



Financial Statements

Year ended 31 July 2010

JESUS COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010

INDEX

Page	
2-3	Report of the Governing Body
4	Responsibilities of the Governing Body
5	Independent auditors' report to the Governing Body
6-7	Statement of Principal Accounting Policies
8	Consolidated income and expenditure account
8	Consolidated statement of total recognised gains and losses
9	Balance sheets
10	Cash Flow statement
11-20	Notes to the Financial Statements

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 2010.

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. At the 31st July 2010 the College was an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act). The Charities Act 2006 abolished the status of exempt charities and as a result the College applied to register with the Charity Commission. On 11th August 2010 the College's application was approved and the College is now registered under charity number 1137435.

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 2009/10 shows a surplus of £21,000 (2008/09: £446,000). Unlike previous years there were no items of income that require adjusting under the ordinary legal rules applicable to college. In 2008/09 the sale of a valuable artefact was included that if removed resulted in a surplus of £295,000.

Total income decreased by 3.2%, compared with an increase of 9.5% in 2008/09. This decrease was caused by an expected, significant reduction in endowment income of 10.4%. This was mitigated by two elements: an increase in donations that the College is at liberty freely to spend from £29,000 to £92,000 and a change in accounting treatment relating to Oxford Opportunity Bursaries (OOB). In previous years, OOB income from the University and its distribution to recipients has been netted and therefore had no effect on income and expenditure. Following guidance from professional advisers these are now shown gross in both Other Operating Income and Other Operating Expenditure. If these were excluded from the accounts income would decrease by some £195,000 (2009: £153,000).

The Development Office continues to expand. Donations are shown in various places within the accounts depending upon the donor's wishes and are summarised below with a reference to the appropriate note in the accounts:

Development Fund	- £ 92,000 (2008/09: £ 29,000)	note 2 (included in £287,000)
Capital Projects	- £449,000 (2008/09: £263,000)	note 14 (Ship St Centre and Fellows Library)
Endowment Funds	- £327,000 (2008/09: £194,000)	note 15
Deferred income	- £ 99,000 (2008/09: £ 8,000)	note 12 (included within £1,545,000)

It can therefore be seen that, although development costs have increased during the year from £244,000 to £294,000 the level of activity and Fundraising has increased much faster.

Total expenditure increased by 1.7%, compared with an increase of 4.9% in 2008/09. If the Oxford Opportunity Bursaries are excluded the overall increase is reduced to 1.2%. The increase is modest due to tight fiscal control, reduction in energy costs and the timing and nature of building works and maintenance. Once Oxford Opportunity Bursaries are excluded, Other Operating Costs have reduced by 4.3%. In other areas Staff costs have risen by 1.95% with the significant increases arising in the Depreciation charge, 14.5% and College Contribution, 79.3%. The increase in depreciation is due to the commissioning of the new Kitchen and there will similarly be a significant increase in 2010/11 when the Ship St Centre is commissioned. The cost recognised in the Income and Expenditure account for College Contribution is driven by instructions from the University and has resulted in overprovisions in recent years. In these accounts the charge is commensurate with the payment in March 2010 and is therefore at a level at which it might be expected to stay.

JESUS COLLEGE

Report of the Governing Body

During the year £1,268,000 has been borrowed from the General Endowment to fund Fixed Assets.

Investment Performance

The College pays continuing attention to investment performance, with a view to achieving maximum overall return. Income net of Mortgage interest of £1,234,000 (2008/09: £1,266,000), decreased by 12.8%. In previous years the transfer from the endowment has been lower than this net figure due to restrictions on Funds and the timing of appointments paid out of restricted Funds. In 2009/10 the transfer exceeded the income due to the appointment of a number of Junior Research Fellows utilising expendable Funds donated in previous years.

Endowment income gross of mortgage interest decreased by 10.5% (2008/09: increased by 4.6%). Within that figure, income from dividends and interest declined by 24.2%, and income from rents decreased by 6.6%. The gross capital value of the College's investment assets increased by 4.6% (2008/09: decrease of 10.1%), their value net of the loan debt of £21,122,000 increased by 6.0% (2008/09: decrease of 11.6%). Within the overall gross figure, securities and cash deposits increased in value by 10.6% (2008/09: decrease 10.0%), property assets by 0.8% (2008/09: decrease 10.2%).

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 2009/10 was a positive one of 10.7% (2008/09: negative figure of 7.2%), and a positive one of 9.8% if mortgage interest is added back (2008/09: negative figure of 5.2%).

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 3rd November 2010

*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 2010 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 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 2010 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 2010 has been applied to the purposes for which it was received.

Critchleys LLP
Statutory Auditors
Chartered Accountants
Oxford

Date

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
Building improvements	10-25 years
Equipment	10-15 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.

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.

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.

JESUS COLLEGE

Statement of Principal Accounting Policies

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 2010

	Notes	2010 £'000	2009 Restated £'000
INCOME			
Academic fees, tuition income and other HEFCE support	1	2,014	1,968
Other operating income	2	2,826	2,714
Endowment return and interest receivable	3	3,787	4,225
Total income		<u>8,627</u>	<u>8,907</u>
EXPENDITURE			
Staff costs	4	4,121	4,042
Depreciation		824	719
Other operating expenses		3,508	3,615
Interest payable		0	0
Contribution under Statute XV		153	85
Total expenditure	6	<u>8,606</u>	<u>8,461</u>
Surplus for the year on continuing operations before taxation and disposal of fixed assets		21	446
Surplus (deficit) on disposal of fixed assets		0	0
Taxation		0	0
Surplus for the year	7	<u>21</u>	<u>446</u>

Consolidated statement of total recognised gains and losses
Year ended 31 July 2010

	Notes	2010 £'000	2009 £'000
Reserves			
Surplus for the year		21	446
Endowments			
Income receivable from endowment asset investments	15	3,757	4,309
Endowment return transferred to Income and Expenditure account	15	(3,787)	(4,225)
Appreciation/(Depreciation) of endowment asset investments	15	7,339	(12,799)
New endowments received	15	327	194
Other			
Net additions to deferred capital	14	438	252
Total recognised gains relating to the year		<u>8,095</u>	<u>(11,823)</u>
Opening reserves and endowments		117,184	129,007
Closing reserves and endowments		<u>125,279</u>	<u>117,184</u>

JESUS COLLEGE
Balance Sheets
As at 31 July 2010

	Notes	CONSOLIDATED		COLLEGE	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
Fixed assets					
Tangible assets	8	16,130	13,531	16,130	13,531
Investments	9	0	0	0	0
		<u>16,130</u>	<u>13,531</u>	<u>16,130</u>	<u>13,531</u>
Endowment asset investments					
Securities and cash deposits		53,089	47,987	53,089	47,987
Land and property		78,496	77,838	78,496	77,838
	10	<u>131,585</u>	<u>125,825</u>	<u>131,585</u>	<u>125,825</u>
Financed by loans	13	<u>(21,122)</u>	<u>(21,655)</u>	<u>(21,122)</u>	<u>(21,655)</u>
		110,463	104,170	110,463	104,170
Current assets:					
Stocks		187	193	187	193
Debtors	11	973	1,181	975	1,183
Cash at bank and in hand		359	1	359	1
		<u>1,519</u>	<u>1,375</u>	<u>1,521</u>	<u>1,377</u>
Creditors:					
Amounts falling due within one year	12	<u>(2,833)</u>	<u>(1,892)</u>	<u>(2,833)</u>	<u>(1,892)</u>
		<u>(1,314)</u>	<u>(517)</u>	<u>(1,312)</u>	<u>(515)</u>
Net current (liabilities)/assets					
		<u>(1,314)</u>	<u>(517)</u>	<u>(1,312)</u>	<u>(515)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		125,279	117,184	125,281	117,186
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>125,279</u>	<u>117,184</u>	<u>125,281</u>	<u>117,186</u>
Deferred capital					
	14	1,307	794	1,307	794
Endowments					
Specific		29,195	26,431	29,195	26,431
General		81,268	77,739	81,268	77,739
	15	<u>110,463</u>	<u>104,170</u>	<u>110,463</u>	<u>104,170</u>
Reserves					
Designated reserves	16	52	100	52	100
General reserves	16	13,457	12,120	13,459	12,122
	16	<u>13,509</u>	<u>12,220</u>	<u>13,511</u>	<u>12,222</u>
TOTAL FUNDS					
		<u>125,279</u>	<u>117,184</u>	<u>125,281</u>	<u>117,186</u>

The financial statements were approved and authorised for issue by the Governing Body of Jesus College on 3rd November 2010

Lord Krebs
Principal

D Barron
Estates Bursar

JESUS COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2010

	Note	2010 £'000	2009 £'000
Net cash outflow from operating activities	20	<u>(2,355)</u>	<u>(2,929)</u>
Returns on investments and servicing of finance			
Income from endowments received	15	3,757	4,309
Interest paid		0	0
Net cash inflow from returns on investments and servicing of finance		<u>3,757</u>	<u>4,309</u>
Capital expenditure and financial investment			
Net (acquisition) of tangible fixed assets		(3,423)	(2,658)
Net (acquisition)/realisation of endowment asset investments		(592)	(278)
Endowments received		327	194
Deferred capital received		449	263
Net cash (outflow)/inflow from capital expenditure and financial investment		<u>(3,239)</u>	<u>(2,479)</u>
Net cash (outflow)/inflow before use of liquid resources and financing		(1,837)	(1,099)
Management of liquid resources			
Financing	21	24	(502)
(Decrease)/Increase in cash	22	<u>(1,813)</u>	<u>(1,601)</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash for the year		(1,813)	(1,601)
Increase/(decrease) in debt		(24)	502
Change in net funds		<u>(1,837)</u>	<u>(1,099)</u>
Net funds at 1 August		(17,337)	(16,238)
Net funds at 31 July		<u>(19,174)</u>	<u>(17,337)</u>

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

	2010 £'000	2009 £'000
1 ACADEMIC FEES, TUITION INCOME AND HEFCE SUPPORT		
Tuition fees from UK and European Union students	1,213	1,197
Tuition fees from overseas students	329	247
Other tuition income and HEFCE support	472	524
	<u>2,014</u>	<u>1,968</u>

The above analysis includes support from the University from HEFCE funds amounting to £1,497,000 (2009 - £1,492,000)

	£'000	Restated £'000
2 OTHER OPERATING INCOME		
Residential income from college members	1,876	1,808
Conference and function income	623	500
Grants and donations	287	182
Release of deferred capital contributions (note 14)	11	11
Other income	29	213
	<u>2,826</u>	<u>2,714</u>

The comparative figures for 2009 have been restated to reflect the change in accounting treatment of Oxford Opportunity Bursaries that are now included within Grants and Donations and Academic expenditure (note 6) these amount to £195,000 in 2010 (2009: £153,000).

	£'000	£'000
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 15)	926	869
Transferred from general endowments (note 15)	2,861	3,356
	<u>3,787</u>	<u>4,225</u>

	£'000	£'000
4 STAFF COSTS		
Gross pay	3,406	3,368
Social Security costs	239	244
Other pension costs	476	430
	<u>4,121</u>	<u>4,042</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 2010

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 2010

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 2008, global investment markets have continued to fluctuate and at 31 March 2010 the actuary has estimated the funding level under the new scheme specific regime had fallen from 103% to 91% (a deficit of £3,065m). Compared to the previous 12 months, the funding level has improved from 74% (as at 31 March 2009) to 91%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the two years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). On the FRS17 basis, the actuary estimated that the funding level at 31 March 2010 was 80% and on a buy out basis was approximately 57%.
- 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 on a technical provisions basis as at the date of the last triennial valuation 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 2010

4. Pension charge for the year

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

	2010 £'000	2009 £'000
University Superannuation Scheme	228	187
University of Oxford Staff Pension Scheme	234	234
Other schemes	14	9
	<u>476</u>	<u>430</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. A 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 contribution rate was subsequently increased to 45% of pensionable stipends with effect from 1st January 2010, reflecting unfavourable investment experience and changes in financial market conditions. A new valuation of the Scheme is being carried out 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	2010 Total £'000	2009 Restated Total £'000
Academic	2,006	0	806	2,812	2,713
Residences, catering and conferences	1,157	62	825	2,044	2,015
Premises	50	762	1,145	1,957	1,978
College administration	564	0	323	887	909
Endowment management	146	0	295	441	505
Fundraising	183	0	111	294	244
Other	15	0	3	18	12
	<u>4,121</u>	<u>824</u>	<u>3,508</u>	<u>8,453</u>	<u>8,376</u>
Interest payable				0	0
Contribution under Statute XV				153	85
Total expenditure				<u>8,606</u>	<u>8,461</u>
Other operating expenses include auditors' remuneration: in respect of the audit of these financial statements				<u>14</u>	<u>15</u>

The above analysis includes expenditure in respect of UK and European Union students met by publicly funded fee income amounting to £1,497,000 (2009: £1,492,000)

The comparative figures for 2009 have been restated to reflect the change in accounting treatment of Oxford Opportunity Bursaries that are now included within Grants and Donations (note 2) and Academic expenditure these amount to £195,000 in 2010 (2009: £153,000).

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

7 SURPLUS FOR THE YEAR

	2010 £'000	2009 £'000
College's surplus for the year	21	446
Retained (deficit)/surplus within subsidiary undertaking	0	0
	<u>21</u>	<u>446</u>

8 TANGIBLE FIXED ASSETS

CONSOLIDATED AND COLLEGE

	Land & buildings			
	Freehold £'000	Long Leasehold £'000	Equipment £'000	Total £'000
Cost				
At start of year	14,250	4,648	0	18,898
Additions	56	1,641	1,731	3,428
Transfers	(773)	0	773	0
Transfer to Endowment Asset Investments	(5)	0	0	(5)
At end of year	<u>13,528</u>	<u>6,289</u>	<u>2,504</u>	<u>22,321</u>
Depreciation				
At start of year	4,614	753	0	5,367
Charge for period	702	60	62	824
On disposals	0	0	0	0
At end of year	<u>5,316</u>	<u>813</u>	<u>62</u>	<u>6,191</u>
Net book value				
At end of year	<u>8,212</u>	<u>5,476</u>	<u>2,442</u>	<u>16,130</u>
At start of year	<u>9,636</u>	<u>3,895</u>	<u>0</u>	<u>13,531</u>

COLLEGE

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JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010
9 FIXED ASSET INVESTMENTS

	CONSOLIDATED		COLLEGE	
	£'000		£'000	
At start of year	0		0	
Additions	0		0	
At start and end of year	0		0	
	CONSOLIDATED		COLLEGE	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Investments stated at cost				
Subsidiary undertakings	0	0	0	0

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	47,987	77,838	125,825	47,987	77,838	125,825
Purchases at cost	2,598	180	2,778	2,598	180	2,778
Transfer from Tangible Fixed Assets		5	5		5	5
Sales proceeds	(1,597)	(594)	(2,191)	(1,597)	(594)	(2,191)
Decrease in cash held by fund manager	(2,171)		(2,171)	(2,171)		(2,171)
Revaluation gains	6,272	1,067	7,339	6,272	1,067	7,339
At end of year	53,089	78,496	131,585	53,089	78,496	131,585
Analysed as						
Equities (listed)	46,830			46,830		
Fixed interest securities	945			945		
Unlisted securities	3,168			3,168		
Cash	2,146			2,146		
	53,089			53,089		

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	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	288	221	288	221
Amounts owed by College members	138	69	138	69
Amounts owed by group undertakings	0	0	2	2
Prepayments and accrued income	547	891	547	891
	973	1,181	975	1,183

JESUS COLLEGE**Notes to the Financial Statements**

Year ended 31 July 2010

12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade creditors	342	301	342	301
College Contribution	145	137	145	137
Other taxation and social security	244	148	244	148
Accruals and deferred income	1,545	1,306	1,545	1,306
Other creditors	557	0	557	0
	<u>2,833</u>	<u>1,892</u>	<u>2,833</u>	<u>1,892</u>

13 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	£'000	£'000	£'000	£'000
Bank loans	21,122	21,655	21,122	21,655
	<u>21,122</u>	<u>21,655</u>	<u>21,122</u>	<u>21,655</u>

At 31 July 2010, borrowings totalling £21,122,000 were secured on 13-21 Cornmarket St Oxford (2009: £21,655,000).

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Total borrowings are repayable as follows:				
In one year or less	566	533	566	533
In two to five years	2,634	2,481	2,634	2,481
After five years	17,922	18,641	17,922	18,641
	<u>21,122</u>	<u>21,655</u>	<u>21,122</u>	<u>21,655</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		794		794
Donations in respect of Capital Projects		449		449
Capital transferred from the endowment (note 15)		75		75
Released to income and expenditure account (note 2)		(11)		(11)
At end of year		<u>1,307</u>		<u>1,307</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 2010

15 ENDOWMENTS

	CONSOLIDATED			COLLEGE		
	Specific £'000	General £'000	Total £'000	Specific £'000	General £'000	Total £'000
At start of year	26,431	77,739	104,170	26,431	77,739	104,170
Endowments received	327	0	327	327	0	327
Appreciation of endowment investments	2,542	4,797	7,339	2,542	4,797	7,339
Income receivable from endowment asset investments	896	2,861	3,757	896	2,861	3,757
Transferred to deferred capital (note 14)	(75)	0	(75)	(75)	0	(75)
Transferred to income and expenditure account (note 3)	(926)	(2,861)	(3,787)	(926)	(2,861)	(3,787)
Transfer to reserves (note 16)	0	(1,268)	(1,268)	0	(1,268)	(1,268)
At end of year	29,195	81,268	110,463	29,195	81,268	110,463
Represented by						
Endowment asset investments	29,195	102,390	131,585	29,195	102,390	131,585
Bank loans (less than 1 year)		(566)	(566)		(566)	(566)
Bank loans (more than 1 year)		(20,556)	(20,556)		(20,556)	(20,556)
	29,195	81,268	110,463	29,195	81,268	110,463

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	100	100
Transfers to general reserve	(48)	(48)
At end of year	52	52

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 2010 they comprised:

	£'000	£'000
Arts and Heritage Fund	52	52

GENERAL RESERVES

	CONSOLIDATED £'000	COLLEGE £'000
At start of year	12,120	12,122
Surplus from income and expenditure account	21	21
Transfer from endowment (note 15)	1,268	1,268
Transfers from designated reserves	48	48
At end of year	13,457	13,459

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Representing:				
Undepreciated cost of tangible fixed assets financed out of general reserve	14,823	12,737	14,823	12,737
College general reserve	(1,366)	(617)	(1,364)	(615)
	13,457	12,120	13,459	12,122

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

17 CAPITAL COMMITMENTS

CONSOLIDATED AND COLLEGE	2010 £'000	2009 £'000
Commitments contracted at 31 July	259	3,908

18 FINANCIAL COMMITMENTS

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

	2010 £'000	2009 £'000
Land and Buildings	144	144
Expiring in over five years	144	144

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**

	2010 £'000	2009 £'000
Surplus for the year before disposal of fixed assets	21	446
Depreciation	824	719
Endowment income and interest receivable	(3,787)	(4,225)
Release of deferred capital contributions	(11)	(11)
Decrease/(increase) in stocks	6	16
Decrease/(increase) in debtors	208	146
(Decrease)/increase in creditors	384	(20)
	<u>(2,355)</u>	<u>(2,929)</u>

21 FINANCING

	£'000	£'000
New loans	557	0
Repayments of amounts borrowed	(533)	(502)
	<u>24</u>	<u>(502)</u>

22 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £'000	Changes £'000	2009 £'000
Cash at bank and in hand	359	358	1
Endowment assets cash	2,146	(2,171)	4,317
	<u>2,505</u>	<u>(1,813)</u>	<u>4,318</u>
Current asset investments			
Debt due within 1 year	(1,123)	(590)	(533)
Debt due after 1 year	(20,556)	566	(21,122)
	<u>(19,174)</u>	<u>(1,837)</u>	<u>(17,337)</u>

23 CONTINGENT LIABILITIES

There are no material contingent liabilities at the balance sheet date (2009: £nil).

JESUS COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

24 RELATED PARTY TRANSACTIONS

At 31st July 2010 seven 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 £811,000 (2009 six fellows participated £603,000)