



Jesus College

Financial Statements

Year ended 31 July 2009

**JESUS COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

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JESUS COLLEGE

Report of the Governing Body

The Governing Body of Jesus College presents the annual report and financial statements for the year ended 31st July 2009.

Status

Jesus College is an eleemosynary chartered charitable corporation aggregate. It was founded by Queen Elizabeth I by Letters Patent of 27 June 1571 on the petition of Dr Hugh Price. The corporation comprises The Principal, Fellows and Scholars. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research. Within these Objects, the College also has various permanently endowed trust funds held for special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

Governance

The Governing Body of the College comprises the Principal and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Right Honourable the Earl of Pembroke. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 27 June 1571 and the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the direction of the College, for its administration and for the management of its finances and assets. It meets regularly and is advised by a range of committees including its Estates and Internal Committees.

Scope of financial statements

The financial statements consolidate the accounts of Jesus College and its subsidiary undertaking, Jesus Accommodation Ltd.

Review of Operations and Finance

The Income and Expenditure Account for 2008/9 shows a surplus of £446,000 (2007/8: £317,000). However, £151,000 was accrued by the College as a surplus on disposal of a globe which as a valuable artefact was not included in the financial statements, so that under the ordinary legal rules applicable to the colleges, it must be retained in the form of capital. With that item removed, there was a surplus on continuing operations of £295,000. This compares with a surplus of £75,000 in 2007/8 after a similar adjustment for the sale of a College House.

Total income increased by 9.5%, compared with an increase of 5.8% in 2007/8. The most significant increase relates to residential income from college members and is due to a change in accounting treatment relating to utilities income that was previously netted against costs, a concordat agreed with the student body in 2007 to increase the cost of student accommodation over five years to achieve recovery of the economic cost of student accommodation and higher occupancy rates.

It should be noted that included within income is £29,000 relating to donations expended in year. It had been the College's practice to credit donations to endowment funds on receipt. However, following the appointment of the Development Director at the end of 2007/8 a Development Fund has been established for donations that the College is at liberty freely to spend. Funds are likewise being raised for capital projects such as the new Ship St Centre and are shown within Deferred Capital. These are in addition to existing fundraising in respect of endowment funds and specific purposes. They are summarised below with a reference to the appropriate note in the accounts:

Development Fund	- £ 29,000	note 2
Capital Projects	- £263,000	note 14 (Ship St Centre and Fellows Library)
Endowment Funds	- £194,000	note 15
Deferred income	- £ 8,000	note 12 (included within £1,306,000)

Total expenditure increased by 4.9%, compared with an increase of 9.5% in 2007/8 adjusted for netting practices that occurred previously. The increase is primarily attributable to staff expenditure increasing by 8.4% (2007/8: 9.6%) as a result of the pay settlement for academic and administrative staff in October 2008 of 5% and an increase in pension contributions relating to OSPS members in August 2008 of 4%.

During the year £990,000 has been borrowed from the General Endowment to fund Fixed Assets.

JESUS COLLEGE
Report of the Governing Body

Investment Performance

The College pays continuing attention to investment performance, with a view to achieving maximum overall return. Gross endowment income increased by 4.6% (2007/8: 2.4%), though some £84,000 of the relevant income was not transferred from endowments, as regards the Income and Expenditure Account. In any event, the figures given are net of mortgage interest, which went down from a figure of £1,390,000 in 2007/8 to one of £1,266,000 in the present year. Therefore, in gross terms, the increase in endowment income is one of 1.2%. Within that figure, income from dividends and interest declined by 4.0%, whilst income from rents increased by 3.0%. The gross capital value of the College's investment assets decreased by 10.1% (2007/8: decrease of 1.9%), their value net of the loan debt of £21,655,000 decreased by 11.6% (2007/8: decrease of 1.9%). Within the overall gross figure, securities and cash deposits decreased in value by 10.0%, property assets by 10.2%. In respect of the latter, an increase in the value of agricultural land was more than offset by a decrease in the value of the College's commercial properties. In particular, one high-renting such property became vacant, on the tenant going into liquidation, at the beginning of 2009 and was re-let only late in the financial year at a rent of about 10% of the former one. A considerable part of the decrease is explained by a writing down of the value of that property.

The total gross return, i.e. capital appreciation/depreciation plus endowment income net of mortgage interest, expressed as a percentage of capital value at the beginning of 2008/9 was a negative one of 7.0% (2007/8: positive figure of 1.0%), and a negative one of 6.1% if mortgage interest is added back (2007/8: positive figure of 2.0%).

Reserves

The Governing Body seeks to keep its Reserves at a reasonable level, given its predicted future commitments. It makes provisions out of Reserves for various purposes.

Risk management

The major risks, to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have been established to mitigate these risks.

Approved by the Governing Body on 2nd December 2009

Lord Krebs
Principal

JESUS COLLEGE

Responsibilities of the Governing Body

In accordance with the College's Statutes, the Governing Body is responsible for the administration and management of the College'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. The Governing Body are also responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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;
- ◆ 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 the College and prevent and detect fraud;
- ◆ secure the economical, efficient and effective management of the College'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 the College is an exempt charity and the members of the Governing Body must ensure that the property and income of the College are applied only in support of purposes which are charitable in law.

JESUS COLLEGE

Independent auditors' Report to the Governing Body

We have audited the financial statements of Jesus College for the year ended 31 July 2009 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 25. 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 the College'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 the College and the College'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. The Governing Body are also responsible for the preparation of the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the 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 the College 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College'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.

OPINION

In our opinion:

- a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the College, and of the College consolidated with its subsidiaries and connected entities, as at 31 July 2009 and of its consolidated surplus for the year then ended; and
- b) the financial statements 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:
- c) 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 2009 has been applied to the purposes for which it was received.

Critchleys
Statutory Auditors
Chartered Accountants

JESUS COLLEGE

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 applicable accounting standards and according to the University of Oxford Statute XV to meet specific requirements imposed by University and College statutes.

These specific requirements reflect the provisions set out in the Statement of Recommended Practice ("SORP"): Accounting for Further and Higher Education issued in July 2003 but have not been updated for the introduction of the amended version of this SORP issued in July 2007. Due to the proposed future movement of the College financial statements to the Charities SORP, which is expected to be implemented in conjunction with the registration of the Oxford Colleges with the Charity Commission, the University of Oxford College Accounts Committee has concluded that there is no benefit in amending the specific requirements this year. The financial statements consolidate the accounts of the College and of its subsidiary undertaking, Jesus Accommodation Ltd. The accounts of the affiliated student bodies (Jesus College Junior and Middle Common Rooms and Jesus College Amalgamated Clubs) have not been consolidated because the College does not control their activities.

Recognition of income

Fees and other income for services provided are credited to the income and expenditure account on a receivable basis. Income from specific endowments and other restricted income is included to the extent of the relevant expenditure incurred during the year. Income from general endowments (the use of which is not legally restricted to a specific purpose or activity) is included in the income and expenditure account on a receivable basis.

General donations

Donations are dealt with in the following ways, depending on their nature. Undesignated donations are credited to the income and expenditure account on a receivable basis. Amounts from undesignated donations may be transferred to a designated reserve until the use to which it will be put has been determined. Restricted income is included to the extent of the relevant expenditure incurred during the year. Donations which are given for specific purposes, but where the costs will be incurred in a future period, are included in creditors (under accruals and deferred income), and are then transferred to the income and expenditure account in the period in which the expenditure is incurred. Donations which are to augment endowment funds are included in the Statement of Total Recognised Gains and Losses under "Additions to endowments".

Pension costs

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

Tangible fixed assets

Tangible fixed assets are stated at cost and are depreciated on a straight line basis over the following periods:

Freehold buildings	25-50 years
Leasehold properties	25-50 years or period of lease (if shorter)
Building improvements	10-25 years

Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet.

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods. The College operates a de minimis limit of £30,000 for the capitalisation of expenditure on items of equipment.

Donations received to finance the acquisition of tangible fixed assets are treated as deferred capital and will be released to income on a straight line basis over the same period as the related asset is depreciated.

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

Investments

Listed investments and properties held as fixed asset and endowment asset investments are stated at market value. Other investments are stated 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.

JESUS COLLEGE
Statement of Principal Accounting Policies

Maintenance of premises

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

Provisions

Provisions are recognised when the College 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.

Leases

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, the College 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 Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax.

College Contribution Scheme

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by Council.

JESUS COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2009

	Notes	2009 £'000	2008 £'000
INCOME			
Academic fees, tuition income and other HEFCE support	1	1,968	1,821
Other operating income	2	2,561	2,180
Endowment return and interest receivable	3	4,225	3,995
Total income		<u>8,754</u>	<u>7,996</u>
EXPENDITURE			
Staff costs	4	4,042	3,729
Depreciation		719	684
Other operating expenses		3,462	3,460
Interest payable		0	0
Contribution under Statute XV		85	48
Total expenditure	6	<u>8,308</u>	<u>7,921</u>
Surplus for the year on continuing operations before taxation and disposal of fixed assets		446	75
Surplus (deficit) on disposal of fixed assets		0	242
Taxation		0	0
Surplus for the year	7	<u>446</u>	<u>317</u>

Consolidated statement of total recognised gains and losses
Year ended 31 July 2009

	Notes	2009 £'000	2008 £'000
Reserves			
Surplus for the year		446	317
Prior Year adjustment	25	0	152
Endowments			
Income receivable from endowment asset investments	15	4,309	4,121
Endowment return transferred to Income and Expenditure account	15	(4,225)	(3,995)
(Depreciation) of endowment asset investments	15	(12,799)	(2,918)
New endowments received	15	194	643
Other			
Net additions to deferred capital	14	252	245
Total recognised gains relating to the year		<u>(11,823)</u>	<u>(1,435)</u>
Opening reserves and endowments		129,007	130,442
Closing reserves and endowments		<u>117,184</u>	<u>129,007</u>

JESUS COLLEGE
Balance Sheets
As at 31 July 2009

	Notes	CONSOLIDATED		COLLEGE	
		2009 £'000	2008 £'000	2009 £'000	2008 £'000
Fixed assets					
Tangible assets	8	13,531	11,592	13,531	11,592
Investments	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<u>13,531</u>	<u>11,592</u>	<u>13,531</u>	<u>11,592</u>
Endowment asset investments					
Securities and cash deposits		47,987	53,285	47,987	53,285
Land and property		77,838	86,662	77,838	86,662
	10	<u>125,825</u>	<u>139,947</u>	<u>125,825</u>	<u>139,947</u>
Financed by loans	13	<u>(21,655)</u>	<u>(22,157)</u>	<u>(21,655)</u>	<u>(22,157)</u>
		104,170	117,790	104,170	117,790
Current assets:					
Stocks		193	209	193	209
Debtors	11	1,181	1,327	1,183	1,329
Cash at bank and in hand		<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
		1,375	1,537	1,377	1,539
Creditors:					
Amounts falling due within one year	12	(1,892)	(1,912)	(1,892)	(1,912)
Net current (liabilities)/assets		<u>(517)</u>	<u>(375)</u>	<u>(515)</u>	<u>(373)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		117,184	129,007	117,186	129,009
Creditors:					
Amounts falling due after more than one year		0	0	0	0
Provision for liabilities and charges		0	0	0	0
TOTAL NET ASSETS		<u>117,184</u>	<u>129,007</u>	<u>117,186</u>	<u>129,009</u>
Deferred capital	14	794	433	794	433
Endowments					
Specific		26,431	28,531	26,431	28,531
General		77,739	89,259	77,739	89,259
	15	<u>104,170</u>	<u>117,790</u>	<u>104,170</u>	<u>117,790</u>
Reserves					
Designated reserves	16	100	0	100	0
General reserves	16	12,120	10,784	12,122	10,786
	16	<u>12,220</u>	<u>10,784</u>	<u>12,222</u>	<u>10,786</u>
TOTAL FUNDS		<u>117,184</u>	<u>129,007</u>	<u>117,186</u>	<u>129,009</u>

The financial statements were approved and authorised for issue by the Governing Body of Jesus College on 2nd December 2009

Lord Krebs
Principal

PN Mirfield
Estates Bursar

JESUS COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2009

	Note	2009 £'000	2008 £'000
Net cash outflow from operating activities	20	<u>(2,929)</u>	<u>(3,779)</u>
Returns on investments and servicing of finance			
Income from endowments received	15	4,309	4,121
Interest paid		0	0
Net cash inflow from returns on investments and servicing of finance		<u>4,309</u>	<u>4,121</u>
Capital expenditure and financial investment			
Net (acquisition) of tangible fixed assets		(2,658)	(2,783)
Net (acquisition)/realisation of endowment asset investments		(278)	3,060
Endowments received		194	643
Deferred capital received		263	245
Net cash (outflow)/inflow from capital expenditure and financial investment		<u>(2,479)</u>	<u>1,165</u>
Net cash (outflow)/inflow before use of liquid resources and financing		(1,099)	1,507
Management of liquid resources			
Financing	21	(502)	(405)
(Decrease)/Increase in cash	22	<u>(1,601)</u>	<u>1,102</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash for the year		(1,601)	1,102
Increase/(decrease) in debt		502	405
Change in net funds		(1,099)	1,507
Net funds at 1 August		(16,238)	(17,745)
Net funds at 31 July		<u>(17,337)</u>	<u>(16,238)</u>

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

	2009 £'000	2008 £'000
1 ACADEMIC FEES, TUITION INCOME AND HEFCE SUPPORT		
Tuition fees from UK and European Union students	1,197	1,600
Tuition fees from overseas students	247	133
Other tuition income and HEFCE support	524	88
	<u>1,968</u>	<u>1,821</u>

The above analysis includes support from the University from HEFCE funds amounting to £1,492,000 (2008 - £1,476,000)

	£'000	£'000
2 OTHER OPERATING INCOME		
Residential income from college members	1,808	1,479
Conference and function income	500	515
Grants and donations	29	0
Release of deferred capital contributions (note 14)	11	0
Other income	213	186
	<u>2,561</u>	<u>2,180</u>

	£'000	£'000
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 15)	869	951
Transferred from general endowments (note 15)	3,356	3,044
Other interest receivable	0	0
	<u>4,225</u>	<u>3,995</u>

	£'000	£'000
4 STAFF COSTS		
Gross pay	3,368	3,144
Social Security costs	244	221
Other pension costs	430	364
Other benefits		
	<u>4,042</u>	<u>3,729</u>

It is standard accounting practice to disclose further information relating to staff numbers and analyses of remuneration for higher paid employees. This information has not been included due to the particular difficulty of presenting meaningful data for staff jointly employed by the University and the College.

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

5 PENSION SCHEMES

1. The pension schemes:

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

2. Actuarial valuations

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions, which have the most significant effect on the results of the latest valuations and the determination of the contribution levels, are shown in the following table.

	USS	OSPS
Date of valuation:	31/03/2008 ^a	31/07/2007
Date valuation results published:	04/02/2009	09/10/2008
Value of liabilities:	£28,135m	£322m
Value of assets:	£28,842m	£279m
Funding Surplus/(Deficit):	£707m ^b	(£43m) ^c
Principal assumptions:		
Rate of interest (past service liabilities)	4.4% pa	-
Rate of interest (future service liabilities)	6.1% pa	-
Rate of interest (periods up to retirement)	-	6.9% pa
Rate of interest (periods after retirement)	-	4.9% pa
Rate of increase in salaries	4.3% pa	4.8% pa
Rate of increase in pensions	3.3% pa	3.3% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23 yrs	22 yrs
Assumed life expectancy at age 65 (females)	25 yrs	24 yrs
Funding Ratios:		
Technical Provisions basis:	103% ^d	87%
Statutory Pension Protection Fund basis:	107%	95%
"Buy-out" basis:	79% ^d	71%
Estimated FRS17 basis	104% ^d	89%
Recommended Employer's contribution rate (as % of pensionable salaries):	16% ^e	21.5% ^c
Effective date of next valuation:	31/03/2011 ^a	31/03/2010

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

Notes:

- a) USS' actuary will undertake an actuarial valuation of the Scheme as at 31 March 2011, the results of which are not expected to be finalised until December 2011, with publication of the final results in 2012.
- b) In the light of the considerable swings in markets since the valuation date, the nature of the demographic and financial assumptions used in the ongoing and solvency valuations, the significant positive cash flows and equity orientated investment strategy, USS' actuary recommended, and the Trustee agreed, that the small ongoing funding surplus should be carried forward to the next valuation.
- c) OSPS' actuarial valuation as at 31 July 2007 identified a required long-term employer contribution rate of 17.85% of total pensionable salaries, but also a funding deficit of £43.2m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by increasing the employer contribution rate to the previously agreed rate of 21.5% of total pensionable salaries with effect from 1 August 2008. The actuary has certified that the additional 3.65% contribution should eliminate the deficit by 31 July 2025.
- d) Since 31 March 2005, the financial security of USS has improved and the actuary has estimated that the funding level has increased from 77% at 31 March 2005 to 103% at 31 March 2008. This fluctuation is due to the volatility of investment returns and gilt yields (used to value scheme liabilities) compared to the rates assumed at 31 March 2005. On the FRS17 basis, the actuary estimated that the funding level at 31 March 2008 was above 104% and on a buy out basis was approximately 79%.
- e) The USS employer contribution rate required for future service benefits alone at the date of the valuation was 16.0% of total pensionable salaries and the Trustee company, on the advice of the actuary, decided to implement the increase from 14% to 16% on 1 October 2009.

3. Sensitivity of actuarial valuation assumptions

Surpluses or deficits, which arise at future valuations, may impact on the University's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities	
		USS	OSPS
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £2.2bn	decrease / increase by £30m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £1.5bn	increase / decrease by £20m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £0.7bn	increase / decrease by £7m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn	increase by £10m

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

4. Pension charge for the year

The pension charge recorded by the College was equal to the contributions payable as follows:

	2009 £'000	2008 £'000
University Superannuation Scheme	187	174
University of Oxford Staff Pension Scheme	234	185
Other schemes	9	5
	<u>430</u>	<u>364</u>

5. Notes

The College continues to make a small and diminishing number of supplementation payments to retired members and dependents of former members of FSSU and EPS

The College participates in the Church of England Funded Pensions Scheme (CEFPS). The CEFPS is a defined benefit scheme but the College is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. The latest valuation of the scheme was carried out as at 31st December 2006, and the College's contribution rate increased from 33.8% to 39.7% on 1 April 2008. The next valuation of the scheme will be as at 31 December 2009. For schemes such as the CEFPS, paragraph 9(b) of FRS 17 requires the College to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

6 ANALYSIS OF EXPENDITURE

	Staff costs £'000	Depreciation £'000	Other operating expenses £'000	2009 Total £'000	2008 Total £'000
Academic	1,915	0	645	2,560	2,184
Residences, catering and conferences	1,164	0	851	2,015	1,636
Premises	79	719	1,180	1,978	2,204
College administration	552	0	357	909	893
Endowment management	154	0	351	505	772
Fundraising	169	0	75	244	139
Other	9	0	3	12	45
	<u>4,042</u>	<u>719</u>	<u>3,462</u>	<u>8,223</u>	<u>7,873</u>
Interest payable				0	0
Contribution under Statute XV				85	48
Total expenditure				<u>8,308</u>	<u>7,921</u>

Other operating expenses include auditors' remuneration:
in respect of the audit of these financial statements

<u>15</u>	<u>12</u>
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The above analysis includes expenditure in respect of UK and European Union students met by publicly funded fee income amounting to £1,492,000 (2008: £1,476,000)

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

7 SURPLUS FOR THE YEAR

	2009 £'000	2008 £'000
College's surplus for the year	446	319
Retained (deficit)/surplus within subsidiary undertaking	0	(2)
	<u>446</u>	<u>317</u>

8 TANGIBLE FIXED ASSETS

CONSOLIDATED AND COLLEGE

	Land & buildings		
	Freehold £'000	Long Leasehold £'000	Total £'000
Cost			
At start of year	12,718	3,522	16,240
Additions	1,532	1,126	2,658
Disposals	0	0	0
At end of year	<u>14,250</u>	<u>4,648</u>	<u>18,898</u>
Depreciation			
At start of year	3,959	689	4,648
Charge for period	655	64	719
On disposals	0	0	0
At end of year	<u>4,614</u>	<u>753</u>	<u>5,367</u>
Net book value			
At end of year	<u>9,636</u>	<u>3,895</u>	<u>13,531</u>
At start of year	<u>8,759</u>	<u>2,833</u>	<u>11,592</u>

COLLEGE

	Land & buildings		
	Freehold £'000	Long Leasehold £'000	Total £'000
Cost			
At start of year	12,718	3,522	16,240
Additions	1,532	1,126	2,658
Disposals	0	0	0
At end of year	<u>14,250</u>	<u>4,648</u>	<u>18,898</u>
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At start of year	3,959	689	4,648
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At end of year	<u>4,614</u>	<u>753</u>	<u>5,367</u>
Net book value			
At end of year	<u>9,636</u>	<u>3,895</u>	<u>13,531</u>
At start of year	<u>8,759</u>	<u>2,833</u>	<u>11,592</u>

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009
9 FIXED ASSET INVESTMENTS

	CONSOLIDATED		COLLEGE	
	£'000		£'000	
At start of year	0		0	
Additions	<u>0</u>		<u>0</u>	
At start and end of year	<u>0</u>		<u>0</u>	

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Investments stated at cost				
Subsidiary undertakings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The College owns 100% of the issued share capital of Jesus Accommodation Limited, a company incorporated in England and Wales and is currently not trading.

10 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED			COLLEGE		
	Securities & cash	Land & property	Total	Securities & cash	Land & property	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At market value						
At start of year	53,285	86,662	139,947	53,285	86,662	139,947
Purchases at cost	315	364	679	315	364	679
Sales proceeds	(360)	(41)	(401)	(360)	(41)	(401)
Increase in cash held by fund manager	(1,601)		(1,601)	(1,601)		(1,601)
Revaluation losses	(3,652)	(9,147)	(12,799)	(3,652)	(9,147)	(12,799)
At end of year	<u>47,987</u>	<u>77,838</u>	<u>125,825</u>	<u>47,987</u>	<u>77,838</u>	<u>125,825</u>
Analysed as						
Equities (listed)	40,122			40,122		
Fixed interest securities	851			851		
Unlisted securities	2,697			2,697		
Cash	4,317			4,317		
	<u>47,987</u>			<u>47,987</u>		

Estates land and property valuations as at 31 July 2008 were made by independent valuers Drivers Jonas and Smiths Gore, the basis of valuation being market value. An independent valuation by a firm of Chartered Surveyors is obtained every three years and reviewed in intervening years by the Land Agent Mr R Stansfield BSc FRICS.

11 DEBTORS

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	221	699	221	699
Amounts owed by College members	69	92	69	92
Amounts owed by group undertakings	0	0	2	2
Prepayments and accrued income	891	530	891	530
Amounts falling due after more than one year				
Loans	0	6	0	6
	<u>1,181</u>	<u>1,327</u>	<u>1,183</u>	<u>1,329</u>

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Trade creditors	301	691	301	691
College Contribution	137	188	137	188
Other taxation and social security	148	225	148	225
Accruals and deferred income	1,306	808	1,306	808
	<u>1,892</u>	<u>1,912</u>	<u>1,892</u>	<u>1,912</u>

13 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	£'000	£'000	£'000	£'000
Bank loans	21,655	22,157	21,655	22,157
	<u>21,655</u>	<u>22,157</u>	<u>21,655</u>	<u>22,157</u>

At 31 July 2009, borrowings totalling £21,655,000 were secured on 13-21 Cornmarket St Oxford (2008: £22,157,000).

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Total borrowings are repayable as follows:				
In one year or less	533	502	533	502
In two to five years	2,481	2,337	2,481	2,337
After five years	18,641	19,318	18,641	19,318
	<u>21,655</u>	<u>22,157</u>	<u>21,655</u>	<u>22,157</u>

Interest is payable at a fixed rate of 5.369% repayable over 20 years.

14 DEFERRED CAPITAL

	CONSOLIDATED	COLLEGE
	£'000	£'000
At start of year	433	433
Donations in respect of Capital Projects	263	263
Capital transferred from the endowment	109	109
Released to income and expenditure account (note 2)	(11)	(11)
At end of year	<u>794</u>	<u>794</u>

The balance on deferred capital represents donations received to finance the acquisition of tangible fixed assets. Amounts are released to the income and expenditure account over the lives of the related assets on the same basis as the charge for depreciation.

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

15 ENDOWMENTS

	CONSOLIDATED			COLLEGE		
	Specific	General	Total	Specific	General	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At start of year	28,531	89,259	117,790	28,531	89,259	117,790
Adjustment to correct opening balances	457	(457)	0	457	(457)	0
Endowments received	194	0	194	194	0	194
Depreciation of endowment investments	(2,726)	(10,073)	(12,799)	(2,726)	(10,073)	(12,799)
Income receivable from endowment asset investments	953	3,356	4,309	953	3,356	4,309
Transferred to deferred capital (note 14)	(109)	0	(109)	(109)	0	(109)
Transferred to income and expenditure account (note 3)	(869)	(3,356)	(4,225)	(869)	(3,356)	(4,225)
Transfer to reserves (note 16)	0	(990)	(990)	0	(990)	(990)
At end of year	26,431	77,739	104,170	26,431	77,739	104,170
Represented by						
Endowment asset investments	26,431	99,394	125,825	26,431	99,394	125,825
Bank loans (less than 1 year)		(533)	(533)		(533)	(533)
Bank loans (more than 1 year)		(21,122)	(21,122)		(21,122)	(21,122)
	26,431	77,739	104,170	26,431	77,739	104,170

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of the College 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 and which can only be used for that purpose or activity.

General Endowments represent the corporate capital of the College and include bequests and gifts where the use of the capital and income, or only the income, is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body.

The transfer to reserves represents borrowing from the General Endowment to fund Fixed Assets.

16 RESERVES

DESIGNATED RESERVES

	CONSOLIDATED £'000	COLLEGE £'000
At start of year	0	0
Transfers from general reserve	100	100
At end of year	100	100

Designated reserves are those reserves set aside by the College to be used for a special purpose, and which do not form part of College endowments. At 31 July 2009 they comprised:

	£'000	£'000
Arts and Heritage Fund	100	100

GENERAL RESERVES

	CONSOLIDATED £'000	COLLEGE £'000
At start of year	10,784	10,786
Surplus from income and expenditure account	446	446
Transfer from endowment (note 15)	990	990
Transfers (to) designated reserves	(100)	(100)
At end of year	12,120	12,122

Representing:

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Undepreciated cost of tangible fixed assets financed out of general reserve	12,737	11,159	12,737	11,159
College general reserve	(617)	(375)	(615)	(373)
	12,120	10,784	12,122	10,786

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

17 CAPITAL COMMITMENTS

CONSOLIDATED AND COLLEGE	2009 £'000	2008 £'000
Commitments contracted at 31 July	<u>3,908</u>	<u>330</u>

18 FINANCIAL COMMITMENTS

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

	2009 £'000	2008 £'000
Land and Buildings	144	122
Expiring in over five years	<u>144</u>	<u>122</u>

19 POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which require disclosure.

**20 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	2009 £'000	2008 £'000
Surplus for the year before disposal of fixed assets	446	75
Depreciation	719	684
Endowment income and interest receivable	(4,225)	(3,995)
Release of deferred capital contributions	(11)	0
Decrease/(increase) in stocks	16	(4)
Decrease/(increase) in debtors	146	(424)
(Decrease)/increase in creditors	(20)	(115)
	<u>(2,929)</u>	<u>(3,779)</u>

21 FINANCING

	£'000	£'000
New loans	0	22,276
Repayments of amounts borrowed	(502)	(22,681)
	<u>(502)</u>	<u>(405)</u>

22 ANALYSIS OF CHANGES IN NET FUNDS

	2009 £'000	Changes £'000	2008 £'000
Cash at bank and in hand	1	0	1
Endowment assets cash	4,317	(1,601)	5,918
	<u>4,318</u>	<u>(1,601)</u>	<u>5,919</u>
Current asset investments			
Debt due within 1 year	(533)	(31)	(502)
Debt due after 1 year	(21,122)	533	(21,655)
	<u>(17,337)</u>	<u>(1,099)</u>	<u>(16,238)</u>

23 CONTINGENT LIABILITIES

There are no material contingent liabilities at the balance sheet date (2008: £nil).

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

24 RELATED PARTY TRANSACTIONS

At 31st July 2009 six fellows participated in the College's joint equity scheme for house purchase, in which the book value of the College's combined financial interest was £603,000 (2008 five fellows participated £585,000)

25 Prior Year Adjustment

Tangible Fixed Assets include the cost of properties not previously included in the accounts.