	#####	#####	#####
Creditors:					
Amounts falling due after more than one year	15	#####	#####	#####	#####
Total net assets		<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>
Endowments					
Specific	16	44,202,144	41,041,744	42,701,176	39,639,372
General	16	#####	#####	#####	#####
		<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>
Reserves					
Designated reserves	17	2,786,728	2,553,935	2,786,728	2,553,935
General reserves	17	#####	#####	131,308	#####
		<u>(646,419)</u>	<u>281,810</u>	<u>2,918,036</u>	<u>614,321</u>
Total funds		<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>

The financial statements were approved by the Governing Body of Christ Church on 10 November, 2004.

The Very Reverend Christopher Lewis
Dean

Hugh Richardson
Treasurer

Christ Church
Consolidated cash-flow statement
Year ended 31 July, 2004

	Notes	2004 £	2003 £
Net cash out-flow from operating activities	21	<u>#####</u>	<u>#####</u>
Returns on investments and servicing of finance			
Income from endowments received		4,526,916	4,352,249
Other income from investments and interest received		<u>191,244</u>	<u>240,850</u>
		4,718,160	4,593,099
Interest paid		-	(1,169)
Net cash in-flow from returns on investments and servicing of finance		<u>4,718,160</u>	<u>4,591,930</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of endowment asset investments		4,771,572	#####
Additions to endowments		2,797,799	2,176,419
Other net capital movements		44,391	73,434
Net cash in-flow from capital expenditure and financial investment		<u>7,613,762</u>	<u>45,192</u>
Net cash in-flow (out-flow) before use of liquid resources and financing		5,080,242	#####
Management of liquid resources	22	(496,587)	1,910,335
Increase/(decrease) in cash	24	<u>4,583,655</u>	<u>#####</u>
Reconciliation of net cash out-flow to movement in net funds		£	£
Increase/(decrease) in cash for the year		4,583,655	#####
Increase/(decrease) in liquid resources, current asset investments and cash deposit		496,587	#####
Decrease in debt		(76,389)	(52,168)
Change in net funds		<u>5,003,853</u>	<u>#####</u>
Net funds at 1 August, 2003		#####	#####
Net funds at 31 July, 2004		<u>#####</u>	<u>#####</u>

Christ Church
Notes to the financial statements
Year ended 31 July, 2004

	2004	2003
1 Academic fees and tuition income		
	£	£
Tuition fees from UK and European Union students	1,590,465	1,526,573
Tuition fees from overseas students	151,012	152,075
Other fees	33,185	14,204
Other tuition income	121,153	52,955
	<u>1,895,815</u>	<u>1,745,807</u>

The above analysis includes fee income in respect of UK and European Union publicly-funded students amounting to £1,428,166 (2003: £1,340,690).

	2004	2004	2003	2003
2 Other operating income				
	£	£	£	£
Residential income from College members		1,676,964		1,578,398
Conference and function income		1,508,893		1,658,936
Grants and donations		459,502		325,727
Other income				
Admission charges and facility fees	678,036		575,794	
Profit on sale of investments	22,813		344,265	
Other	<u>194,513</u>	895,362	<u>190,571</u>	1,110,630
		<u>4,540,721</u>		<u>4,673,691</u>

3 Endowment return and interest receivable

	£	£
Transfer from general endowments (note 16)	5,742,134	5,701,494
Transfer from specific endowments (note 16)	1,898,906	1,881,125
Interest receivable	191,244	228,099
	<u>7,832,284</u>	<u>7,810,718</u>

The transfer from specific endowment includes £634,769 (2003: £634,706) in respect of trust funds for purposes that lie outside the objects of Christ Church. The endowment return transferred to the income and expenditure of £7,646,729 (2003: £7,582,619) includes an amount of £5,689 transferred from specific endowments attributable to the Cathedral: Chapter and shown as part of its income.

4 Staff costs

	£	£
Gross pay	4,303,133	4,225,326
Social security costs	354,130	282,797
Other pension costs	385,042	313,325
Other benefits	214,648	197,546
	<u>5,256,953</u>	<u>5,018,994</u>

5 Pension schemes and liabilities

The two principal pension schemes for Christ Church's staff are the Universities Superannuation Scheme ("USS") and the University of Oxford Staff Pension Scheme ("OSPS"). The schemes are contributory, are

Christ Church
Notes to the financial statements
Year ended 31 July, 2004

(USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes are contributory, are contracted out from the State Earnings Related Pension Scheme, and provide benefits based on length of service and final pensionable salary. The assets of USS and OSPS are each held in separate trustee-administered funds. The schemes are periodically valued by qualified actuaries using the projected unit method; in addition, the 2001 OSPS valuation embraced a market value approach. The levels of contribution take account of any actuarial surpluses or deficiencies in each scheme. The assumptions

	USS	OSPS
Date of latest actuarial valuation	2002	2001
Investment returns per annum	6.00 per cent.	4.95 per cent.
Salary increases per annum	3.70 per cent.	3.95 per cent.
Pension increases per annum	2.70 per cent.	2.45 per cent.
Market value of assets at latest actuarial valuation	£19,938m	£154m
Proportion of accrued benefits covered by the actuarial value of these assets	101 per cent.	102 per cent.

The total of all employer's pension contributions and payments was £666,380 (2003: £494,555).

USS and OSPS are multi-employer schemes where the share of assets and liabilities applicable to each employer is not identified. The College will therefore account for its pension costs for each scheme on a defined contribution basis as permitted by FRS 17.

USS

The contributions payable to USS by the College during the accounting period were equal to 14 per cent. of total pensionable salaries. The pensions charge recorded by the College during the accounting period was equal to the contributions payable (£205,156, 2003: £191,129).

OSPS

The latest scheme valuation for OSPS identifies a required long-term employer contribution rate of 16.4 per cent.. The OSPS has introduced increases to the employer contribution rate in accordance with the statutory schedule of employer contributions.

Contributions were increased to 10.0 per cent. for the year ended 31 July, 2004, and will rise to 13.75 per cent. from 1 August, 2004 and to 17.5 per cent. from 1 August, 2005.

The pensions charge in respect of OSPS recorded by the College during the accounting period was £295,452 (2003: £138,520) and was based on the actuarially required long-term rate of 16.4 per cent.. Contributions payable during the accounting period were in accordance with the statutory schedule of contributions agreed with the actuary and amounted to £179,678 (2003: £138,520).

RBS and College pensions

With effect from 31 May, 2001 the pension scheme previously used to provide benefits to staff of Christ Church, the Christ Church Staff Retirement Benefits Scheme ("RBS"), was closed to new members and existing members ceased to accrue further benefits. Both new members of staff and existing members of RBS were offered membership of OSPS and members of RBS with retained benefits within RBS were offered the opportunity to transfer these benefits to OSPS.

Additionally, Christ Church has an obligation to provide for pensions payable to certain former members of staff who retired before RBS was established ("College pensions").

The following information is provided in accordance with the transitional arrangements of FRS 17 in respect of RBS and College pensions:-

Actuarial assessments of RBS and College pensions

The major assumptions used were:

Christ Church
Notes to the financial statements
Year ended 31 July, 2004

	2004	2003
Discount rate	5.7 per cent. per annum	5.4 per cent. per annum
Inflation	3.0 per cent. per annum	2.6 per cent. per annum
Pension increases - RBS	3.0 per cent. per annum	3.0 per cent. per annum
- College pensions	3.0 per cent. per annum	3.0 per cent. per annum

RBS

In RBS the fair value of the assets held and the expected rate of return were:-

	2004		2003	
	Long-term expected return per cent.	Value £	Long-term expected return per cent.	Value £
UK equities	7.25	367,091	7.25	320,871
Overseas equities	7.25	228,526	7.25	193,158
Fixed interest gilts	5.00	114,004	5.00	401,222
Corporate bonds	5.80	14,510	5.80	28,847
Index-linked gilts	5.00	44,251	5.00	189,244
Cash	4.00	79,041	4.00	48,678
		847,423		1,182,020
Present value of scheme liabilities		(1,022,399)		(1,336,635)
(Deficit) in the scheme		(174,976)		(154,615)
Net pension liability		(174,976)		(154,615)

RBS provision account

	£
Opening balance at 1 August, 2003	154,615
Additional accrual for pension liabilities	20,361
Closing balance at 31 July, 2004	174,976
Present value of liabilities at 31 July, 2004	174,976

Analysis of the amount charged to income and expenditure account

	2004 £
Current service cost of defined benefit schemes	-
Past service cost	-
Total operating charge	-

Analysis of the amount credited to other finance income

	£
Expected return on pension scheme assets	70,410
Interest on pension scheme liabilities	(72,178)
Net return	(1,768)

Movement in surplus/(deficit) during the year

Deficit in scheme at beginning of the year	(154,615)
Movement in year:	
Current service cost	-
Past service cost	-
Contributions	-

Christ Church
Notes to the financial statements
Year ended 31 July, 2004

Other finance expense	(1,768)
Actuarial loss recognised in Statement of total recognised gains and losses	(18,593)
Deficit in scheme at end of the year	<u>(174,976)</u>

Amount recognised in the Statement of total recognised gains and losses

Actuarial return less expected return on pension scheme assets	61,381
Experience losses arising on the scheme liabilities	(55,336)
Changes in assumptions underlying the present value of the scheme liabilities	(24,638)
Exchange rate movement	-
Actuarial loss recognised in Statement of total recognised gains and losses	<u>(18,593)</u>

History of experience gains and losses

Difference between actual and expected returns on asset amounts	£61,381
Percentage of scheme assets	7.2 per cent.
Experience gains and losses on liabilities	(£55,336)
Percentage of scheme liabilities	5.4 per cent.
Total amount recognised in Statement of total recognised gains and losses	(£18,593)
Percentage of scheme liabilities	<u>1.8 per cent.</u>

College pensions

Total market value of assets	
Index-linked gilts	1,070,212
Cash	129,046
	<u>1,199,258</u>

Present value of College pension liabilities	1,436,627
Net liability	<u>(237,369)</u>

Additional accrual for pension liabilities	<u>237,369</u>
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The total of £1,648,081 in respect of pension liabilities is made up as follows:

	£	
OSPS: to reflect the long-term funding rate	115,774	
RBS: unfunded FRS 17 liability	174,976	
College pensions:		
Liability	1,436,627	
Less: excess of market value over book value of hedging assets	<u>(79,296)</u>	1,357,331
		<u>1,648,081</u>

Of this total, £170,000 is included in the balance sheets as a current liability.

6 Analysis of expenditure

	Other operating		2004	2003
	Staff costs	expenses	Total	Total
	£	£	£	£
Academic	1,990,047	760,327	2,750,374	2,591,782
Residences, catering and conferences	1,880,565	1,382,212	3,262,777	3,044,223
Premises	498,438	3,846,730	4,345,168	2,827,496
College administration	305,844	102,802	408,646	442,555
Endowment expenses and management	24,839	1,317,123	1,341,962	1,633,056
Fundraising	139,263	127,409	266,672	224,286
Other	417,957	1,284,063	1,702,020	1,540,088
	<u>5,256,953</u>	<u>8,820,666</u>	<u>14,077,619</u>	<u>12,303,486</u>

Cathedral: Chapter		855,169	649,332
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Cathedral: School		1,235,523	1,162,708
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Christ Church
Notes to the financial statements
Year ended 31 July, 2004

College Contribution under Statute XV	231,451	237,549
Total expenditure	<u>16,399,762</u>	<u>14,353,075</u>

Other operating expenses of £1,284,063 (2003: £1,153,833) include expenditure of £635,482 (2003: £472,187) from trust funds for purposes that lie outside the objects of Christ Church.

	£	£
Other operating expenses include auditors' remuneration:		
in respect of the audit of these financial statements:		
College	17,000	14,300
other constituent parts of Christ Church	8,133	6,638
in respect of prior years and for non-audit services	<u>4,814</u>	<u>22,678</u>

7 Taxation

United Kingdom corporation tax was nil (2003:nil).

8 Deficit for the year

	2004	2003
	£	£
The (deficit)/surplus for the year is made up as follows:		
College's (deficit)/ surplus for the year after adjustment for income from the sale of books and equipment to Christ Church Library Services Limited	(755,536)	995,156
Net surplus on specific endowments	(88,183)	(224,516)
Net (deficit)/surplus generated by other constituent parts of Christ Church	(153,540)	99,300
	<u>(997,259)</u>	<u>869,940</u>

9 Net additions to reserves

	£	£
Net surplus on specific endowments transferred to designated reserves	88,183	224,516
Mortgage appreciation	33,858	36,682
Actuarial loss on RBS pension scheme revaluation	(18,593)	-
Interest on revenue reserves of specific endowments	20,082	-
Net additions to endowments	(54,500)	18,573
	<u>69,030</u>	<u>279,771</u>

10 Tangible fixed assets

Consolidated and College			2004	2003
	Freehold land and buildings £	Equipment £	Total £	Total £
Cost				
At start of year	1	-	1	1
Depreciation	-	-	-	-
Net book value				
At end of year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
At start of year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

There was no net book value or depreciation in respect of assets held under finance leases (2003: nil).

Christ Church
Notes to the financial statements
Year ended 31 July, 2004

11 Fixed asset investments

	Consolidated		College	
	2004 £	2003 £	2004 £	2003 £
At cost				
Investment in subsidiary company	-	-	2	2

The College owns 100 per cent. of the issued share capital of Christ Church Library Services Limited, a company incorporated in England and Wales. Through appointment of its Directors by the Dean of Christ Church, the College controls American Friends of Christ Church, Inc., a corporation incorporated in the United States of America.

12 Endowment asset investments

	Securities and cash £	Consolidated		Securities and cash £	College	
		Land and property £	Total £		Land and property £	Total £
At market value						
At start of year	92,242,484	81,145,959	173,388,443	90,840,112	81,145,959	#####
Purchases at cost	17,131,862	30,150	17,162,012	17,131,862	30,150	17,162,012
Sales proceeds	#####	(9,093,004)	(21,933,584)	(12,840,580)	(9,093,004)	#####
Increase in cash held by fund managers	4,449,558	-	4,449,558	4,386,016	-	4,386,016
Revaluation gains	5,660,813	2,188,895	7,849,708	5,625,759	2,188,895	7,814,654
At end of year	#####	74,272,000	180,916,137	105,143,169	74,272,000	#####
Analysed as						
Equities (listed)	83,164,206			82,015,814		
Unlisted securities	6,006,491			6,006,491		
Commodity index	3,375,323			3,375,323		
Cash deposit investments	13,845,954			13,493,378		
Other	252,163			252,163		
	#####			105,143,169		

13 Debtors

	Consolidated		College	
	2004 £	2003 £	2004 £	2003 £
Amounts falling due within one year:				
Trade debtors	615,714	618,027	561,393	602,459
Amounts owed by College members	333,671	459,044	333,671	459,044
Amounts owed by group undertakings	-	-	152,984	43,785
Prepayments and accrued income	780,255	192,765	776,085	174,302
	1,729,640	1,269,836	1,824,133	1,279,590

	Consolidated		College	
	2004 £	2003 £	2004 £	2003 £
Amounts falling due after more than one year:				
Housing funding for College members	851,631	948,197	851,631	948,197
Amounts owed by group undertakings	-	-	3,566,941	262,197
	851,631	948,197	4,418,572	1,210,394

Christ Church
Notes to the financial statements
Year ended 31 July, 2004

14 Creditors: amount falling due within one year

	Consolidated		College	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	-	15,277	-	-
Trade creditors	737,781	713,337	737,781	712,777
College Contribution	231,451	237,549	231,451	237,549
Other taxation and social security	181,092	208,723	181,092	208,723
Amounts owed to group undertakings	-	-	162,600	60,184
Accruals and deferred income	4,089,671	2,310,315	3,643,443	1,909,598
	<u>5,239,995</u>	<u>3,485,201</u>	<u>4,956,367</u>	<u>3,128,831</u>

15 Creditors: amount falling due after more than one year

	Consolidated		College	
	2004	2003	2004	2003
	£	£	£	£
Bank loans	-	61,112	-	-
Pension liabilities	1,478,081	1,439,634	1,478,081	1,439,634
	<u>1,478,081</u>	<u>1,500,746</u>	<u>1,478,081</u>	<u>1,439,634</u>

16 Endowments

	Specific £	Consolidated		Specific £	College	
		General £	Total £		General £	Total £
At start of year	41,041,744	132,346,699	173,388,443	39,639,372	132,346,699	#####
Additions to endowments	1,895,671	902,128	2,797,799	1,895,671	902,128	2,797,799
Appreciation of endowment asset investments	1,957,829	5,891,879	7,849,708	1,922,775	5,891,879	7,814,654
Income receivable from endowment asset investr	1,211,496	3,315,420	4,526,916	1,142,264	3,315,420	4,457,684
Transfer to income and expenditure account	(1,904,596)	(5,742,133)	(7,646,729)	(1,898,906)	(5,742,133)	(7,641,039)
At end of year	<u>44,202,144</u>	<u>136,713,993</u>	<u>180,916,137</u>	<u>42,701,176</u>	<u>136,713,993</u>	<u>#####</u>

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of Christ Church at its desired level of activity.

Specific endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor or by the Governing Body in times gone by and which can only be used for that purpose or activity. General endowment represents the corporate capital of Christ Church and include bequests and gifts where the use of the capital and income is for the general purposes of Christ Church.

Specific endowments (consolidated and College) include funds valued at £14,949,687 (2003: £14,559,664) which provide income for purposes that lie outside the objects of Christ Church. The transfers to income and expenditure from specific endowments included £634,769 (2003: £634,706) in respect of trust funds for such external purposes.

Christ Church
Notes to the financial statements
Year ended 31 July, 2004

17 Reserves

Designated reserves	Consolidated	College
	£	£
At start of year	2,553,935	2,553,935
Surplus on specific endowments (College)	81,604	81,604
Surplus on specific endowments (non-College)	6,579	6,579
Net movements on other designated reserves	147,452	147,452
Transfers to general reserves	(2,842)	(2,842)
At end of year	<u>2,786,728</u>	<u>2,786,728</u>

Designated reserves are those reserves set aside by Christ Church to be used for a specific purpose, and which do not form part of Christ Church's endowment funds. At 31 July they comprised:-

	Consolidated	College
	£	£
Reserves for maintenance, refurbishment and renovation of buildings and	1,487,512	1,487,512
Revenue reserves of specific endowments (College)	466,569	466,569
Revenue reserves of specific endowments (non-College)	480,496	480,496
Other	352,151	352,151
	<u>2,786,728</u>	<u>2,786,728</u>

Revenue reserves of specific endowments can only be used for restricted purposes or activities.

General reserves

	Consolidated	College
	£	£
At start of year	(2,272,125)	(1,939,614)
(Deficit)/surplus from income and expenditure account	(1,174,267)	2,052,815
Transfers from designated reserves	2,842	2,842
Other	10,403	15,265
At end of year	<u>(3,433,147)</u>	<u>131,308</u>

18 Capital commitments

There were no capital commitments as at 31 July (2003: nil).

19 Financial commitments

At 31 July Christ Church had annual commitments under non-cancellable operating leases as follows:

	2004	2003
	£	£
Land and buildings		
None		
Other		
Expiring within one year	-	-
Expiring between two and five years inclusive	28,506	31,287
Expiring in over five years	-	-
	<u>28,506</u>	<u>31,287</u>

Christ Church
Notes to the financial statements
Year ended 31 July, 2004

At 31 July, 2004 Christ Church had no further commitment to repay sums borrowed from the endowment to fund capital expenditures (2003: £712,878). Charges were made in the income and expenditure account in amounts totalling £719,664 (2003: £880,326) to fund repayments.

20 Related party transactions

Christ Church is recognised by the University of Oxford as a college of the University and it is part of the collegiate University. There are significant inter-dependencies of the University and of the colleges within the collegiate University. The University and the other colleges are not treated as related parties for the purpose of reporting in accordance with FRS8 ("Related party disclosures").

Members of the Governing Body receive remuneration and facilities as employees of Christ Church. Normal remuneration of, and standard arrangements with, Members of the Governing Body are not treated as related party transactions. but any extraordinary or abnormal arrangements with Members of the Governing Body would be

21 Reconciliation of net operating surplus to net cash outflow from operating activities

	£	£
(Deficit)/surplus for the year (before the transfer of the net surplus on specific endowments to designated	(909,076)	1,094,456
Endowment return and interest receivable	(7,832,284)	(7,810,718)
Endowment income of Cathedral: Chapter not analysed separately	(69,232)	(33,820)
Interest payable	-	1,169
(Increase)/ decrease in stocks	(6,704)	2,232
Increase in debtors	(363,238)	(234,449)
Increase/(decrease) in creditors	1,732,129	(2,719,708)
Decrease in receivables	196,725	1,371,602
	<u>(7,251,680)</u>	<u>(8,329,236)</u>

22 Management of liquid resources

	£	£
Net (purchase)/sale of investments and movements on cash deposits	<u>(496,587)</u>	<u>1,910,335</u>

23 Financing

	£	£
Repayments of amounts borrowed	<u>(76,389)</u>	<u>(52,168)</u>

24 Analysis of changes in net funds

	At 1 August, 2003 £	Changes £	At 31 July, 2004 £
Cash at bank and in hand	1,545,655	(62,629)	1,483,026
Endowment assets : cash deposits	9,199,670	4,646,284	13,845,954
	<u>10,745,325</u>	<u>4,583,655</u>	<u>15,328,980</u>
Current asset investments and cash deposits	1,200,211	496,587	1,696,798
Debt due within 1 year	15,277	(15,277)	-
Debt due after 1 year	61,112	(61,112)	-

**Christ Church
Notes to the financial statements
Year ended 31 July, 2004**

<u>12,021,925</u>	<u>5,003,853</u>	<u>17,025,778</u>
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