



**ST JOHN'S COLLEGE  
OXFORD**

**Report and Financial Statements**

**31 July 2010**

## **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 2010.

#### **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 College was an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act). Under the Charities Act 2006 the College became eligible to register with the Charity Commission as a registered charity on 1 June 2010. The College is currently in the process of seeking charity registration and hopes to become a registered charity during the 2010/11 financial year.

#### **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 £4.217 million in comparison with £3.152 million in 2009. This deficit is reduced by £608,000 profit on the disposal of fixed assets.

Expenditure includes a £184,000 increase in the depreciation charge due to recent refurbishments and a £97,000 increase in the charge for the College Contribution Scheme. In order to maintain its endowment, the College entered into a long-term loan during the year. The interest charge for the year was £1.193 million and capital outstanding is £35 million. Excluding these items, operational expenditure decreased slightly from £17.355 million to £17.181 million, a fall of 1%. Staff costs increased by £233,000 (3%) and other costs fell by £408,000 (4.3%).

Benefactions of £1.053 million (2009: £2.370 million) received during the year have been included as new endowments and a further £284,000 (2009: £239,000) 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 fully funded 15 Junior Research Fellowships. It also has provided funding towards two research projects through St John's College Research Centre. A series of workshops, seminars and short conferences have also been supported.

## **ST JOHN'S COLLEGE**

### **Report of the Governing Body**

The College continues to support both undergraduate and graduate students. The accounts include £896,000 spent on student support. This includes £228,000 spent on the university-wide Oxford Opportunity Bursary scheme, which supported 100 St. John's students during the year (2009 - 83 students; £198,000). 51 of these students received the maximum bursary which is available to students with family household income of £25,000 or less. Graduate support includes 17 fully-funded and 3 part-funded graduate scholarships, at a cost including fees of £350,000 (2009 - 15 fully funded and 2 part funded; £285,000). Profits from the Lamb & Flag of £51,000 (2009 - £47,000) have contributed towards these costs and some other scholarships are supported by restricted or named endowment funds.

The College has continued to invest in new land and buildings during the year (see note 8) in furtherance of its academic activities. This investment includes £21.722 million expenditure on the ongoing construction of the Kendrew Quadrangle. This Quadrangle is now complete and the first students moved into the student rooms post year end. When fully operational, it will provide student and Research Fellows' rooms, library, archive, cafeteria and recreational facilities.

The College Contributions Scheme continues for 2010 and a creditor of £488,000 has been included as an estimate of the amount to be actually paid. The calculated contribution is £892,000 (2009 - £891,000), but this figure is always reduced proportionately to deliver a fixed total contribution from the donor colleges.

#### **Endowment performance**

Investment income continues to be subdued following the poor worldwide investment conditions of the last few years, but rental income has held up well.

The worst effects of the credit crisis were cushioned by careful selection of investments and diversification by asset class and geographical location but the College still suffered investment losses during the two years between August 2007 and July 2009. During the 2009/2010 financial year, these losses were entirely reversed with investment gains of £18.294 million on securities and market investments and of £7.142 million on investment property. The total value of the College's endowment is now £313 million, of which £298 million is general and unrestricted.

The total return for the Cazenove managed portfolio was 15.76%. The UK equities provided a return of 18.02%, in comparison with the FTSE All Share Index which showed a return of 19.35%, and the overseas equities provided a return of 21.13%, which was 3.51% ahead of the FTSE World Index Ex UK. UK fixed interest stocks and the fixed interest bond funds gave returns of -0.54% and 15.17% respectively, in comparison with the FTSE All Stocks index of 7.27, while index linked stocks provided a 16.46% return, in comparison with 7.99% for the FTSE All Stocks Index Linked. Portfolios managed by Edgewood Management LLC and ACPI Investments Limited recorded gains in both US\$ and GBP terms.

The property gains are spread across a range of the College's property, but there were particular rises in the value of agricultural land. Market fluctuations are diminished to a certain degree by the long-term nature of many of the College's leases. The College disposed of Shiplake Farm with a sale value of £3.25 million.

#### **Reserves**

The balance on College reserves at the year end amounted to £40.980 million (note 14) net of pension reserve. After allowing for the amounts invested in fixed assets net of long term borrowing, the College's general reserve showed a surplus of £1.707 million (2009: £1.547 million). 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. Drawdown of the long term loan enabled a £13.35 million transfer to be made from the general reserve to endowments, partly reversing transfers from endowments to reserves to fund new fixed assets over the last two years. A £3.6 million transfer was made from endowments to the income and expenditure account. This transfer was funded out of investment gains on the unrestricted endowments; the College's investments are managed with a view to total return and it is therefore normally expected that the College's activity will be funded by gains as well as by income.

**ST JOHN'S COLLEGE**  
**Report of the Governing Body**

**Staff Pension Scheme**

The College responded to actuarial advice provided to the Trustees of the Staff Pension Scheme by increasing by 4% the employer's future contributions into the scheme in respect of each employee.

**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 3 November 2010*

*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 was an exempt charity. As a result of the Charities Act 2006, the College became eligible to register with the Charity Commission on 1 June 2010 and is currently seeking charity registration. 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 2010 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, 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 2010 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 2010 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  
STATUTORY 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 2010**

	Notes	2010 £'000	2009 £'000
<b>INCOME</b>			
Academic fees, tuition income and other HEFCE support	1	2,610	2,441
Other operating income	2	3,384	3,081
Endowment return and interest receivable	3	10,562	10,799
<b>Total income</b>		<u>16,556</u>	<u>16,321</u>
<b>EXPENDITURE</b>			
Staff costs	4&5	7,911	7,677
Depreciation	5&8	1,898	1,713
Other operating expenses	5	9,269	9,678
Interest payable	5	1,193	
Contribution under Statute XV	5	502	405
<b>Total expenditure</b>	5	<u>20,773</u>	<u>19,473</u>
(Deficit) for the year on continuing operations before taxation and disposal of fixed assets		(4,217)	(3,152)
Surplus on disposal of fixed assets		607	0
Transfer from accumulated endowment income reserves		3,600	3,100
Taxation	6	0	0
<b>(Deficit) for the year after taxation</b>	7	<u>(10)</u>	<u>(52)</u>

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

	Notes	2010 £'000	2009 £'000
<b>Reserves</b>			
(Deficit) for the year		(10)	(52)
Transfer (to)/ from endowment		(13,350)	16,700
Movement in surplus under FRS 17	20	110	(1,644)
<b>Endowments</b>			
Income receivable from endowment asset investments	14	10,621	10,919
Endowment return transferred to income and expenditure account	14	(10,562)	(10,798)
Appreciation of endowment asset investments	14	25,437	(6,016)
New endowments received	14	1,077	2,370
Transfer from reserves		13,350	(16,700)
Transfer to income and expenditure account		(3,600)	(3,100)
<b>Other</b>			
Net additions to (deductions from) deferred capital			
<b>Total recognised gains relating to the year</b>		<u>23,073</u>	<u>(8,321)</u>
Opening fund balances		331,575	339,896
<b>Closing fund balances</b>		<u>354,648</u>	<u>331,575</u>

**ST JOHN'S COLLEGE**  
**Balance Sheets**  
**As at 31 July 2010**

	Notes	CONSOLIDATED		COLLEGE	
		2010	2009	2010	2009
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	8	74,273	52,554	74,268	52,546
Investments	9	0	0	100	100
		<u>74,273</u>	<u>52,554</u>	<u>74,368</u>	<u>52,646</u>
<b>Endowment asset investments</b>					
Securities and cash deposits		198,719	165,402	198,719	165,402
Land and property		114,600	111,594	114,600	111,594
	10	<u>313,319</u>	<u>276,996</u>	<u>313,319</u>	<u>276,996</u>
<b>Current assets:</b>					
Stocks		1,417	1,445	1,404	1,431
Debtors	11	1,363	1,589	1,411	1,661
Cash at bank and in hand		15,378	11,125	15,234	10,951
		<u>18,158</u>	<u>14,159</u>	<u>18,049</u>	<u>14,043</u>
<b>Creditors:</b>					
Amounts falling due within one year	12	(16,451)	(12,612)	(16,407)	(12,555)
		<u>1,707</u>	<u>1,547</u>	<u>1,642</u>	<u>1,488</u>
<b>Net current assets</b>					
		<u>1,707</u>	<u>1,547</u>	<u>1,642</u>	<u>1,488</u>
<b>Creditors:</b>					
Amounts falling due after one year	13	(35,000)	0	(35,000)	0
<b>TOTAL NET ASSETS EXCLUDING PENSION ASSET</b>		<u>354,299</u>	<u>331,097</u>	<u>354,329</u>	<u>331,130</u>
<b>PENSION ASSET</b>	20	349	478	349	478
<b>TOTAL NET ASSETS</b>		<u>354,648</u>	<u>331,575</u>	<u>354,678</u>	<u>331,608</u>
<b>Endowments</b>					
Specific		15,708	13,502	15,708	13,502
General		297,611	263,494	297,611	263,494
	14	<u>313,319</u>	<u>276,996</u>	<u>313,319</u>	<u>276,996</u>
<b>Reserves</b>					
General reserves		41,329	54,579	41,359	54,612
	15	<u>41,329</u>	<u>54,579</u>	<u>41,359</u>	<u>54,612</u>
<b>TOTAL FUNDS</b>		<u>354,648</u>	<u>331,575</u>	<u>354,678</u>	<u>331,608</u>

*The financial statements were approved by the Governing Body of St John's College on 3 November 2010*

*Sir Michael Scholar*  
*President*

*Prof Andrew Parker*  
*Principal Bursar*

**ST JOHN'S COLLEGE**  
**Consolidated Cash Flow Statement**  
**Year ended 31 July 2010**

	Note	2010 £'000	2009 £'000
<b>Net cash outflow from operating activities</b>	17	<u>(13,109)</u>	<u>(8,380)</u>
Returns on investments and servicing of finance			
Income from endowments received		10,621	10,919
Other income from investments and interest received		0	1
Exchange (loss) /gain on cash balances		(302)	556
Net cash inflow from returns on investments and servicing of finance		<u>10,319</u>	<u>11,476</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of tangible fixed assets		(23,009)	(17,512)
Net realisation/(acquisition) of endowment asset investments		(6,025)	11,296
Endowments received		1,077	2,370
Net cash (outflow) from capital expenditure and financial investment		<u>(27,957)</u>	<u>(3,846)</u>
<b>Net cash outflow before use of liquid resources and financing</b>		(30,747)	(749)
Cash inflow from long term finance		35,000	
<b>Decrease in cash</b>	18	<u>4,253</u>	<u>(749)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease) in cash for the year		4,253	(748)
Change in net funds		<u>4,253</u>	<u>(748)</u>
Net funds at 1 August		11,125	11,873
<b>Net funds at 31 July</b>		<u>15,378</u>	<u>11,125</u>

**ST JOHN'S COLLEGE**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

	2010 £'000	2009 £'000
<b>1 ACADEMIC FEES AND TUITION INCOME</b>		
Tuition fees from UK and European Union students	1,617	1,558
Tuition fees from overseas students	487	318
Other tuition income and HEFCE support	506	565
	<u>2,610</u>	<u>2,441</u>

The above analysis includes support from the University from HEFCE funds amounting to £1,728,167 (2009 - £1,742,561)

	2010 £'000	2009 £'000
<b>2 OTHER OPERATING INCOME</b>		
Residential income from college members	2,244	1,892
Conference and function income	842	948
Grants and donations	290	239
Other income	8	2
	<u>3,384</u>	<u>3,081</u>

	2010 £'000	2008 £'000
<b>3 ENDOWMENT RETURN AND INTEREST RECEIVABLE</b>		
Transferred from specific endowments (note 13)	212	203
Transferred from general endowments (note 13)	10,350	10,595
Other investment income	0	1
	<u>10,562</u>	<u>10,799</u>

	2010 £'000	2008 £'000
<b>4 STAFF COSTS</b>		
Gross pay	6,504	6,295
Social Security costs	574	576
Other pension costs	761	757
Other benefits	72	49
	<u>7,911</u>	<u>7,677</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	2010 Total £'000	2009 Total £'000
<b>5 ANALYSIS OF EXPENDITURE</b>					
Academic	3,513	0	1,903	5,416	5,250
Residences, catering and conferences	2,372	0	2,177	4,549	4,520
Premises	925	1,898	1,498	4,321	4,428
College administration	449	0	226	675	612
Endowment management	386	0	3,262	3,648	3,617
Fundraising	150	0	26	176	133
Other	116	0	177	293	508
	<u>7,911</u>	<u>1,898</u>	<u>9,269</u>	<u>19,078</u>	<u>19,068</u>
Interest payable				1,193	0
Contribution under Statute XV				502	405
<b>Total expenditure</b>				<u>20,773</u>	<u>19,473</u>

The above analysis includes expenditure in respect of UK and European students met by publicly funded fee income amounting to £1,728,167 (2009 - £1,742,561)

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

**ST JOHN'S COLLEGE**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

	2010	2009
	£'000	£'000
<b>6 TAXATION</b>		
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.

	2010	2009
	£'000	£'000
<b>7 SURPLUS/(DEFICIT) FOR THE YEAR</b>		
College's (deficit) for the year	(12)	(53)
Surplus/(deficit) generated by the subsidiary undertaking after donation made under gift aid	2	1
	<u>(10)</u>	<u>(52)</u>

**8 TANGIBLE FIXED ASSETS**

COLLEGE					
	Freehold Land & buildings	Building Improvements	Buildings under Construction	Plant and Equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At start of year	29,939	12,529	20,764	53	63,285
Additions	1,318	500	21,722	76	23,616
At end of year	<u>31,257</u>	<u>13,029</u>	<u>42,486</u>	<u>129</u>	<u>86,901</u>
<b>Depreciation</b>					
At start of year	6,405	4,312	0	20	10,737
Charge for period	609	1,261	0	26	1,896
At end of year	<u>7,014</u>	<u>5,573</u>	<u>0</u>	<u>46</u>	<u>12,633</u>
<b>Net book value</b>					
At end of year	<u>24,243</u>	<u>7,456</u>	<u>42,486</u>	<u>83</u>	<u>74,268</u>
At start of year	<u>23,534</u>	<u>8,217</u>	<u>20,764</u>	<u>33</u>	<u>52,548</u>

CONSOLIDATED					
	Freehold Land & buildings	Building Improvements	Buildings under Construction	Plant and Equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At start of year	29,939	12,698	20,764	127	63,528
Additions	1,318	500	21,722	76	23,616
At end of year	<u>31,257</u>	<u>13,198</u>	<u>42,486</u>	<u>203</u>	<u>87,144</u>
<b>Depreciation</b>					
At start of year	6,405	4,481	0	87	10,973
Charge for period	609	1,261	0	28	1,896
At end of year	<u>7,014</u>	<u>5,742</u>	<u>0</u>	<u>115</u>	<u>12,871</u>
<b>Net book value</b>					
At end of year	<u>24,243</u>	<u>7,456</u>	<u>42,486</u>	<u>88</u>	<u>74,273</u>
At start of year	<u>23,534</u>	<u>8,217</u>	<u>20,764</u>	<u>40</u>	<u>52,555</u>

**ST JOHN'S COLLEGE**  
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**9 FIXED ASSET INVESTMENTS**

College	2010 £'000	2009 £'000
At cost		
Investment in subsidiary company	<u>100</u>	<u>100</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
<b>At market value</b>			
At start of year	165,402	111,594	276,996
Purchases at cost	55,081	1,891	56,972
Sales proceeds	(44,920)	(6,027)	(50,947)
Increase in sums available for reinvestment	4,862	0	4,862
Revaluation gains/(losses)	18,294	7,142	25,436
At end of year	<u>198,719</u>	<u>114,600</u>	<u>313,319</u>
Analysed as			
Fixed interest stocks (listed)	54,596		
Equities (listed)	102,335		
Investment funds and other Securities	29,204		
Uninvested monies held by the College	12,584		
	<u>198,719</u>		
Historical cost at end of year	<u>161,499</u>		

Included within Land & Property above is £7.340M deferred consideration on the sale of a property secured by a first charge over the property.

At the 31 July 2010 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	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Amounts falling due within one year				
Trade debtors	753	1,082	753	1,082
Amounts owed by College members	211	216	211	216
Amounts owed by related undertakings	156	81	218	167
Prepayments and accrued income	243	210	229	196
	<u>1,363</u>	<u>1,589</u>	<u>1,411</u>	<u>1,661</u>

**12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR**

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade creditors	3,139	3,894	3,109	3,846
College Contribution	488	474	488	474
Other taxation and social security	240	220	226	211
Amounts held by the College for reinvestment	12,584	8,024	12,584	8,024
	<u>16,451</u>	<u>12,612</u>	<u>16,407</u>	<u>12,555</u>

**ST JOHN'S COLLEGE**  
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**13 CREDITORS: AMOUNT FALLING DUE IN MORE THAN ONE YEAR**

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Bank loan	35,000	0	35,000	0
	<u>35,000</u>	<u>0</u>	<u>35,000</u>	<u>0</u>

The bank loan is a term loan secured by way of a legal mortgage over the Kendrew Quadrangle, St Giles, Oxford and is repayable in full on 19 March 2039. Interest is charged on the loan at a fixed rate of 5.225% per annum.

**14 ENDOWMENTS**

	CONSOLIDATED AND COLLEGE		
	Specific £'000	General £'000	Total £'000
At start of year	13,502	263,494	276,996
Endowments received	1,053	24	1,077
Appreciation/(Depreciation) of endowment investments	1,094	24,343	25,437
Income receivable from endowment asset investments	271	10,350	10,621
Income transferred to income and expenditure account (note 3)	(212)	(10,350)	(10,562)
Endowment return transferred to income and expenditure account	0	(3,600)	(3,600)
Transfer from reserves	0	13,350	13,350
	<u>15,708</u>	<u>297,611</u>	<u>313,319</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 £1.217m which provide income for purposes that lie outside the objects of the College. Income arising amounted to £39k.

**15 RESERVES**

**GENERAL RESERVES**

	CONSOLIDATED	COLLEGE
	£'000	£'000
At start of year as previously reported	54,579	54,612
(Deficit) from income and expenditure account	(10)	(13)
Movement in surplus under FRS 17	110	110
Transfer (to)/ from endowment return	(13,350)	(13,350)
<b>At end of year including pension asset</b>	<u>41,329</u>	<u>41,359</u>

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Representing:				
Undepreciated cost of tangible fixed assets net of long term loan, financed out of general reserve	39,273	52,555	39,268	52,547
College general reserve	1,707	1,546	1,742	1,587
	<u>40,980</u>	<u>54,101</u>	<u>41,010</u>	<u>54,134</u>
Pension Reserve	349	478	349	478
	<u>41,329</u>	<u>54,579</u>	<u>41,359</u>	<u>54,612</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.

**ST JOHN'S COLLEGE**  
**Notes to the Financial Statements**  
**Year ended 31 July 2010**

**16 CAPITAL COMMITMENTS**

CONSOLIDATED AND COLLEGE

	2010 £'000	2009 £'000
Commitments contracted at 31 July	<u>2,622</u>	<u>22,820</u>

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

	2010 £'000	2009 £'000
(Deficit) for the year before endowment transfers	(4,217)	(3,152)
Depreciation	1,898	1,713
Endowment income and interest receivable	(10,562)	(10,799)
Decrease in stocks	28	14
(Increase)/decrease in debtors	226	1,209
Increase/(decrease) in creditors	(722)	2,583
Non-cash pension charge/(credit) under FRS 17	239	53
	<u>(13,109)</u>	<u>(8,380)</u>

**18 ANALYSIS OF CHANGES IN NET FUNDS**

	2010 £'000	Cash Flow £'000	2009 £'000
Cash at bank and in hand	<u>15,378</u>	<u>4,253</u>	<u>11,125</u>

**19 RELATED PARTY TRANSACTIONS**

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

**20 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 (SJCSPF). USS and OSPS are contributory and are contracted out from the State Earnings Related Pension Scheme, SJCSPF 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 SJCSPF 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:

	<u>USS</u>	<u>OSPS</u>	<u>SJCSPF</u>
Date of latest actuarial valuation	2008	2007	2009
Investment returns per annum	6.10%	6.90%	6.40%
Salary increases per annum	4.30%	4.80%	4.70%
Pension increases per annum	3.30%	3.30%	3.70%
Market value of assets at latest actuarial valuation	£28,842m	£279m	£9,264m
Proportion of accrued benefits covered by the actuarial value of these assets	103%	87%	107%

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 for the period up to 30 September 2009 and 16% from 1 October 2009. The pensions charge recorded by the College during the accounting period was equal to the contributions payable (£416k).



**ST JOHN'S COLLEGE**  
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**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 (£28k).

**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 2010 owed £155,521 (2009: £80,958) 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	2010	2009	2008
	%	%	%
Rate of increase in salaries	4.5	4.7	4.8
Rate of increase in pensions in payment	2.2	2.3	2.4
Discount rate	5.4	6.0	6.6
Inflation assumption	3.5	3.7	3.8

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

	2010		2009		2008	
	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	7.2	5,305	7.5	4,485	7.8	4,351
Bonds	4.2	4,411	4.5	3,731	4.8	3,669
Other	4.1	904	4.8	1,048	5.8	1,460
Total market value of assets	5.7	<u>10,620</u>	6.0	<u>9,264</u>	6.3	<u>9,480</u>
Present value of Fund liabilities		10,271		8,786		7,305
Net pension asset		<u>349</u>		<u>478</u>		<u>2,175</u>

Analysis of the defined benefit cost for the year ended 31 July 2010 is as follows:

	2010 £,000	2009 £,000
Current Service cost	523	446
Total operating charge	<u>523</u>	<u>446</u>
Other finance costs: Expected return on Pension Fund Assets	500	574
Other finance costs: interest on Pension Fund liabilities	(534)	(489)
Net Return from other finance income	<u>(34)</u>	<u>85</u>
Actual return less expected return on Pension Fund assets	836	(861)
Actuarial gains/losses arising on Fund liabilities	(726)	(783)
Actuarial gain recognised in the statement of total recognised gains and losses	<u>110</u>	<u>(1,644)</u>

**ST JOHN'S COLLEGE**  
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**Pension Schemes (Continued)**

	2010 £,000	2009 £,000			
Analysis of movements in surplus during the year					
As at 1 August 2009	478	2,175			
Total operating charge	(523)	(446)			
Net Return from other finance income	(34)	85			
Actuarial gain /(loss) in the statement of total recognised gains and losses	110	(1,644)			
Contributions	318	308			
	<u>349</u>	<u>478</u>			
History of experience gains and losses	2010	2009	2008	2007	2006
Difference between expected return and actual return on Pension Fund assets					
- amount(£000)	836	(861)	0	215	674
- % of Fund assets	7.9	-9.3	-11.6	2.2	7.4
Experience gain /(loss) arising on Fund liabilities					
- amount(£000)	0	(29)	0	(93)	9
- % of the present value Fund liabilities	0.0	-0.3	0	-1.3	0.1
Total actuarial gain /(loss) that would have been recognised in the STRGL					
- amount(£000)	110	(1,644)	0	297	341
- % of the present value Fund liabilities	1.1	-18.7	-9.4	4.2	5.1