



**ST JOHN'S COLLEGE
OXFORD**

Report and Financial Statements

31 July 2009

ST JOHN'S COLLEGE

Report of the Governing Body

The Governing Body of St John's College presents the annual report and financial statements for the year ended 31 July 2009.

Status

St John's College is an eleemosynary chartered charitable corporation aggregate. It was founded by Sir Thomas White under a Royal Patent of Foundation, dated 1 May 1555. The corporation comprises the President and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

Objectives

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to conduct and promote academic research.

The College 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 President 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 Bishop of Winchester. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1555, and the Universities of Oxford and Cambridge Act 1923. The Governing Body is responsible for the direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the President and is advised by a range of committees, which include the Educational Policy, Finance, Estates, Equality and Risk Management Committees.

Scope of financial statements

The financial statements consolidate the accounts of St John's College and its subsidiary undertaking, The Lamb & Flag (Oxford) Ltd. The Lamb & Flag (Oxford) Ltd is the wholly-owned vehicle for the trading activities of the Lamb & Flag public house in St Giles, Oxford. The College applies the profits from this public house towards the financing of graduate studentships.

Review of operations and finance

In the year under review the College is reporting a consolidated deficit on continuing operations of £3.152 million against £710,000 in 2008. Both academic income and other operating income have slightly increased, but expenditure has increased by 17%. This includes an increase in the depreciation charge due to recent refurbishments and an increase in the reported charge under the College Contribution Scheme. Excluding these items, other costs have increased by 15%. Benefactions received during the year of £2.370 million (2008: £1.382 million) have been included as new endowments and a further £239,000 (2008: £139,000) included as donations within other income, according to the terms of the gifts. Investment and rental income from the College's endowment has fallen very slightly.

The College, in support of its academic objectives during the year, has provided funding towards five research projects through St John's College Research Centre. The projects are in the areas of Middle Eastern archaeology, plasma astrophysics, historical geography, chemistry, and human reproduction. In addition a series of workshops, seminars and short conferences have been supported. The College fully funded 15 Junior Research Fellowships during the year.

The College continues to support both undergraduate and graduate students. Students matriculating in 2006 and later are now eligible for the university-wide Oxford Opportunity Bursaries, which supported 83 St. John's students with £200,000 in 2008/09 (2008 - £128,000). Graduate support includes 15 fully-funded and 2 part-funded graduate scholarships, at a cost including fees of £285,000. Profits from the Lamb & Flag of £47,000 (2008 - £66,000) have contributed towards these costs and several other scholarships are supported by restricted or named endowment funds.

ST JOHN'S COLLEGE

Report of the Governing Body

The College has continued to invest heavily in new land and buildings during the year (see note 8) in furtherance of its academic activities. This includes £13.194 million expenditure on the ongoing construction of the Kendrew Quadrangle. This Quadrangle will provide student and Research Fellows' rooms, library, archive, cafeteria and recreational facilities and is scheduled for completion in 2010. Other additions to fixed assets include redevelopment of the pavilion at the College sports ground.

The College Contributions Scheme continues for 2009 and a creditor entry of £474,000 has been included as an estimate of the amount to be actually paid. The calculated contribution is £891,000 (2008 - £978,000).

Investment performance

Poor worldwide investment conditions have continued to affect the College, although the worst effects of the credit crisis have been cushioned by careful selection of investments and diversification by asset class and geographical location. The total return for the Cazenove managed portfolio was -4.38%. The UK equities provided a return of -9.73%, in comparison with the FTSE All Share Index which showed a return of -10.51%, and the overseas equities provided a return of -0.17%, which was 4.26% ahead of the FTSE World Index Ex UK. UK fixed interest stocks and the fixed interest bond funds gave returns of 8.42% and 7.99% respectively, in comparison with the FTSE All Stocks index of 9.44%, while index linked stocks provided a 5.48% return, in comparison with 0.19% for the FTSE All Stocks Index Linked. The Edgewood- and ACP-managed portfolios both recorded losses in US\$ terms, but the ACP portfolio shows a gain once converted to GBP.

Investment Properties

Property markets were also weak during the year, but the College's losses on commercial and residential properties were more than offset by rises in the value of agricultural land and exchange gains on overseas property. Market fluctuations are diminished to a certain degree by the long-term nature of many of the College's leases.

Reserves

The balance on College reserves at the year end amounted to £54.101 million (note 14) net of pension reserve. After allowing for the amounts invested in fixed assets the College's general reserve showed a surplus of £1.547 million (2008: £681,000). The Governing Body has reviewed the reserves of the College and has concluded that a general reserve of around one month's expenditure after investment in fixed assets should be maintained to allow the College to be managed efficiently and to provide a buffer for uninterrupted services. A £16.7 million transfer was made from endowments to the general reserve to fund the increased investment in fixed assets (mainly the Kendrew Quadrangle) and a further £3.1 million transfer was made from endowments to the income and expenditure account. These transfers were funded out of previous gains on the unrestricted endowments.

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 monitor and where possible reduce these risks.

Approved on 4 November 2009

Sir Michael Scholar - President

ST JOHN'S 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 statement of Recommended Practice on Accounting in Further and Higher Education Institutions ("the SORP") and other relevant accounting standards.

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.*
- ensure that income received from the University of Oxford out of grant from the Higher Education Funding Council for England is applied for the purposes for which it was received.*

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

**ST JOHN'S COLLEGE
REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY
OF ST JOHN'S COLLEGE**

We have audited the financial statements of St John's College and its subsidiary undertaking for the year ended 31 July 2009 which comprise the Consolidated Income and Expenditure Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 19. 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 St John's College and its subsidiary undertaking, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Governing Body and Auditors

As described in the Responsibilities of the Governing Body, the Governing Body is responsible for preparing the Annual Report 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 the Statement of Recommended Practice: Accounting for Further and Higher Education as issued in July 2003 and 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 the Statement of Recommended Practice: Accounting for Further and Higher Education.

We also report to you if, in our opinion, if the College and its subsidiary undertaking have 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. This other information comprises only the Report of the Governing Body. 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 and its subsidiary undertaking'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 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 of the state of affairs of the College and its subsidiary undertaking at 31 July 2009 and of the deficit of expenditure over income, recognised gains and losses and cash flows for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 the Statement of Recommended Practice: Accounting for Further and Higher Education;
- 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;
- d) the information given in the report of the Governing Body is consistent with the financial statements.

ALLIOTTS
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

ST JOHN'S 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 both applicable accounting standards and, to the extent appropriate, the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions ("the SORP").

The financial statements consolidate the accounts of the College and of its subsidiary undertaking, The Lamb & Flag (Oxford) Limited. The accounts of the affiliated bodies: St John's College Junior and Middle Common Rooms have not been consolidated because the College does not control these activities.

In preparing the financial statements for the current year the College has adopted FRS17 Retirement benefits.

Adjustments both to the current and prior years were made to recognise the surplus of the fund. This change has the effect in increasing the net assets and general reserve.

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 credited to income and expenditure account on a receivable basis.

General donations

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

Pension costs

The three principal pension schemes for the College's staff are the Universities Superannuation Scheme (USS), the University of Oxford Staff Pension Scheme (OSPS) and the St John's College Staff Pension Fund (SJCPF). USS and OSPS are multi-employer defined benefit schemes where the share of the assets and liabilities applicable to each employer cannot be identified. The cost therefore recognised within the income and expenditure account is equal to the contributions payable to the schemes for the year. The SJCPF scheme is a defined benefit scheme and contributions are charged to the income and expenditure account in accordance with FRS17 over the period during which the College benefits from the employees' services.

Tangible fixed assets

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

Freehold buildings	50 years
Building improvements	10 years
Equipment	5 years

Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet, but is unlikely to be material. No depreciation is provided on assets in the course of construction.

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods.

Donations received to finance the acquisition of tangible fixed assets are treated as deferred capital and 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 endowment asset investments are stated at market value or, if appropriate, existing use 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.

ST JOHN'S COLLEGE

Statement of Principal Accounting Policies

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.

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

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 retranslated into sterling at year-end rates of exchange or, where there are related forward foreign exchange contracts, at the 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.

Trading activities undertaken by the College are administered through its subsidiary undertaking, which, as a commercial organisation, is liable to Corporation Tax. Profits made by this company are, however, transferred to the College by Gift Aid.

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.

ST JOHN'S COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2009

	Notes	2009 £	2008 £'000
INCOME			
Academic fees, tuition income and other HEFCE support	1	2,243	2,046
Other operating income	2	3,081	2,738
Endowment return and interest receivable	3	10,799	10,942
Total income		<u>16,123</u>	<u>15,726</u>
EXPENDITURE			
Staff costs	4&5	7,677	6,926
Depreciation	5&8	1,713	1,550
Other operating expenses	5	9,480	7,917
Contribution under Statute XV	5	405	43
Total expenditure	5	<u>19,275</u>	<u>16,436</u>
(Deficit) for the year on continuing operations before taxation and disposal of fixed assets		(3,152)	(710)
Surplus on disposal of fixed assets		0	0
Transfer from accumulated endowment income reserves		3,100	500
Taxation	6	0	0
(Deficit) for the year after taxation	7	<u>(52)</u>	<u>(210)</u>

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

	Notes	2009 £'000	2008 £'000
Reserves			
(Deficit) for the year		(52)	(210)
Transfer from endowment		16,700	7,200
Endowments			
Income receivable from endowment asset investments	13	10,919	11,140
Endowment return transferred to income and expenditure account	13	(10,798)	(10,936)
Appreciation of endowment asset investments	13	(6,016)	(10,576)
New endowments received	13	2,370	1,383
Movement in surplus under FRS 17	19	(1,644)	(688)
Transfer to reserves		(16,700)	(7,200)
Transfer to income and expenditure account		(3,100)	(500)
Other			
Net additions to (deductions from) deferred capital		0	0
Total recognised gains relating to the year		<u>(8,321)</u>	<u>(10,387)</u>
Opening fund balances		339,896	350,283
Closing fund balances		<u>331,575</u>	<u>339,896</u>

ST JOHN'S COLLEGE
Balance Sheets
As at 31 July 2009

	Notes	CONSOLIDATED		COLLEGE	
		2009	2008	2009	2008
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8	52,554	36,755	52,546	36,753
Investments	9	0	0	100	100
		<u>52,554</u>	<u>36,755</u>	<u>52,646</u>	<u>36,853</u>
Endowment asset investments					
Securities and cash deposits		165,402	191,453	165,402	191,453
Land and property		111,594	108,868	111,594	108,868
	10	<u>276,996</u>	<u>300,321</u>	<u>276,996</u>	<u>300,321</u>
Current assets:					
Stocks		1,445	1,459	1,431	1,444
Debtors	11	1,589	2,798	1,661	2,889
Cash at bank and in hand		11,125	11,873	10,951	11,688
		<u>14,159</u>	<u>16,130</u>	<u>14,043</u>	<u>16,021</u>
Creditors:					
Amounts falling due within one year	12	(12,612)	(15,485)	(12,555)	(15,440)
		<u>1,547</u>	<u>645</u>	<u>1,488</u>	<u>581</u>
Net current assets		<u>1,547</u>	<u>645</u>	<u>1,488</u>	<u>581</u>
TOTAL NET ASSETS EXCLUDING PENSION ASSET		<u>331,097</u>	<u>337,721</u>	<u>331,130</u>	<u>337,755</u>
PENSION ASSET	19	478	2,175	478	2,175
		<u>331,575</u>	<u>339,896</u>	<u>331,608</u>	<u>339,930</u>
TOTAL NET ASSETS		<u>331,575</u>	<u>339,896</u>	<u>331,608</u>	<u>339,930</u>
Endowments					
Specific		13,502	11,846	13,502	11,846
General		263,494	288,475	263,494	288,475
	13	<u>276,996</u>	<u>300,321</u>	<u>276,996</u>	<u>300,321</u>
Reserves					
General reserves		54,579	39,575	54,612	39,609
	14	<u>54,579</u>	<u>39,575</u>	<u>54,612</u>	<u>39,609</u>
TOTAL FUNDS		<u>331,575</u>	<u>339,896</u>	<u>331,608</u>	<u>339,930</u>

The financial statements were approved by the Governing Body of St John's College on 4 November 2009

Sir Michael Scholar
President

Prof Andrew Parker
Principal Bursar

ST JOHN'S COLLEGE
Consolidated Cash Flow Statement
Year ended 31 July 2009

	Note	2009 £	2008 £'000
Net cash outflow from operating activities	16	<u>(8,380)</u>	<u>(11,234)</u>
Returns on investments and servicing of finance			
Income from endowments received		10,919	11,140
Other income from investments and interest received		1	6
Exchange gain on cash balances		556	
Net cash inflow from returns on investments and servicing of finance		<u>11,477</u>	<u>11,146</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of tangible fixed assets		(17,512)	(8,732)
Net realisation/(acquisition) of endowment asset investments		11,296	(8,215)
Endowments received		2,370	1,383
Net cash (outflow) from capital expenditure and financial investment		<u>(3,846)</u>	<u>(15,564)</u>
Net cash outflow before use of liquid resources and financing		(749)	(15,652)
Decrease in cash	17	<u>(749)</u>	<u>(15,652)</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease) in cash for the year		(748)	(15,652)
Change in net funds		<u>(748)</u>	<u>(15,652)</u>
Net funds at 1 August		11,873	27,525
Net funds at 31 July		<u>11,125</u>	<u>11,873</u>

ST JOHN'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

	2009 £'000	2008 £'000
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	1,360	1,729
Tuition fees from overseas students	318	187
Other tuition income and HEFCE support	565	130
	<u>2,243</u>	<u>2,046</u>

The above analysis includes support from the University from HEFCE funds amounting to £1,742,561 (2008 - £1,573,555)

	2009 £'000	2008 £'000
2 OTHER OPERATING INCOME		
Residential income from college members	1,892	1,663
Conference and function income	948	913
Grants and donations	239	162
Other income	2	0
	<u>3,081</u>	<u>2,738</u>

	2009 £'000	2008 £'000
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 13)	203	189
Transferred from general endowments (note 13)	10,595	10,747
Other investment income	1	6
	<u>10,799</u>	<u>10,942</u>

	2009 £'000	2008 £'000
4 STAFF COSTS		
Gross pay	6,295	5,754
Social Security costs	576	506
Other pension costs	757	613
Other benefits	49	53
	<u>7,677</u>	<u>6,926</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 colleges.

	Staff costs £'000	Depreciation £'000	Other operating expenses £'000	2009 Total £'000	2008 Total £'000
5 ANALYSIS OF EXPENDITURE					
Academic	3,399	0	1,653	5,052	4,394
Residences, catering and conferences	2,273	0	2,247	4,520	4,087
Premises	918	1,713	1,797	4,428	3,791
College administration	493	0	119	612	800
Endowment management	350	0	3,267	3,617	2,900
Fundraising	133	0	0	133	115
Other	111	0	397	508	306
	<u>7,677</u>	<u>1,713</u>	<u>9,480</u>	<u>18,870</u>	<u>16,393</u>
Contribution under Statute XV				405	43
Total expenditure				<u>19,275</u>	<u>16,436</u>

The above analysis includes expenditure in respect of UK and European students met by publicly funded fee income amounting to £1,742,561 (2008 - £1,573,555)

	£'000	£'000
Other operating expenses include auditors' remuneration: in respect of the audit of these financial statements	<u>30</u>	<u>33</u>

ST JOHN'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

	2009	2008
	£'000	£'000
6 TAXATION		
United Kingdom corporation tax at 30%	<u>0</u>	<u>0</u>

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 and capital gains received to the extent that such income or gains are applied to exclusively charitable purposes. No deferred taxation has been provided in the accounts on the basis that future taxable profit of its subsidiary company will be paid to the College by way of Gift Aid payments.

	2009	2008
	£'000	£'000
7 SURPLUS/(DEFICIT) FOR THE YEAR		
College's (deficit) for the year	(53)	(201)
Surplus/(deficit) generated by the subsidiary undertaking after donation made under gift aid	1	(9)
	<u>(52)</u>	<u>(210)</u>

8 TANGIBLE FIXED ASSETS

COLLEGE					
	Freehold Land & buildings	Building Improvements	Buildings under Construction	Plant and Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At start of year	26,988	11,170	7,569	53	45,780
Additions	2,951	1,358	13,195	0	17,504
Transfer	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At end of year	<u>29,939</u>	<u>12,528</u>	<u>20,764</u>	<u>53</u>	<u>63,284</u>
Depreciation					
At start of year	5,861	3,157	0	10	9,028
Charge for period	544	1,155	0	11	1,710
At end of year	<u>6,405</u>	<u>4,312</u>	<u>0</u>	<u>21</u>	<u>10,738</u>
Net book value					
At end of year	<u>23,534</u>	<u>8,216</u>	<u>20,764</u>	<u>32</u>	<u>52,546</u>
At start of year	<u>21,127</u>	<u>8,014</u>	<u>7,569</u>	<u>43</u>	<u>36,753</u>

CONSOLIDATED					
	Freehold Land & buildings	Building Improvements	Buildings under Construction	Plant and Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At start of year	26,988	11,340	7,569	53	45,950
Additions	2,951	1,358	13,195	8	17,512
Transfer	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At end of year	<u>29,939</u>	<u>12,698</u>	<u>20,764</u>	<u>61</u>	<u>63,462</u>
Depreciation					
At start of year	5,861	3,324	0	10	9,195
Charge for period	544	1,157	0	12	1,713
At end of year	<u>6,405</u>	<u>4,481</u>	<u>0</u>	<u>22</u>	<u>10,908</u>
Net book value					
At end of year	<u>23,534</u>	<u>8,217</u>	<u>20,764</u>	<u>39</u>	<u>52,554</u>
At start of year	<u>21,127</u>	<u>8,016</u>	<u>7,569</u>	<u>43</u>	<u>36,755</u>

ST JOHN'S COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

9 FIXED ASSET INVESTMENTS

College	2009	2008
	£	£
At cost		
Investment in subsidiary company	<u>100,000</u>	<u>100,000</u>

The College owns 100% of the issued share capital of The Lamb & Flag (Oxford) Limited, a company incorporated in England and Wales. The principal business activity of The Lamb & Flag is to carry on the business of the public house for St John's College

10 ENDOWMENT ASSET INVESTMENTS

	Consolidated & College		
	Securities & cash £'000	Land & property £'000	Total £'000
At market value			
At start of year	191,453	108,868	300,321
Purchases at cost	23,244	2,117	25,361
Sales proceeds	(35,129)	(1,528)	(36,657)
Increase in sums available for reinvestment	(5,457)	0	(5,457)
Revaluation gains/(losses)	(8,709)	2,137	(6,572)
At end of year	<u>165,402</u>	<u>111,594</u>	<u>276,996</u>
Analysed as			
Fixed interest stocks (listed)	44,075		
Equities (listed)	85,735		
Investment funds and other Securities	27,568		
Uninvested monies held by the College	8,024		
	<u>165,402</u>		
Historical cost at end of year		<u>144,216</u>	

Included within Land & Property above is £6.924M deferred consideration on the sale of a property secured by a first charge over the property.

At the 31 July 2007 the Estate land and property was valued by the College's Property Advisor Savills who is a member of the Royal Institution of Chartered Surveyors.

11 DEBTORS

	CONSOLIDATED		COLLEGE	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	1,082	2,008	1,082	1,994
Amounts owed by College members	216	352	216	352
Amounts owed by related undertakings	81	219	167	324
Prepayments and accrued income	210	219	196	219
	<u>1,589</u>	<u>2,798</u>	<u>1,661</u>	<u>2,889</u>

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12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Trade creditors	3,894	1,227	3,846	1,191
College Contribution	474	544	474	544
Other taxation and social security	220	233	211	224
Amounts held by the College for reinvestment	8,024	13,481	8,024	13,481
	<u>12,612</u>	<u>15,485</u>	<u>12,555</u>	<u>15,440</u>

13 ENDOWMENTS

	CONSOLIDATED AND COLLEGE		
	Specific £'000	General £'000	Total £'000
At start of year	11,846	288,475	300,321
Endowments received	2,334	36	2,370
(Depreciation) of endowment investments	(296)	(5,720)	(6,016)
Income receivable from endowment asset investments	324	10,595	10,919
Income transferred to income and expenditure account (note 3)	(203)	(10,595)	(10,798)
Accumulated return transferred to income and expenditure account	0	(3,100)	(3,100)
Transfer between funds	(503)	503	
Transfer to reserves	0	(16,700)	(16,700)
	<u>13,502</u>	<u>263,494</u>	<u>276,996</u>

At end of year

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operations 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.
Specific endowments (consolidated and College) include funds valued at £1.063m which provide income for purposes that lie outside the objects of the College. Income arising amounted to £44k.

14 RESERVES

GENERAL RESERVES

	CONSOLIDATED		COLLEGE	
	£'000		£'000	
At start of year as previously reported	39,575		39,609	
(Deficit) from income and expenditure account	(52)		(53)	
Movement in surplus under FRS 17	(1,644)		(1,644)	
Transfer from endowment return	16,700		16,700	
At end of year including pension asset	<u>54,579</u>		<u>54,612</u>	

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Representing:				
Undepreciated cost of tangible fixed assets				
financed out of general reserve	52,554	36,755	52,546	36,753
College general reserve	1,547	645	1,588	681
	<u>54,101</u>	<u>37,400</u>	<u>54,134</u>	<u>37,434</u>
Pension Reserve	478	2,175	478	2,175
	<u>54,579</u>	<u>39,575</u>	<u>54,612</u>	<u>39,609</u>

As previously reported the College is required to adopt FRS 17 Retirement Benefits and movement relating to the Pension Reserve is detailed in note 19 of these financial statements.

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15 CAPITAL COMMITMENTS

CONSOLIDATED AND COLLEGE

	2009	2008
	£'000	£'000
Commitments contracted at 31 July	<u>22,820</u>	<u>34,678</u>

16 RECONCILIATION OF CONSOLIDATED OPERATING (DEFICIT)/SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£'000	£'000
(Deficit) for the year before endowment transfers	(3,152)	(710)
Depreciation	1,713	1,550
Endowment income and interest receivable	(10,799)	(10,942)
Decrease in stocks	14	25
(Increase)/decrease in debtors	1,209	(1,206)
Increase in creditors	2,583	104
Non-cash pension charge/(credit) under FRS 17	53	(56)
	<u>(8,380)</u>	<u>(11,234)</u>

17 ANALYSIS OF CHANGES IN NET FUNDS

	2009	Cash Flow	2008
	£'000	£'000	£'000
Cash at bank and in hand	<u>11,125</u>	<u>(748)</u>	<u>11,873</u>

18 RELATED PARTY TRANSACTIONS

There are no related party transactions to report for the year.

19 PENSION SCHEMES

The three principal pension schemes for the College's staff are the Universities Superannuation Scheme (USS), the University of Oxford Staff Pension Scheme (OSPS) and the St John's College Staff Pension Fund (SJCSPP). USS and OSPS are contributory and are contracted out from the State Earnings Related Pension Scheme, SJCSPP is a non-contributory scheme and is contracted in to the State Earnings Related Pension Scheme. Each provides benefits based on length of service and final pensionable salary. The assets of USS, OSPS and SJCSPP are each held in separate trustee-administered funds. The schemes are periodically valued by qualified actuaries using the projected unit method and embracing a market value approach. The levels of contribution take account of any actuarial surpluses or deficiencies in each scheme. The assumptions and other data that have the most effect on the determination of the contribution levels are as follows:

	USS	OSPS	SJCSPP
Date of latest actuarial valuation	2008	2007	2006
Investment returns per annum	6.10%	6.90%	5.40%
Salary increases per annum	4.30%	4.80%	4.10%
Pension increases per annum	3.30%	3.30%	3.10%
Market value of assets at latest actuarial valuation	£28,135m	£279m	£9.16m
Proportion of accrued benefits covered by the actuarial value of these assets	103%	87%	118%

Both USS and OSPS 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.

Universities Superannuation Scheme (USS):

The contributions payable by the College during the accounting period were equal to 14% of total pensionable salaries. The pensions charge recorded by the College during the accounting period was equal to the contributions payable (£376k).

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19 Pension Schemes (Continued)

Oxford Staff Pension Scheme (OSPS):

The College paid contributions of 21.5% during the accounting period, as set out in the statutory schedule of contributions agreed with the actuary. The pensions charge recorded by the College during the accounting period was equal to the contributions payable (£21k).

St John's College Staff Pension Fund

The contributions payable by the College during the accounting period were equal to 10% of total pensionable salaries. The pensions charge recorded by the College during the accounting period is shown in the analysis of movements in surplus given below. The fund at 31 July 2009 owed £80,958 (2008: £219,749) to the College.

The valuation used for FRS 17 disclosures has been based upon the most recent actuarial valuation as at 31 July 2006 and information provided by Hewitt Bacon & Woodrow to take account of the requirements of FRS 17 in order to assess the assets and liabilities of the St John's College Staff Pension Fund at 31 July 2009. The Scheme's assets are stated at their market value at the respective balance sheet dates

Main Assumptions	2009	2008
	%	%
Rate of increase in salaries	4.7	4.8
Rate of increase in pensions in payment	2.3	2.4
Discount rate	6.0	6.6
Inflation assumption	3.7	3.8

The assets and liabilities of the Fund and the expected rates of return at 31 July are:

	2009		2008		2007	
	Long term rate of return expected %	Value £000	Long term rate of return expected %	Value £000	Long term rate of return expected %	Value £000
Equities	7.5	4,485	7.8	4,351	7.9	5,362
Bonds	4.5	3,731	4.8	3,669	4.9	3,436
Other	4.8	1,048	5.8	1,460	6.0	1,129
Total market value of assets	6.0	9,264	6.3	9,480	6.6	9,927
Present value of Fund liabilities		(8,786)		(7,305)		(7,120)
Net pension asset		478		2,175		2,807

Analysis of the defined benefit cost for the year ended 31 July 2009 is as follows:

	2009 £,000	2008 £,000
Current Service cost	446	444
Total operating charge	446	444
Other finance costs: Expected return on Pension Fund Assets	574	631
Other finance costs: interest on Pension Fund liabilities	(489)	(418)
Net Return from other finance income	85	213
Actual return less expected return on Pension Fund assets	(861)	(1,101)
Actuarial gains/losses arising on Fund liabilities	(783)	413
Actuarial gain recognised in the statement of total recognised gains and losses	(1,644)	(688)

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19 **Pension Schemes (Continued)**

	2009 £,000	2008 £,000			
Analysis of movements in surplus during the year					
As at 1 August 2008	2,175	2,807			
Total operating charge	(446)	(444)			
Net Return from other finance income	85	213			
Actuarial gain /(loss) in the statement of total recognised gains and losses	(1,644)	(688)			
Contributions	308	287			
	<u>478</u>	<u>2,175</u>			
History of experience gains and losses	2009	2008	2007	2006	2005
Difference between expected return and actual return on Pension Fund assets					
- amount(£000)	(861)	(1,101)	215	674	806
- % of Fund assets	-9.3	-11.6	2.2	7.4	10.1
Experience gain /(loss) arising on Fund liabilities					
- amount(£000)	(29)	0	(93)	9	23
- % of the present value Fund liabilities	0.3	0	-1.3	0.1	0.4
Total actuarial gain /(loss) that would have been recognised in the STRGL					
- amount(£000)	(1,644)	(688)	297	341	405
- % of the present value Fund liabilities	18.7	-9.4	4.2	5.1	6.8