



# Annual Report and Financial Statements

Year ended 31 July 2019



**Jesus College**  
**Annual Report and Financial Statements**  
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## JESUS COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2019

#### MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The Members who served in office during the year or subsequently are detailed below, together with details of the committees where they are members.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Professor Sir N. Shadbolt			•			•	•	•*	•*
Professor K.M. Kohl									
Professor P.O. Daley		•		•	•				
Professor M. Brouard									
Dr D.N. Barron									
Professor A. Dancer			•						
Dr S.G. White					•				
Dr A.J. D'Angour							•		
Professor P. Clavin			•						
Dr P. Kewes						•			
Professor S. Srinivas						•			
Professor J. Tilley	On leave MT & HT 2019		•						
Dr C. Warman									
Dr S. Aspden			•	•					
Professor G. Taylor									
Professor H.C. Godfray	Resigned 30/09/18							•	•
Dr J. Magorrian									
Dr M. Turner									
Dr J. Oliver									
Dr A. Lumbers	On leave MT 2018	•	•	•	•	•	•		
Dr P. Esö			•						
Professor E. Anderson									
Dr R. Grenyer						•			
Professor G. Holländer									
Dr A. Gajda							•		
Dr S. Douglas			•						
Professor P. Riley							•		
Dr Y. Chen					•				
Mr P. Goffin			•	•					•
Mr R. Baumann		•		•	•		•		
Dr R. Evans									
Dr S. Morris		•							
Dr M. John		•				•			
Mrs R. Green		•			•				
Dr K. Vincent	On leave until 08/01/19	•				•			
Mr D. Stevenson		•	•	•					
Professor L. Enriques									
Professor T. Coulson									
Professor R. Pierrehumbert									

\*: Although not a member of the Committee, the Member normally attends its meetings.

**JESUS COLLEGE**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2019**

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Professor D. Bradley	Resigned 29/03/19								
Professor S. Dercon									
Dr A. Mogensen	Resigned 31/12/18								
Mr S. Woodward		•	•	•	•	•	•	•*	•*
Dr B Williams									
Professor J Rousseau									
Dr M Jackson									
Dr S Živný									
Dr B Wellner-James		•					•		
Dr R Wölfer									
Dr A Mullen	Resigned 21/12/18	•	•	•	•	•	•		
Dr S Conway	Appointed 01/09/18								•
Dr M Kusner	Appointed 01/10/18								
Dr D Harris	14/01/19 to 12/07/19								
Other Non-Governing Body members		1	2	2	0	0	6	6	2

- (1) Accommodation, Catering and Conferences Committee
- (2) Estates Committee
- (3) Property and Environment Committee
- (4) Human Resources Committee
- (5) Academic Committee
- (6) Development Committee
- (7) Remuneration Committee
- (8) Risk and Audit Committee

The Committees have non-Governing Body members as follows:

Mr Robert Kay served as a member of the Accommodation, Catering and Conferences Committee.

Mr Simon Pryke and Mr Bob Yates served as members of the Estates Committee.

Mr James Edgar and Professor Susan Doran served as members of the Property and Environment Committee.

Mr Stephen Walker, Ms Sarah Hendry, Mr Oliver Thomas, Mrs Leah Tomkins, Mr David Willis and Mr Brad Wilson served as members of the Development Committee.

Ms Alison Beardsley, Mr Andrew Jardine, Ms Yvonne Jones (Chair), Ms Clare Matterson (resigned 25/09/18), Ms Ann Means and Mr Nick Sykes served as members of the Remuneration Committee.

Mr Mark Clarke (resigned 19/11/18), Mr John Dowty and Ms Sharon Maidment (appointed 19/11/18) served as members of the Risk and Audit Committee.

**COLLEGE SENIOR STAFF**

The senior staff of the College to whom day to day management is delegated are as follows:

Prof Sir N. Shadbolt	Principal
Prof P. Daley	Vice-Principal (Dr D Barron, retired wef 1/10/2018)
Mr R. Baumann	Director of Accommodation, Catering and Conferences
Mrs R. Green	Human Resources Director
Dr A. Lumbers	Academic Director (Dr A Mullen, maternity cover 12/03/18 to 21/12/18)
Dr B. Wellner-James	Development Director
Mr D. Stevenson	Property Director
Mr S. Woodward	Estates Bursar

**JESUS COLLEGE**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2019**

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**COLLEGE ADVISERS**

**Investment managers**

Cambridge Associates Limited  
80 Victoria Street  
Cardinal Place  
London, SW1E 5JL

**Auditor**

Crowe U.K. LLP  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire, RG1 1PL

**Bankers**

Barclays Commercial Bank  
4th Floor Apex Plaza  
Forbury Road  
Reading, RG1 1AX

**Solicitors**

Knights Professional Services  
Midland House  
West Way  
Oxford, OX2 0PH

**Valuers**

Savills	Deloitte LLP
33 Margaret Street	1 New Street Square
London, W1G 0JD	London, EC4A 3HQ

**College address**

Jesus College  
Turl Street  
Oxford, OX1 3DW

**Website**

*[www.jesus.ox.ac.uk](http://www.jesus.ox.ac.uk)*

## **JESUS COLLEGE**

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

**Year ended 31 July 2019**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2019 under the Charities Act 2011 together with the audited financial statements for the year then ended.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Jesus College, within the City and University of Oxford, of Queen Elizabeth's Foundation, was established by Letters Patent by Queen Elizabeth I in 1571. It is a registered charity (registration number 1137435).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 4.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Body**

The Governing Body consists of the Principal, the College's Tutorial Fellows, some of its Professorial Fellows, and the full-time and part-time College Officers. At 31 July 2019 it comprised forty-eight members, thirty-five male and thirteen female. Members of the Governing Body are the Charity's trustees. Tutorial Fellows are employees of the College, recruited and appointed in conjunction with the relevant University department. A Tutorial Fellow's responsibilities for the provision of undergraduate teaching are set out in the College's Statutes. Professorial Fellows are University officers or distinguished academics who hold positions in the University. Potential Professorial Fellows are elected by the Governing Body after it has considered a report of an appointment committee.

The College's governing document, its Statutes, is enforceable ultimately by the Visitor, the Right Honourable the Earl of Pembroke. The Statutes are made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1571 and the Universities of Oxford and Cambridge Act 1923.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised primarily by eight committees.

##### **Recruitment and training of Members of the Governing Body**

New members are appointed on the recommendation of a committee constituted specifically for that particular appointment; this ensures the necessary expertise is available to advise the Governing Body. The Governing Body receives a report from the committee and, if satisfied, proceeds to elect the individual to a Fellowship. New Governing Body members receive training in their role as trustees. The membership of all committees, with the exception of the HR and Academic Committees, includes people external to the College.

##### **Remuneration of Members of the Governing Body**

Members of the Governing Body who are Tutorial Fellows are paid a salary by the College for carrying out their teaching and research duties. Professorial Fellows are remunerated through their University departments and receive no remuneration from the College. College Officers, who are also employees of the College, receive remuneration for their work as employees of the College, which is set in line with that awarded to the University's academic staff. Details of Members' remuneration are provided in Note 20 to these accounts.

Recognising the potential for conflicts of interest, the College has a Remuneration Committee, members of which are either not in receipt of remuneration from the College or are independent of the College. The Committee recommends the levels of salaries and other benefits provided to members of the Governing Body having regard for the appropriate, established university salary levels and other relevant data.

##### **Organisational management**

Members of the Governing Body normally meet ten times a year. The work of developing their policies and monitoring the implementation of these is carried out by a number of committees, including:

- Accommodation, Catering and Conferences Committee (composition and functions as specified in Bylaw 10.8)
- Estates Committee (composition and functions as specified in Bylaw 10.6)
- Property and Environment Committee (composition and functions as specified in Bylaw 10.7)
- Human Resources Committee (composition and functions as specified in Bylaw 10.12)
- Academic Committee (composition and functions as specified in Bylaw 10.10)

## **JESUS COLLEGE**

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

**Year ended 31 July 2019**

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- Development Committee (composition and functions as specified in Bylaw 10.16)
- Remuneration Committee (composition and functions as specified in Bylaw 10.15)
- Risk and Audit Committee (composition and functions as specified in Bylaw 10.9)

#### **Group structure and relationships**

The College administers many special trusts, as detailed in Notes 17 and 18 to the financial statements.

The College has two wholly owned non-charitable subsidiaries, Jesus Accommodation Limited ('JAL') and Jesus College Developments (Oxford) Limited ('JCD'). JAL accounts for the College's non-academic conference and function activities; JCD is the developer for the Northgate Project, which entails re-developing Northgate House, a property owned by, and adjacent to, the College to provide renewed retail space, a doubling of academic teaching space and sixty-eight student rooms. The subsidiaries' aims, objectives and results are covered in the relevant sections of this report. Their annual profits are donated to the College under the Gift Aid Scheme.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

## **OBJECTIVES AND ACTIVITIES**

### **Charitable objects and aims**

#### **Objectives**

The College's principal object is to further study, learning, education and research, and to be a College within the University of Oxford wherein men and women may carry out advanced study or research.

The College also has as a charitable object the provision of public worship. To this end, the College provides a chapel and employs a chaplain.

The aims of the College's subsidiaries are to support the College in the achievement of its objectives.

#### **Public benefit**

The Governing Body confirms that it has complied with the duty in Section 17(5) of the Charities Act 2011, to have due regard to the guidance issued by the Charity Commission on public benefit. The College remains committed to its aim of providing public benefit in accordance with its founding principles. Accordingly, its activities are focused on furthering its stated objects and aims, examples of which are described below.

The College provides public benefit by offering higher education to its undergraduates and postgraduates. Undergraduate places are offered purely on the basis of academic merit. Financial support is available to undergraduates from the UK or the EU to assist them with the costs of tuition fees and living costs whilst at the College. This support is in addition to that available from the University of Oxford through the Oxford Bursaries scheme, in which the College also participates. The College is also aware of the difficulties that many people aspiring to undertake graduate studies face in obtaining financial support and has therefore increased its efforts to collaborate with the University to provide scholarships. In addition, the College continues to support all students in their studies through grants to cover, inter alia, the purchase of books, travel and research expenses. In the past year the College spent a total of £792k (2017/18: £787k), comprising £256k (2017/18: £185k) in bursaries and hardship funding and £536k (2017/18: £602k) in scholarships, prizes and grants.

The education of our undergraduates is furthered through the tutorial system, which provides for undergraduates to meet with their tutor on a regular basis. The tutor is responsible for their students' academic progress and pastoral care. The College also provides the College Library for students' use, as well as computing, accommodation, food and other facilities. For 2018/19, about 48% (2017/18: 48%) of the cost of running the College was met out of its endowment and other investment income.

The College provides support to its postgraduate student members by the provision of a Fellow as College Advisor, dedicated to supporting and monitoring their progress, as well as dealing with any pastoral issues. As noted above, the College also advances the education of its graduate students by providing research grants to meet costs involved in undertaking research and presenting papers at conferences. College members undertake research that the College supports in a number of ways. In particular, Junior Research Fellows and Career Development Fellows are fixed-term appointments intended to enable early-career scholars to develop their research. The College supports the research of its Fellows by offering research grants and, where appropriate, sabbatical leave and other research leave.

## JESUS COLLEGE

### Report of the Governing Body

Year ended 31 July 2019

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The College also provides public benefit by permitting access to its library collections. Unique material in its Celtic and Fellows' Libraries is accessible to any researcher on application. The College's 140 medieval manuscripts are on deposit at the Bodleian Library where they can be consulted by interested researchers. The College's archives are also made available to all enquirers, and the College employs an Archivist to assist with such requests for information. Finally, the College has a policy of lending its material to Museums on request from exhibition curators. Several of the College's paintings and illuminated manuscripts have been lent to major exhibitions in recent years, including more recently various TE Lawrence memorabilia.

#### Access and Outreach

The College is committed to supporting and growing its Access and Outreach programme. Jesus was one of the very first Oxford colleges to build a structured access programme led by an academic; last year our Access Fellow engaged with over 10,000 (2017/18: 8,000) pupils in addition to those who attend our Open Days. Our strategy focuses on socioeconomic and BAME diversity and gender balance across subjects. Diversity is worthwhile in itself, but also drives up academic standards by allowing academics to recruit from the widest pools of talent.

Creating cultural change within Jesus College and among underrepresented communities means a sustained shift in perceptions and behaviour. Access provision within College is becoming one of the day-to-day activities of our membership, from the JCR and MCR to the SCR. Increasing numbers of colleagues now contribute to access events, both student and academic, which include sustained and high-quality contact with target communities and a culture of alumni giving back to College the tangible and intangible resources needed to sustain investment in access work. The College is working on setting up a hub school for its activities in South London and has been involved in Target Oxbridge, Into University, and the University to help focus on BAME. It also contributed to the first UNIQ+ University residential programme for prospective postgraduate students.

Our flagship summer activity was the third, annual Seren Summer School targeted at underprivileged Welsh students. From our pilot event in 2017, where we hosted 22 students in College, this has increased to 74 students and 10 teachers in 2018, and 75 and 10 this year, being our capacity. All participants were from underrepresented backgrounds, many from some of the most deprived areas in the UK and Europe. Of the 74 Summer School participants in 2018, 41 applied to Oxford, 30 were shortlisted, and 11 were made offers.

The school is run in collaboration with the Welsh Government's Seren Network and we are grateful for their £15k contribution towards this year's cost of £75k, as we are to our generous alumni, who covered the remaining cost. The Welsh Government has already earmarked funding for 2020 and we are delighted that the future of the Summer School has now been secured in perpetuity as a result of a significant donation from an alumnus.

## ACHIEVEMENTS AND PERFORMANCE

### Activities and achievements during 2018/19

The achievements of the College's academic staff continue to be recognised through many prestigious honours, awards, grants and prizes. Professor James Naismith was awarded the prestigious Tilden Medal by the Royal Society of Chemistry; Dr Stephan Uphoff was awarded the prestigious Colworth Medal by the Biochemical Society in recognition of his achievements in the field of molecular microbiology; and Professor Donal Bradley was awarded the prestigious Jan Czochralski Award in recognition of his achievements in the field of Advanced Materials Science. Professor Susan Jebb was elected a Fellow of the Academy of Medical Science and Professor Tim Palmer was elected to the American Academy of Arts and Sciences and as an Honorary Member of the American Meteorological Society. Dr Sarah Rugheimer was awarded the Caroline Herschel Prize Lectureship and the Rosalind Franklin British Science Festival Award. Professor Kylie Vicent was awarded an ERC Consolidator Grant worth €2 million for a project, BioCatSusChem, to understand details of how enzymes allow certain bacteria to live on gases such as carbon monoxide, carbon dioxide, hydrogen and nitrogen. Dr Richard Grenyer was awarded a direct grant of £555k from WWF-UK, the charity's largest ever academic research contract, for the design and delivery of an open web-based tool for the calculation of the total global environmental cost of most major food commodities.

Publications included Dr Marion Turner's biography *Chaucer: A European Life* and Professor Armand D'Angour *Socrates in Love: the Making of a Philosopher*. Professor Dominic Wilkinson co-authored *Ethics, conflict and medical treatment for children: from disagreement to dissensus*. Professor Paulina Kewes edited, with Professor Andrew McRae, *Stuart Succession Literature: Moments and Transformations*; Professor Katrin Kohl published a critical edition: Rainer Maria Rilke and Erika Mitterer, *Besitzlose Liebe, Der poetische Briefwechsel*.

## JESUS COLLEGE

### Report of the Governing Body

Year ended 31 July 2019

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The College's academic staff have been involved in some exciting projects and media events. The Principal, Professor Sir Nigel Shadbolt, FRS FREng, was instrumental in helping develop the concept of the Institute for Ethics in AI to be housed in the Stephen A. Schwarzman Centre for the Humanities, which will integrate the traditional disciplines of the humanities with cutting-edge scientific developments, and which will play an essential role in helping society confront and answer the fundamental questions about how it should manage rapidly advancing technology. Professor Patricia Clavin, FBA, appeared on the BBC Radio 4 programme *Feeding the Peace*, exploring the practical approach to peace taken after the 1918 armistice. She also served as historical advisor for the BBC Radio 4 Archive Hour programme, 'The Dream of Global Government', and was the historical consultant for the Channel 4 drama series *Traitors*, set in cold-war Britain. In addition, Professor Clavin delivered the Ben Pimlott Memorial Lecture on 'Britain and the making of Global Order after 1919' at King's College London and Professor Shadbolt delivered the Sir Gareth Roberts Lecture at the University of Durham's Department of Physics. Professor Katrin Kohl was a guest on *Start the Week: Language and Culture*, discussing the search for a universal language, the challenges of translation, and her current exhibition at the Bodleian Libraries, *Babel: Adventures in Translation*. Dr Marion Turner also appeared on *Start the Week* discussing her new biography of Chaucer, while Professor Susan Doran appeared on *Melvyn Bragg's In Our Time*, taking part in a discussion about the life and influence of William Cecil, Elizabeth I's powerful Secretary of State. Three fellows gave talks at the 2019 Hay Literary Festival: Professor Shadbolt spoke about his recent book, *The Digital Ape*; Dr Turner about her biography of Chaucer; and Dr Armand D'Angour about his book on Socrates.

College students have received recognition in a number of fields. 42 students, or 40%, were awarded a First Class degree for 2018/19 and 12 were awarded prizes for top performance in University examinations. We have also celebrated the success of 11 graduate students who achieved Distinctions in their examinations.

## FUNDRAISING

The Development Team leads the College's fundraising activities. It includes two major gift fundraisers who visit up to 200 individuals each per year to solicit donations in the UK and overseas. In 2019 a strategic decision to include an additional mid-range fundraiser was taken, who will solicit funds regionally from within the UK. Their work is supplemented by two direct mail appeals for the Annual Fund in Spring and Autumn and an annual Telethon appeal in March. In respect of the Telethon, we have a contract with an external company, Rux Burton Associates, to help deliver this project, a role which is monitored carefully by Development Team members. The Annual Fund raises between £200k and £500k annually; the additional income is achieved primarily through face-to-face fundraising and legacies that have been realised.

The College has registered with the Fundraising Regulator and supports the standards for fundraising set out in the Code of Fundraising Practice. The College takes seriously its obligation to protect any vulnerable people and does so by designing fundraising appeals so that they appear at regular and expected intervals each year; using its database to avoid sending excessive fundraising requests or duplicated appeals; making sure all potential donors are given notice of the annual Telethon appeal and an opportunity to 'opt-out'; and tailoring our mailings to potential donors based on their personal preferences. In addition, the 450<sup>th</sup> Campaign website is due to launch in October 2019 so that fundraising objectives are transparent and easy to reference online.

### 450<sup>th</sup> Campaign

In 2021 Jesus College will celebrate its 450<sup>th</sup> anniversary. The College launched the public phase of a £45 million, 450<sup>th</sup> Anniversary Campaign, which will run until August 2022, in September 2018 with a target of £10m remaining at the time of launch. Since then, the campaign has raised approximately £2m towards the remaining £10m target so that the second year of the campaign, launched in September 2019, announced a new target of £8m.

The Northgate site re-development is a key part of the 450<sup>th</sup> Anniversary Campaign. In 2016 we were delighted to learn that it had attracted a lead donation of £15m; the balance of this generous gift has been recognised in this year's accounts. Alongside this, continued fundraising efforts for bursaries, graduate scholarship and tutorial fellowships are taking place.

## FINANCIAL REVIEW

The Statement of Financial Activities shows net incoming resources of £5.9m (2017/18: £2.0m). This figure includes legacies and donations for restricted and endowed funds of £14.6m (2017/18: £3.4m) and a net loss on investments of £1.7m (2018/19: gain of £1.9m); details of both of these are provided below.

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## JESUS COLLEGE

### Report of the Governing Body

Year ended 31 July 2019

#### Income

##### Charitable and trading income

Income from charitable activities, £6.0m (2018/19: £5.7m), comprises tuition fees from UK, EU and overseas students, support from Office for the Student and other academic income, and related residential income. The increase in fee income was matched by an increase in residential income. Trading income, which comprises principally the College's non-academic conference and function income, improved to £0.4m (2017/18: £0.3m).

##### Donations and legacies

Donation and legacy income was £15.2m (2017/18: £3.6m), of which £13.2m (2017/18: £1.5m) is attributable to the recognition of the balance of the lead donation for the Northgate Project. Alongside this major gift, the College's alumni continue to provide significant and regular contributions which are crucial to the College's ability to support its teaching and research activities and enhance the sporting, cultural and educational opportunities of its members. It is important to remember that, with the exception of the Northgate gift, most donations are for the College's endowment funds and so only the investment return is available to be spent.

##### Investments

Investment income was £3.9m (2017/18: £5.0m) reflecting minimal rents from the vacated Northgate House.

The College makes investments with the aim of achieving a minimum total return for securities of 3.5% plus CPI after fees and does so in accordance with appropriate ethical principles. During the year, the College reviewed and upgraded its policy for investing; the revised policy is as follows:

*The College expects all companies in which it invests, whether directly or via an investment fund, to abide by the relevant law of the place where it has its headquarters and the law of the places where it carries out its operations. Where a portfolio company, to the College's knowledge, takes action which, whether lawful or not, creates a significant risk of severe reputational loss to the College, the College will not seek to maintain its investment if, after appropriate engagement, there is no reasonable prospect of a change in the company's behaviour.*

*The College also recognises the importance and relevance of environmental, social and corporate governance ('ESG') factors in the selection and management of investments within its portfolio. It believes that good governance, as so defined, supports the College's overriding concern for the good economic and financial performance of its portfolio over the longer term. As the College invests in funds, rather than making direct investments, it expects its fund managers to have an ESG policy in place which integrates ESG factors into their investment process and to report their compliance with the UK Stewardship Code and the United Nations Principles of Responsible Investment. Where choices exist, the College believes that it is more constructive and effective for its fund managers to engage with investee companies thoughtfully and consistently as part of their investment decisions rather than opting automatically for divestment. Consistent with this approach, it expects its fund managers to report on their corporate engagement and voting activity on a regular basis.*

The College invests in various asset classes, including public equities, commercial and agricultural property, government and commercial bonds, and private equity. The gross performance figures are as follows:

	Value at 1/8/18	Net additions / (disposals)	Change in value	Value at 31/7/19	Income in year	Total return	
	A	B	C	D	E	2018/19	2017/18
	£'000	£'000	£'000	£'000	£'000	%	%
Agricultural	34,068	- 669	2,190	35,589	572	8.2%	1.6%
Commercial and residential	21,827	-	3,721	18,106	1,347	-10.9%	-4.2%
Equities, bonds & cash	136,322	1,172	5,781	143,275	1,199	5.1%	7.4%
	192,217	503	4,250	196,970	3,118	3.8%	4.8%
Northgate	25,200	- 19,200	- 6,000	-	296	-22.6%	-7.2%
<b>Total</b>	<b>217,417</b>	<b>- 18,697</b>	<b>- 1,750</b>	<b>196,970</b>	<b>3,414</b>	<b>0.8%</b>	<b>3.2%</b>

Total return = (C+E) / (A+B/2). Figures for total return % are approximate and do not take account of fees and other costs including the loan on Northgate House. Income excludes £453k (2017/18: £124k) of interest on current asset investments.

## **JESUS COLLEGE**

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

**Year ended 31 July 2019**

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Management of the endowment is overseen by the Estates Committee, although the equity portfolio's management is delegated to an external manager, Cambridge Associates. Consistent with the College's Total Return policy, their investment mandate does not distinguish between income and capital gains.

The return on the underlying agricultural portfolio was broadly stable with the total being boosted by uplifts attributable to land expected to be developed.

The return for the commercial portfolio reflects two factors. The retail environment has deteriorated further leading to a further mark-down of £3.7m (2017/18: £2.7m) for our non-Northgate House commercial properties even though the underlying rents are as yet unchanged. The more significant part results from the necessary mark-down of Northgate House of £6m (2017/18: £3.7m) to its deemed freehold land value ahead of its demolition and redevelopment. The asset is now classified as part of assets in the course of construction – see Note 10. The reduction in value of this property over the last five years amounts to nearly £21m. The changing retail environment will make recovery of this challenging but it is not unreasonable to expect this to be reversed to an extent following completion of the Northgate Project and re-letting of the retail element of the building.

Equity and related returns for the financial year continued to be variable with the resurgence of volatility in many markets since early 2018 and a more cautious stance by our investment managers as they seek to balance short-term return with longer-term maintenance of capital. Dividend and related income continued to reduce, as expected, given the mandate to focus on the total return from investments as opposed to income yield. The total return from securities, 5.1%, was slightly below the College's investment policy target, of 5.6%; the annualised return for the last three years has been 8.0% against a target of 5.8%.

For the overall portfolio, excluding the exceptional impact of the Northgate House valuation, the return was 3.8%, 0.5% above the College's more cautious total return spending rate of 3.3%.

Further details on investments can be found in Notes 4, 10 and 11 to the financial statements.

#### **Expenditure**

Total expenditure rose by £3.3m to £17.9m, although £1.4m of the increase was due to expenditure for the Northgate Project, see below, and a further £1.2m is attributable to the provision for the USS pension deficit, much of which may reverse next year. Excluding this, underlying costs increased by £0.6m or 5.0%.

Staff costs, £6.6m (2017/18: £4.9m), include a £1,235k charge (2017/18: credit of £14k) after accounting for the adoption of the USS 2017 valuation, which assumes a substantial increase in the scheme's deficit. As explained further in Notes 21 and 30, the 2018 valuation of the USS was completed shortly after the year end and will be the reference point for estimating the deficit provision in next year's accounts. Applying the same assumptions as at year end to the 2018 deficit would reduce the provision by £692k. Excluding the impact of the pension provision, costs have increased by £472k or 9.5%, a combination of salary increases and inflation, 3.9%, an increase in headcount, 3.4%, and NI and pension contributions increases, 2.2%. As part of this, the College has maintained its commitment to paying all staff at a rate which is at least equivalent to the Voluntary Living Wage.

Other non-staff costs were £7.9m (2017/18: £7.8m), an increase of 1.8% due mainly to trading expenditure, which grew in line with trading revenue, higher management costs for the equity portfolio as it increased in value, and increases in maintenance costs, offset by decreases in depreciation and interest payable.

#### **Northgate Project**

The College has always invested, and continues to invest, in its property and infrastructure to ensure that its facilities support its academic mission. The College has embarked on a major project to re-develop Northgate House, the major property behind its central site bordering Cornmarket and Market Street. The project will double teaching and research space, add 68 student rooms on the central site, establish a digital hub, and improve the accessibility of the College, both physically and virtually, while retaining nearly all of its existing retail footage. Planning permission was granted in August 2018; vacant possession of the site was achieved early in 2019; and the main construction contract with BAM was signed subsequently so that demolition, which had begun earlier under a temporary contract, continued in earnest.

Until the signing of the main construction contract, direct costs of the project, £1,956k (2017/18: £1,498k) were expensed, matched by recognition of an equivalent amount of the lead donation of £15m. Thereafter direct costs of the project, £1,900k, have been capitalised as part of assets in the course of construction, see Note 9. At the same time, now that all conditions of the lead donation of £15m had been met, the balance of £11,278k was recognised as income, see Note 2. As is the case with such major projects, other indirect costs of the project have been expensed amounting to £1,392k (2017/18: £443k). These comprise primarily the cost of obtaining vacant possession, plus related fees, council tax on vacant properties, and various security and utility costs.

## JESUS COLLEGE

### Report of the Governing Body

Year ended 31 July 2019

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#### Reserves policy

The College's reserves policy is to maintain sufficient reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall so that the College can be managed efficiently and maintain a buffer which would ensure uninterrupted services. Short-term financial needs are normally defined by reference to a multiple of the College's underlying annual operational expenditure, but allowance also needs to be made for specific circumstances such as: the risk of significant changes in the value of the College's investment and property portfolio; the need to commit to specific projects, both capital and non-capital, which further the College's charitable objectives; and the potential restrictions imposed on the College's spending by either the terms of its Total Return investment approach or its bank loan covenants.

Total funds of the College and its subsidiary at the year-end amounted to £217.6m (2018: £212m), of which £47.8m (2018: £58.5m) are considered to be available reserves. Available reserves are defined as:

- Free reserves of £16.5m (2018: £17.9m), being unrestricted funds excluding £10.4m (2018: £10.6m) of designated funds, which comprise the net book value of tangible fixed assets, excluding assets in the course of construction, of £9.7m (2018: £10.3m) and other designated funds of £0.7m (2018: £0.3m);
- Plus: £42.1m (2018: £44.5m), being the unapplied total return for permanent endowment of £64.2m (2018: £63.8m) less £22.0m (2018: £19.3m) for the inflation adjustment required to preserve the permanent endowment capital of £87.8m (2018: £87.7m); and
- Less: £10.8m (2018: less £3.9m) being expendable endowment of £23.9m (2018: £28.2m) less £34.8m (2018: £32.1m) for the inflation adjustment to preserve the capital base of £31.0m (2018: £29.2m).

Adjusting for the impact of the write-down of Northgate House on transfer to assets in the course of construction, current year available reserves are £53.8m.

The Estates Committee has conducted a review of the financial risks facing the College in light of its investment portfolio and other financial risks, which include:

- The hypothetical impact on the College's income of periods of poor investment performance consistent with the more extreme situations seen in the past;
- The impact on its commercial rents during the redevelopment of Northgate House; and
- The risks associated with the decision by the Governing Body to proceed with the Northgate Project.

After making appropriate allowance for these risks, available reserves, excluding the impact of the write-down on transfer of the Northgate asset to assets in the course of construction, represent approximately 0.7 times 2018/19 underlying operational expenditure (2017/18: 1.0 times). The reduction this year reflects primarily further write-downs in our other commercial property. Nevertheless, in view of the considerable liquidity available to the College, the Committee has concluded that the level of reserves is appropriate.

Designated reserves at the year-end include £600k (2017/18: £248k) in the Development Fund to be spent on supporting both new projects and a variety of current activities including bursaries and widening participation within a 12 to 18 month timescale.

#### Risk management

The College has on-going processes which operate throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. A risk management policy has been approved by the Governing Body and in accordance with this, risks and mitigating procedures within the College are reviewed by the relevant College committees, chaired by the Principal or Vice-Principal. Financial and investment risks are assessed by the Estates Committee; the Director of Accommodation, Catering and Conferences and department heads meet regularly to review health and safety issues; and academic matters are addressed by the Academic Director. A separate working group, which reports to the Governing Body, meets monthly to review progress on the Northgate project and this groups activities are reviewed quarterly by an independent and experienced member of the University Estates Department. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

The Governing Body, which has ultimate responsibility for managing any risks faced by the College, is supported by a Risk and Audit Committee to help it monitor the major risks to which the College is exposed. A risk register has been established and responsibility for the management of the key risks resides with the College Officers and their relevant committees, with the Risk and Audit Committee receiving periodic reports on the effectiveness of this. It is recognised that systems can provide only reasonable and not absolute assurance that major risks have been managed.

## JESUS COLLEGE

### Report of the Governing Body

Year ended 31 July 2019

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The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are categorised as follows:

- **Academic performance.** Attracting the best tutors and students is essential to the College's overall purpose. A key part of the College's Strategic Plan for 2017 to 2021 involves providing additional means of supporting both tutorial fellows, to ensure they continue to deliver excellent results through their teaching and research, and students, whether in terms of access, study facilities or preparation for the next stage of their careers. Many of the identified actions have been completed already.
- **Student welfare.** The wellbeing of, and support for, students is a priority for the College. An established welfare network and medical support team are available within College in addition to the communications and services that exist in the wider University. The College's welfare provision, which includes a dedicated Welfare Officer, is supplemented by an experienced student Counsellor who provides on-site support.
- **Major incident.** This takes account of the risk of a major fire, explosion or other disaster which might affect either the College's operational property. The University's policy to cover such incidents has been adopted by the College and dry runs have been completed. Regular maintenance of safety systems takes place and a catastrophe insurance policy is kept under review.
- **IT security.** The risk embraces IT systems failure, data security and vulnerability to cyber-attack. The College regularly reviews its policies and practices in this area. A data security policy has been adopted; appropriate back-up facilities are available; and insurance cover exists.
- **Management of investments.** The College is reliant on the investment return from its endowments to support its charitable activities. As noted above, rents from the Northgate House property will not be available during its re-development, although reserves have been established over a period of years in anticipation of this. Responsibility for monitoring the College's investment performance rests with the Estates Committee, which has appointed experienced investment managers to act on its behalf.
- **Northgate Project.** As with any major construction project, there are risks associated with the delivery of the project. Planning and funding risks have been addressed already. Execution risks, in terms of cost overruns or delays to the timetable remain. The College has retained the services of a full professional team of advisers and appointed a reputable construction firm to assist with the project. Responsibility for oversight of the project's delivery has been delegated to a specific working group which reports directly to the Governing Body, supplemented by periodic, independent reviews.
- **Pensions.** The 2017 actuarial valuation of USS was completed during the year and the 2018 valuation was completed after the year end. The outcome of these has been an increase in contributions to meet the identified deficit. It remains the case that the UCU, the union representing members of the USS, are still challenging the outcome of these valuations. A further valuation, as at 2020, will commence shortly and may give rise to even higher contributions depending on the circumstances and assumptions which apply.

## FUTURE PLANS

The College Strategic Plan, 2017 – 2021 was approved in January 2017. The core elements of this are:

- Extending our access work to ensure that we attract applicants from a diverse range of students;
- An increase in student numbers from the introduction of Computer Sciences and the expansion of postgraduate places;
- Extending the number of, and support for, junior and early career Fellows;
- Improved learning, teaching, research and accommodation facilities as part of the Northgate Project;
- The introduction of an innovative Digital Hub to promote interdisciplinary research and knowledge exchange; and
- Maintaining and building the College's endowment.

## **JESUS COLLEGE**

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

**Year ended 31 July 2019**

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#### **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

The Governing Body (“the Trustees”) is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College’s transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 4 December 2019 and signed on its behalf by:

Prof Sir N. Shadbolt  
Principal

## **JESUS COLLEGE**

### **Report of the Auditor to the Members of the Governing Body of Jesus College**

**Year ended 31 July 2019**

#### **Opinion on financial statements**

We have audited the financial statements of Jesus College ('the Charity' or 'the College') for the year ended 31 July 2019, which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Charity's affairs as at 31 July 2019 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent Charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **JESUS COLLEGE**

### **Report of the Auditor to the Members of the Governing Body of Jesus College**

**Year ended 31 July 2019**

#### **Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Crowe U.K. LLP**

Statutory Auditor

#### **Reading**

Date: 4 December 2019

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# JESUS COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2019

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### 1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows comprising the consolidation of the College and its wholly owned subsidiaries, Jesus Accommodation Limited and Jesus College Developments (Oxford) Limited. A separate SOFA has not been presented for the College as permitted by Charity Commission.

A summary of the results and financial position of the College and its subsidiaries is disclosed in Note 12.

### 2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. Therefore, the College has also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP, FRS 102).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investment properties and other investments, with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

### 3. Accounting judgements and estimation of uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered to have most significant effect on amounts recognised in the financial statements.

- The College participates in three multi-employer defined benefit pension plans. In the judgement of the Governing Body there is insufficient information about the plans' assets and liabilities to reliably account for their share of the defined benefit obligations and assets in the financial statements and therefore the plans are accounted for as defined contribution schemes (see Note 21).
- The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date.
- The College has signed a gift agreement for £15m with a lead donor for the Northgate Project, payment of which is in instalments over the life of the project. The donation is conditional on the project proceeding. Final approval was given by the College's Governing Body, effective 1 April 2019. At this point the conditions of the gift had been met and so the balance of the donation has been recognised.
- Following approval of the Northgate Project, the freehold site has been reclassified as part of the asset in the course of construction. The transfer is based on the estimated fair value of the vacant site at that date.
- Before legacies are recognised in the financial statements, the Governing Body exercises judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient evidence exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate sufficient funds are in the estate after meeting liabilities for the bequest to be paid.

With respect to the next financial year, the most significant areas of uncertainty that are expected to affect the carrying value of assets and liabilities held by the College are:

- The cost of the Northgate Project. Although contractual arrangements provide considerable security for the College, it is exposed to the consequences of events outside of its and the contractor's control;
- The level of investment return and the performance of investment markets both for the College's commercial property and other investments; and
- The discount rate which is applied when determining the College's share of the past service deficits on the pension schemes to which it contributes.

## JESUS COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2019

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#### 4. Consolidation

The subsidiaries have been consolidated from the date of their formation, being the date from which the College has exercised control through voting rights. Intra-group sales and charges between the College and its subsidiaries are excluded from consolidated trading income and expenditure. Balances between the College and its subsidiaries are eliminated on consolidation.

#### 5. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable, and the amount can be measured reliably.

- ***Income from fees, HEFCE support and other charges for services***

Fees receivable, less any scholarships, bursaries or other allowances granted from the College's unrestricted funds, HEFCE support, and charges for services and use of the premises are recognised in the period in which the related service is provided.

- ***Income from donations and legacies***

Donations that do not impose specific future performance-related or other specific conditions are recognised on the date on which the College has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations subject to performance-related conditions are recognised as and when those conditions are met. Donations subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised once notification of payment has been received from the executor(s) of the estate or estate accounts are available that indicate sufficient funds are in the estate after meeting liabilities for the bequest to be paid.

Voluntary income received for the general purpose of the College is credited directly to a designated fund and is subject to review and planned distribution by the Development Committee each October in the following year.

Voluntary income which is subject to specific wishes of the donor is credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

#### 6. Investment income

Interest on bank balances and fixed interest securities is accounted for on an accruals basis in the period to which the interest relates.

Dividend income and similar distributions are recognised in the period in which they become receivable.

Income from investment properties is recognised in the period to which the rental income relates.

#### 7. Total return investment accounting

As authorised by the College's statutes, the College has adopted a 'Total Return' basis for the investment of its endowment. The carrying value of the preserved permanent capital, the trust for investment, and the amount of any unapplied total return available for expenditure were taken as the fair value of these funds as at 1 August 2009 together with the original gift value of all subsequent endowment additions received. In choosing this date, the Governing Body sought to achieve an appropriate balance between the availability of relevant, historical information on changes in the College's permanent endowment funds, bearing in mind changes in classifications which have taken place over the years, and the need for accurate analysis.

It invests these funds without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can either be retained for investment or released to income at the discretion of the Governing Body.

## **8. Expenditure**

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

Support costs, which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs, are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets. Irrecoverable VAT is included with the related item of expenditure.

## **8. Tangible fixed assets**

Land is stated at cost or deemed cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition, construction or enhancement of land and buildings together with plant and machinery, and fixtures, fittings and equipment, which is directly attributable to bringing the asset to its working condition for its intended use, is reviewed on a case by case basis, in conjunction with independent advisers where appropriate, to determine whether it is appropriate to be capitalised and, if so, to ascertain the correct period over which to depreciate the asset.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

## **9. Depreciation**

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	15 - 50 years
Leasehold properties, including land	25 - 50 years or period of lease if lower
Building improvements	10 - 25 years
Equipment	5 - 15 years
Plant and machinery	10 - 20 years

Freehold land and assets in the course of construction are not depreciated. The cost of maintenance, including non-capital repairs and refurbishment, is charged in the Statement of Financial Activities in the period in which it is incurred. Works of art and other valuable artefacts regarded as inalienable are not included in the financial statements.

## **10. Investments**

Investment properties are recognised initially at their cost of acquisition and measured subsequently, after taking advice from independent valuers, at their fair value at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are recognised initially at their cost and measured subsequently at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs. Fair value for investments, such as hedge funds and private equity funds which have no readily identifiable market value, is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

## **11. Foreign currencies**

The functional and presentation currency of the College and its subsidiaries is the pound sterling. Transactions denominated in foreign currencies are translated at the spot rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into

**JESUS COLLEGE**  
**Statement of Accounting Policies**  
**Year ended 31 July 2019**

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sterling at rates applying at the reporting date. Foreign exchange gains and losses from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

**12. Financial instruments**

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less. Current asset investments comprise endowment funds awaiting investment and the proceeds of the private placement and lead donation for the Northgate Project, which have been invested in a cash fund to provide liquidity for the project.

Financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 25 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to fixed asset investments and debtor balances excluding prepayments, and financial liabilities referring to creditor balances excluding deferred income and tax and social security.

**13. Leases**

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The cost of the assets held under finance leases is included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SOFA so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight-line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight-line basis.

**14. Fund accounting**

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or the terms of an appeal. Endowment funds are further subdivided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any part of the total return from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long-term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

**15. Pension costs**

The costs of retirement benefits provided to employees of the College through multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the reporting date for the discounted value of the expected future contributions under the agreements with these multi-employer schemes to fund the past service deficits.

**Jesus College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2019**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2018/19 Total £'000	2017/18 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>	1					
Teaching, research and residential		5,999	-	-	5,999	5,741
Public worship	2		-	-	2	3
<b>Other trading income</b>	3	420	-	-	420	323
<b>Donations and legacies</b>	2	600	13,585	1,006	15,191	3,644
<b>Investments</b>						
Investment income	4	1,017	8	2,842	3,867	5,004
Total return allocated to income	13	4,425	1,156	(5,581)	-	-
<b>Total income</b>		<b>12,463</b>	<b>14,749</b>	<b>(1,733)</b>	<b>25,479</b>	14,715
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>	5					
Teaching, research and residential:						
College		9,422	1,441	-	10,863	9,343
Northgate project		1,392	1,956	-	3,348	1,941
Public worship		47	11	-	58	66
<b>Generating funds:</b>	5					
Fundraising		801	-	-	801	616
Trading expenditure		378	-	-	378	272
Investment management costs		1,758	-	724	2,482	2,401
<b>Total expenditure</b>		<b>13,798</b>	<b>3,408</b>	<b>724</b>	<b>17,930</b>	14,639
<b>Net income/(deficit) before investment gains</b>		<b>(1,335)</b>	<b>11,340</b>	<b>(2,457)</b>	<b>7,548</b>	76
<b>Net gains/(losses) on investments:</b>	10, 11					
Northgate House		-	-	(6,000)	(6,000)	(3,700)
Other investments		652	-	3,671	4,323	5,624
		652	-	(2,329)	(1,677)	1,924
<b>Net income/(deficit)</b>		<b>(683)</b>	<b>11,341</b>	<b>(4,786)</b>	<b>5,872</b>	2,000
<b>Transfers between funds</b>	17	(910)	-	910	(0)	-
<b>Net movement in funds for the year</b>		<b>(1,594)</b>	<b>11,341</b>	<b>(3,876)</b>	<b>5,872</b>	2,000
Fund balances brought forward	17	28,541	3,415	179,731	211,687	209,687
<b>Funds carried forward at 31 July</b>		<b>26,947</b>	<b>14,756</b>	<b>175,855</b>	<b>217,559</b>	211,687

\*: Teaching, research and residential expenditure includes £1,956k (2017/18: £1,498k) direct costs and £1,392k (2017/18: £443k) other costs for the Northgate Project.

**Jesus College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2019**

	Notes	2018/19 Group £'000	2017/18 Group £'000	2018/19 College £'000	2017/18 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	30,753	10,261	30,753	10,261
Property investments	10	53,695	81,095	53,695	81,095
Other investments	11	143,275	136,322	143,275	136,322
<b>Total fixed assets</b>		<b>227,723</b>	<b>227,678</b>	<b>227,723</b>	<b>227,678</b>
<b>CURRENT ASSETS</b>					
Stocks		136	120	136	120
Debtors	14	8,934	2,346	9,726	2,629
Investments	24	22,976	25,780	22,976	25,780
Cash at bank and in hand	24	1,958	562	1,588	370
<b>Total current assets</b>		<b>34,004</b>	<b>28,808</b>	<b>34,426</b>	<b>28,899</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	15	3,203	4,084	3,625	4,175
<b>NET CURRENT ASSETS</b>		<b>30,801</b>	<b>24,724</b>	<b>30,801</b>	<b>24,724</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>258,524</b>	<b>252,402</b>	<b>258,524</b>	<b>252,402</b>
<b>CREDITORS: falling due after more than one year</b>	16	<b>38,516</b>	<b>39,471</b>	<b>38,516</b>	<b>39,471</b>
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		<b>220,008</b>	<b>212,931</b>	<b>220,008</b>	<b>212,931</b>
Defined benefit pension scheme liability	21	2,449	1,244	2,449	1,244
<b>NET ASSETS</b>		<b>217,559</b>	<b>211,687</b>	<b>217,559</b>	<b>211,687</b>
<b>FUNDS OF THE COLLEGE</b>					
Endowment funds	17	175,855	179,731	175,855	179,731
Restricted funds	17	14,756	3,415	14,756	3,415
<b>Unrestricted funds</b>					
Designated funds	17	10,413	10,616	10,413	10,616
General funds	17	18,984	19,169	18,984	19,169
Pension reserve	21	(2,449)	(1,244)	(2,449)	(1,244)
		<b>217,559</b>	<b>211,687</b>	<b>217,559</b>	<b>211,687</b>

The financial statements were approved and authorised for issue by the Governing Body of Jesus College on 4 December 2019

Prof Sir N. Shadbolt

Mr S.N. Woodward

Principal

Estates Bursar

**Jesus College**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2019**

	Notes	2018/19 £'000	2017/18 £'000
<b>Net cash used in operating activities</b>	23	<u>(476)</u>	<u>(4,836)</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		3,272	4,883
Purchase of property, plant and equipment		(2,212)	(112)
Proceeds from sale of investments		1,533	1,572
Purchase of investments		(1,963)	(4,507)
Net withdrawals from current asset investments		2,804	256
<b>Net cash provided by investing activities</b>		<u>3,434</u>	<u>2,092</u>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(910)	(859)
Finance costs paid		(1,606)	(1,471)
Receipt of endowment donations		954	3,620
<b>Net cash provided by / (used in) financing activities</b>		<u>(1,562)</u>	<u>1,290</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>1,396</u>	<u>(1,454)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		562	2,016
<b>Cash and cash equivalents at the end of the reporting period</b>	24	<u>1,958</u>	<u>562</u>

**Jesus College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2019**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	2018/19 £'000	2017/18 £'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,487	1,454
Tuition fees - Overseas students	871	754
Other support - Office for Students	197	200
Other academic income	242	199
College residential income	3,202	3,134
<b>Total teaching, research and residential</b>	<b>5,999</b>	<b>5,741</b>
<b>Total public worship</b>	<b>2</b>	<b>3</b>
<b>Total income from charitable activities</b>	<b>6,001</b>	<b>5,744</b>

The above includes £1,725k (2017/18: £1,646k) from Oxford University under the CFF Scheme, net of College fees received directly.

**2 DONATIONS AND LEGACIES**

	2018/19 £'000	2017/18 £'000
<b>Donations and Legacies</b>		
Unrestricted funds	600	198
Restricted funds	13,585	1,775
Endowed funds	1,006	1,671
	<b>15,191</b>	<b>3,644</b>

Restricted fund donations include £13,234k (2017/18: £1,498k) recognised for the Northgate Project.

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	2018/19 £'000	2017/18 £'000
Subsidiary companies' trading income	416	321
Other trading income	4	2
	<b>420</b>	<b>323</b>

Jesus Accommodation Limited accounted for £416k (2017/18: £321k) of the College's non-charitable trading income.

**4 INVESTMENT INCOME**

	2018/19 £'000	2017/18 £'000
<i>Unrestricted funds</i>		
Agricultural rent	544	500
Other property income	28	33
Interest on fixed term deposits and cash	444	114
Bank interest	1	1
	<b>1,017</b>	<b>648</b>
<i>Restricted funds</i>		
Interest on fixed term deposits and cash	8	9
	<b>8</b>	<b>9</b>
<i>Endowed funds</i>		
Commercial rent	1,590	3,243
Other property income	53	59
Equity dividends	1,199	1,045
	<b>2,842</b>	<b>4,347</b>
<b>Total Investment income</b>	<b>3,867</b>	<b>5,004</b>

Under the College's investment management mandate, the profile of the return focuses on growth by capital gain as well as dividend return.

**Jesus College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2019**

**5 ANALYSIS OF EXPENDITURE**

	2018/19 £'000	2017/18 £'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	3,975	3,674
Movement in pension deficit liability - see Note 8	902	(70)
Public worship	37	40
Other direct costs allocated to:		
Northgate Project expenditure	3,348	1,941
Other teaching, research and residential	3,748	3,719
Public worship	21	26
Support and governance costs allocated to:		
Teaching, research and residential	2,100	2,030
Movement in pension deficit liability - see Note 8	138	(10)
<b>Total charitable expenditure</b>	<b>14,269</b>	<b>11,350</b>
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	320	303
Movement in pension deficit liability - see Note 8	141	(11)
Trading expenditure	135	110
Investment management costs	198	131
Other direct costs allocated to:		
Fundraising	274	259
Trading expenditure	164	109
Investment management costs	731	657
Support and governance costs allocated to:		
Fundraising	66	65
Trading expenditure	79	53
Investment management costs	1,553	1,613
<b>Total expenditure on raising funds</b>	<b>3,661</b>	<b>3,289</b>
<b>Total expenditure</b>	<b>17,930</b>	<b>14,639</b>

As explained in the Financial Review, page 10, the direct costs of the Northgate Project, £1,956k (2017/18: £1,498k) incurred before the formal approval of the Project in Spring 2019 have been expensed. Direct project costs incurred after approval have been capitalised - see Note 9. Additional indirect costs of the Project, which amounted to £1,392k (2017/18: £443k), have been, and will continue to be expensed. 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. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford. Teaching, research and residential costs include a credit amount of £6k for College Contribution charge (2017/18: £146k charge).

**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	2018/19 Total £'000
Financial administration	40	337	-	377
Domestic administration	85	242	-	327
Human resources	22	247	-	269
IT	20	268	-	288
Depreciation	-	920	-	920
Bank interest payable	859	10	-	869
Other finance charges	667	190	-	857
Governance costs	5	24	-	29
	<b>1,698</b>	<b>2,238</b>	<b>-</b>	<b>3,936</b>

**Jesus College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2019**

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	2017/18 Total £'000
Financial administration	38	235	-	273
Domestic administration	59	259	-	318
Human resources	20	225	-	245
IT	21	277	-	298
Depreciation	-	962	-	962
Bank interest payable	911	6	-	917
Other finance charges	677	32	-	709
Governance costs	5	24	-	29
	<u>1,731</u>	<u>2,020</u>	<u>-</u>	<u>3,751</u>

Finance, administration and human resources costs are allocated according to the estimated staff time spent on each activity. Depreciation is allocated according to the use made of the underlying assets. IT and Governance costs are allocated according to activity. Interest and other finance charges are allocated according to the purpose of the related financing. Other finance charges include £663k (2017/18: £672k) of interest payable for the private placement loan of £25m. It also includes £138k net increase (2017/18: £10k reduction) in the pension liability following the March 2017 valuation of the USS pension scheme.

	2018/19 £'000	2017/18 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	27	29
Auditor's remuneration - other services	2	-
Other governance costs	-	-
	<u>29</u>	<u>29</u>

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows' involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included in Note 20.

**7 GRANTS AND AWARDS**

During the year, the College funded research awards and bursaries to students from its restricted and unrestricted funds as follows:

	2018/19 £'000	2017/18 £'000
<b>Unrestricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	232	247
Bursaries and hardship awards	79	23
<b>Total unrestricted</b>	<u>311</u>	<u>270</u>
<b>Restricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	304	355
Bursaries and hardship awards	177	162
<b>Total restricted</b>	<u>481</u>	<u>517</u>
<b>Total grants and awards</b>	<u>792</u>	<u>787</u>

The figures above include the cost to the College of the Oxford Bursary scheme. Our students received £84k this year (2017/18: £86k). Some of those students also received fee waivers amounting to £1k (2017/18: £6k).

**8 STAFF COSTS**

	2018/19 £'000	2017/18 £'000
The aggregate staff costs for the year were as follows:		
Salaries and wages	4,366	4,004
Social security costs	405	365
Pension costs		
Defined benefit and defined contribution schemes	690	620
Subtotal	<u>5,461</u>	<u>4,989</u>
Movement in pension deficit liability	1,181	(91)
	<u>6,642</u>	<u>4,898</u>

**Jesus College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2019**

The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows:

	2018/19	2017/18
Tuition and research	19	16
College residential	50	52
Public worship	1	1
Fundraising	6	6
Support	15	13
<b>Total</b>	<b>91</b>	<b>88</b>

The average number of employed College Trustees during the year was as follows:

University lecturers	23	22
CUF lecturers	10	10
Other teaching and research	11	10
Other	9	8
<b>Total</b>	<b>53</b>	<b>50</b>

The aggregate payroll costs for the year were £6.8m, of which £4.8m related to income-generating functions, £0.8m to support functions and £1.2m is the increase in the pensions deficit liability - see Note 21. The College also benefits from temporary staff, agency workers and part-time external tutors who are not on the College payroll. The related costs were £493k (2017/18: £360k). The increase in agency fees reflects vacant posts this year partly offset by a slight reduction in external tuition provided by self-employed tutors.

Details of remuneration and reimbursed expenses of the College Trustees are included in Note 20 of these financial statements.

There were no employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding pension contributions) exceeded £60k.

**9 TANGIBLE FIXED ASSETS**

Group and College	Assets under construction £'000	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>						
At start of year	-	14,770	6,579	2,842	542	24,733
Transfer from property investments	19,200	-	-	-	-	19,200
Additions	1,900	31	-	260	21	2,212
Disposals	-	(274)	(161)	-	(1)	(436)
<b>At end of year</b>	<b>21,100</b>	<b>14,527</b>	<b>6,418</b>	<b>3,102</b>	<b>562</b>	<b>45,709</b>
<b>Depreciation and impairment</b>						
At start of year	-	10,518	2,228	1,260	466	14,472
Depreciation charge for the year	-	474	160	229	57	920
Depreciation on disposals	-	(274)	(161)	-	(1)	(436)
<b>At end of year</b>	<b>-</b>	<b>10,718</b>	<b>2,227</b>	<b>1,489</b>	<b>522</b>	<b>14,956</b>
<b>Net book value</b>						
<b>At end of year</b>	<b>21,100</b>	<b>3,809</b>	<b>4,191</b>	<b>1,613</b>	<b>40</b>	<b>30,753</b>
At start of year	-	4,252	4,351	1,582	76	10,261

**Jesus College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2019**

The College has substantial long-held historic assets, all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books, manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and this could not be obtained except at disproportionate expense. In the opinion of the Trustees the depreciated historical cost of these assets is immaterial.

During the year, the College's Governing Body approved the redevelopment of the Northgate site. Prior to the formal approval of the project, all direct design costs, professional fees, and initial assessment works were expensed, matched by the recognition of an equivalent amount from the lead donation for the Project. Since the approval, direct costs of the Project have been capitalised as part of assets in the course of construction. A further £19.2m, being the estimated fair value of the freehold land of the site, has been transferred from commercial property investments to assets in the course of construction. Other costs associated with, but not directly part of the project budget, continue to be expensed - see Note 5.

**10 PROPERTY INVESTMENTS**

Group and College	Agricultural	Commercial	Other	2019	2018
	£'000	£'000	£'000	Total £'000	Total £'000
Valuation at start of year	34,068	46,430	597	<b>81,095</b>	87,900
Additions and improvements at cost	33	-	-	<b>33</b>	4
Disposals	(702)	-	-	<b>(702)</b>	(383)
Revaluation gains/(losses) in the year:					
Northgate House	-	(6,000)	-	<b>(6,000)</b>	(3,700)
Other properties	2,190	(3,700)	(21)	<b>(1,531)</b>	(2,726)
Transfer to assets in the course of construction	-	(19,200)	-	<b>(19,200)</b>	-
<b>Valuation at end of year</b>	<b>35,589</b>	<b>17,530</b>	<b>576</b>	<b>53,695</b>	<b>81,095</b>

A formal valuation of the agricultural properties was prepared by Gerald FitzGerald FRICS of Savills Ltd as at 31 July 2019. A formal valuation of the commercial and other properties was prepared by Edwin Bray FRICS of Deloitte LLP as at 31 July 2019. With the exception of some land which is expected to be developed, agricultural property values are largely unchanged. In contrast, the value of the College's commercial property has decreased for two reasons: £6,000k is due to writing-down the freehold Northgate vacant site to its estimated fair value prior to its transfer to assets in the course of construction - see Note 9 - as part of its redevelopment; and £3,700k is attributable to the remaining commercial properties and reflects the more challenging environment facing retailers.

During the year, the College sold one of its investment properties, realising a net gain of £72k against its carrying value.

**11 OTHER INVESTMENTS**

All investments are held at fair value.

Group and College investments	2019 £'000	2018 £'000
Valuation at start of year	<b>136,322</b>	124,658
New money invested	<b>1,930</b>	4,503
Amounts withdrawn	<b>(758)</b>	(1,189)
Increase in value of investments	<b>5,781</b>	8,350
<b>Group and College investments at end of year</b>	<b>143,275</b>	<b>136,322</b>

In addition to the above, the College realised a gain on currency exchange on cash balances of £4.5k (2018: £5k loss).

**Group and College investments comprise:**

	Held outside the UK	Held in the UK	2019 Total £'000	Held outside the UK	Held in the UK	2018 Total £'000
	£'000	£'000	£'000	£'000	£'000	£'000
Equity investments	98,059	38,670	<b>136,729</b>	96,120	26,392	122,512
Property funds	-	1,292	<b>1,292</b>	-	1,286	1,286
Alternative and other investments	3,643	-	<b>3,643</b>	2,978	114	3,092
Fixed term deposits and cash	-	1,611	<b>1,611</b>	7,105	2,327	9,432
<b>Total group and College investments</b>	<b>101,702</b>	<b>41,573</b>	<b>143,275</b>	<b>106,203</b>	<b>30,119</b>	<b>136,322</b>

Alternative and other investments include certain unlisted investments valued as at 30 June 2019 because valuations at 31 July 2019 are not readily available.

**Jesus College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2019**

**12 PARENT AND SUBSIDIARY UNDERTAKINGS**

The financial statements consolidate the accounts of Jesus College and the following companies:

**Jesus Accommodation Limited:**

Wholly owned trading subsidiary providing conference and other event services on the College premises.

**Jesus College Developments (Oxford) Limited:**

Wholly owned trading subsidiary, which was incorporated to provide design and build services to Jesus College for the Northgate Project.

The results and the assets and liabilities of the parent and subsidiaries at the year end were as follows:

	Parent College	Jesus Accommod- ation Ltd	JC Develop- ments (Oxford) Ltd
	£'000	£'000	£'000
Income	24,962	418	3,617
Expenditure	(17,512)	(378)	(3,558)
Donation to College under gift aid	99	(40)	(59)
Net income before investment gains	<u>7,549</u>	<u>-</u>	<u>-</u>
Total assets	262,149	244	1,037
Total liabilities	(44,590)	(244)	(1,037)
Net funds at the end of year	<u>217,559</u>	<u>-</u>	<u>-</u>

**13 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees adopted a duly authorised policy of total return accounting for the College's investment returns with effect from 1 August 2015. The investment return to be applied as income is calculated as 3.3% (2017/18: 3.3%) of the average of the inflation-adjusted year-end values of the relevant investments for the last 5 years. The preserved value of the invested endowment capital represents its fair value at August 2009 plus all subsequent endowments valued at the date of the gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total £'000
<b>At the beginning of the year:</b>					
Trust for Investment	87,725	-	87,725	-	87,725
Unapplied total return	-	63,802	63,802	-	63,802
Expendable endowment	-	-	-	28,204	28,204
<b>Total endowments</b>	<b>87,725</b>	<b>63,802</b>	<b>151,527</b>	<b>28,204</b>	<b>179,731</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	53	-	53	953	1,006
Investment return: total investment income	-	2,382	2,382	460	2,842
Investment return: realised and unrealised gains and losses	-	3,260	3,260	(5,589)	(2,329)
Less: Investment management costs	-	(609)	(609)	(115)	(724)
Other transfers	-	-	-	910	910
<b>Total</b>	<b>53</b>	<b>5,033</b>	<b>5,086</b>	<b>(3,381)</b>	<b>1,705</b>
Unapplied total return allocated to income in the period	-	(4,698)	(4,698)	(883)	(5,581)
<b>Net movements in reporting period</b>	<b>53</b>	<b>335</b>	<b>388</b>	<b>(4,264)</b>	<b>(3,876)</b>
<b>At end of the reporting period:</b>					
Trust for Investment	87,778	-	87,778	-	87,778
Unapplied total return	-	64,137	64,137	-	64,137
Expendable endowment	-	-	-	23,940	23,940
<b>Total endowments</b>	<b>87,778</b>	<b>64,137</b>	<b>151,915</b>	<b>23,940</b>	<b>175,855</b>

The investment return for Expendable Endowment is stated after charging £6m for the write-down in the value of the Northgate site against the Northgate Fund.

**Jesus College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2019**

**14 DEBTORS**

	<b>2019</b>	2018	<b>2019</b>	2018
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	239	425	230	396
Amounts owed by College members	156	207	156	207
Amounts owed by Group undertakings	-	-	932	368
Prepayments	228	283	176	282
Accrued income	5,137	1,140	5,058	1,085
Other debtors	120	133	120	133
<b>Amounts falling due after more than one year:</b>				
Accrued income	3,054	158	3,054	158
	<b>8,934</b>	2,346	<b>9,726</b>	2,629

The changes in the level of accrued income reflect the timing of cash receipts in respect of confirmed donations. Included in accrued income is £7,500k (2017/18: £nil) of the lead donation to fund the Northgate Project. In accordance with the terms of the donation, the balance of the donation has been recognised following satisfaction of all remaining conditions of the donation.

**15 CREDITORS: falling due within one year**

	<b>2019</b>	2018	<b>2019</b>	2018
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Bank loan	959	910	959	910
Trade creditors	616	862	368	616
Amounts owed to College members	176	142	176	142
Amounts owed to Group undertakings	-	-	771	402
Taxation and social security	325	346	306	335
College contribution	144	150	144	150
Expenditure accruals	553	488	507	462
Deferred income	271	1,082	244	1,073
Other creditors	159	104	150	85
	<b>3,203</b>	4,084	<b>3,625</b>	4,175

Included in deferred income is £nil (2018: £484k) of the lead donation received to fund future expenditure on the Northgate Project. In accordance with the terms of the donation, the balance of the donation has been recognised following satisfaction of all remaining conditions.

**16 CREDITORS: falling due after more than one year**

	<b>2019</b>	2018	<b>2019</b>	2018
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Bank loan - unsecured	13,622	14,581	13,622	14,581
Other loan - unsecured	24,894	24,890	24,894	24,890
	<b>38,516</b>	39,471	<b>38,516</b>	39,471

The College holds two long term loans:

The bank loan relates to the original acquisition of Northgate House. Interest is payable at a fixed rate of 5.369%. The loan is repayable in instalments over 20 years and matures in April 2028; £959k of the loan is payable within one year.

In January 2017, the College raised £25m via a private placement primarily to fund the Northgate Project. The loan comprises £10m repayable in May 2037 at a fixed interest rate of 2.67% and £15m repayable in May 2058 at a fixed interest rate of 2.64%.

At 31 July 2019, the loans are stated net of unamortised acquisition costs of £207k and £106k (2018: £243k and £110k) respectively.

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<b>17 ANALYSIS OF MOVEMENTS ON FUNDS</b>	At 1 August 2018 £'000	Incoming resources* £'000	Resources expended £'000	Transfers ** £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
<b>ENDOWMENT FUNDS - PERMANENT</b>	<b>151,527</b>	<b>2,432</b>	<b>(605)</b>	<b>(4,693)</b>	<b>3,254</b>	<b>151,915</b>
Bursary and hardship funds	1,543	28	(5)	(48)	32	1,550
Cultural sporting and travel funds:						
P.W. Dodd Fund	859	14	(3)	(27)	18	861
Other cultural sporting and travel	822	11	(3)	(25)	16	821
General purposes:						
Old Estate inc. Leoline Jenkins	109,584	1,705	(441)	(3,397)	2,358	109,809
Meyricke Endowment	17,956	290	(72)	(557)	386	18,003
Other general purposes	2,514	41	(10)	(78)	54	2,521
Building & infrastructure (A E Stevens)	4,121	66	(17)	(128)	89	4,131
Other specific endowments	162	2	-	(5)	4	163
Scholarships, prizes & awards funds	3,661	104	(13)	(109)	76	3,719
Teaching & research funds:						
Zeittyn	5,532	89	(22)	(171)	119	5,547
Other teaching & research funds	4,773	82	(19)	(148)	102	4,790
<b>ENDOWMENT FUNDS - EXPENDABLE</b>	<b>28,204</b>	<b>1,416</b>	<b>(119)</b>	<b>22</b>	<b>(5,583)</b>	<b>23,940</b>
Northgate House	9,417	152	(38)	618	(6,000)	4,149
College Pension Fund	1,757	28	(7)	(54)	38	1,762
John Walsh History Fellowship	1,670	30	(7)	(52)	36	1,677
W & M Elton Davies Fund	1,576	25	(6)	(49)	34	1,580
H Morag English Fellowship	1,408	23	(6)	(44)	30	1,411
Hoffmann Medical Grad. Scholarships	1,849	30	(7)	(57)	40	1,855
J Bounden Endowment Fund	2,054	33	(8)	(64)	44	2,059
Shreder student support Fund	1,208	19	(5)	(37)	26	1,211
Welsh Access & Outreach Fund	-	628	(1)	(6)	4	625
Other teaching & research funds	7,265	448	(34)	(233)	165	7,611
<b>Total endowment funds</b>	<b>179,731</b>	<b>3,848</b>	<b>(724)</b>	<b>(4,671)</b>	<b>(2,329)</b>	<b>175,855</b>
<b>RESTRICTED FUNDS</b>						
Bursary and hardship funds	736	15	(206)	123	-	668
Cultural sporting and travel funds	67	-	(46)	52	-	73
Building & Infrastructure:						
Cheng/Knight Dragon	-	13,234	(1,956)	-	-	11,278
Other building & infrastructure	2	7	(134)	128	-	3
Other specific funds	131	37	(19)	20	-	169
Scholarships, prizes & awards funds	1,181	37	(263)	183	-	1,138
Teaching & research funds	1,298	263	(784)	650	-	1,427
<b>Total restricted funds</b>	<b>3,415</b>	<b>13,593</b>	<b>(3,408)</b>	<b>1,156</b>	<b>-</b>	<b>14,756</b>
<b>UNRESTRICTED FUNDS</b>						
General unrestricted funds	19,169	7,436	(11,645)	3,372	652	18,984
Designated: Fixed asset	10,261	-	-	(608)	-	9,653
Designated: Annual fund	248	600	(196)	-	-	652
Designated: Other	107	2	-	-	-	109
General purposes funds	-	-	(752)	751	-	(1)
Pension reserve	(1,244)	-	(1,205)	-	-	(2,449)
<b>Total unrestricted funds</b>	<b>28,541</b>	<b>8,038</b>	<b>(13,798)</b>	<b>3,515</b>	<b>652</b>	<b>26,948</b>
<b>Total funds</b>	<b>211,687</b>	<b>25,479</b>	<b>(17,930)</b>	<b>-</b>	<b>(1,677)</b>	<b>217,559</b>

\* Incoming resources comprise donations in the year and realised returns on accumulated balances.

\*\*Transfers include £4,425k and £1,156k released to unrestricted and restricted funds respectively in accordance with the College's total return policy and £910k added to expendable endowment for the 2017/18 capital repayment on the Northgate House loan.

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**18 FUNDS OF THE COLLEGE DETAILS**

The following is a summary of the origins and purposes of each of the Funds. Only funds which have a capital value in excess of £675,000 are separately identified.

**Endowment funds - Permanent:**

Bursary and hardship funds	A consolidation of gifts, donations and bequests where income, but not capital, can be used for student support, hardship or bursaries.
Cultural sporting and travel funds: P.W. Dodd Fund	Capital consisting of the residue of the estate of P.W. Dodd (decd. 1931), where related income, but not the original capital, can be used to assist undergraduates to travel abroad for "general broadening of the mind" rather than formal study.
Other cultural sporting and travel	A consolidation of gifts, donations and bequests where income, but not capital, can be used for cultural, sporting and travel purposes.
General purposes: Old Estate inc. Leoline Jenkins	A consolidation of donations, gifts and bequests forming the original endowment together with monies left in the will of Sir Leoline Jenkins dated 12 June 1685, former Principal, which brought together his estate and monies given or bequeathed to him by Francis Mansell, former Principal, and Doctor William Basset, which together are collectively referred to as the Old Estate. The income only can be used for the general purposes of the College.
Meyricke Endowment	A bequest made by Edmund Meyricke, a former Fellow, in 1713 under which the income, but not the capital, can be used for the general purposes of the College.
Other general purposes	A consolidation of gifts, donations and bequests where income, but not capital, can be used for the general purposes of the College.
Building & infrastructure (A E Stevens)	A gift to the College under a Deed of Appointment dated 25 June 1975 under which the income, but not the capital, shall be applied to improvement and extension of the functional buildings of the College.
Other specific endowments	A consolidation of gifts, donations and bequests where income, but not capital, can be used for the various specific purposes of the College.
Scholarships, prizes & award funds	A consolidation of gifts, donations and bequests where income, but not capital, can be used for the provision of scholarships, prizes and awards.
Teaching & research funds: Zeitlyn	The College was the residuary beneficiary of the will of Myrtle Henriette Zeitlyn (24 July 1997). Income but not the capital can be used to support three Fellowships in perpetuity: Law, French and Medicine. On 16 April 2010 it was agreed that one of the Fellowships endowed be changed from Law to Modern History.
Other teaching & research funds	A consolidation of gifts, donations and bequests where income, but not capital, can be used for teaching and research purposes.

**Endowment funds - Expendable:**

Northgate House	In December 2001 the College purchased 13-21 Cornmarket St (Northgate House) funded in part by the proceeds from a compulsory purchase and in part by a mortgage funded out of income from the property and endowment. Capital repayments of the mortgage are added to the endowment. Income and capital arising from the property is to be used for the general purposes of the College.
W & M Elton Davies Fund	A bequest made by WM & M Elton Davies for the establishment of a fund to support bursaries for undergraduates.
John Walsh History Fellowship	A consolidation of gifts, donations and bequests where income can be used for teaching and research purposes.
H Morag English Fellowship	English Fellowship supported by Victor Wood, named in memory of his wife.
Hoffmann Medical Graduate Studentship	The donation from Andre Hoffmann attracted matched funding from the Oxford Graduate Scholarships Matched Fund. Together, they cover tuition fees, college fees and living costs for medical students.
J Bounden Endowment Fund	Legacy from John Bounden available for the general purposes of the College.
Shreder Endowment Fund	Legacy from PGS Shreder available for the general purposes of the College.
Welsh Access & Outreach Fund	Gift to fund the College's Access and Outreach activities.
Other specific funds	A consolidation of gifts, donations and a bequest, where income can be used for teaching and research or, with one fund, the general purposes of the College.

**Restricted funds:**

Ship Street Centre Fund	Gifts and donations given to fund the conversion of the Ship Street Centre and to replace any monies borrowed from the endowment.
Cheng/Knight Dragon	In February 2017, the College received a pledge of £15m from Dr Cheng through his company, Knight Dragon, for the re-development of Northgate House.

**Designated funds:**

Designated: Fixed asset	Unrestricted funds which are represented by the fixed assets of the College, excluding assets in the course of construction, and therefore not available for expenditure on the College's general purposes.
Designated: Annual Fund	Unrestricted donations to the Development Fund allocated by the Fellows for disbursement in the year following donation for both new projects and existing areas of expenditure.
Designated: Other	Unrestricted funds allocated by the Fellows for academic purposes, art and heritage, the running of Chapel and for the upkeep and maintenance of College properties.

The general unrestricted funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

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**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
Tangible fixed assets	30,753	-	-	<b>30,753</b>
Property investments	36,165	-	17,530	<b>53,695</b>
Securities and other investments	-	-	143,275	<b>143,275</b>
Net current assets / (liabilities)	995	14,756	15,050	<b>30,801</b>
Defined benefit pension scheme liability	(2,449)	-	-	<b>(2,449)</b>
Creditors falling due after one year	(38,516)	-	-	<b>(38,516)</b>
	<u>26,948</u>	<u>14,756</u>	<u>175,855</u>	<u><b>217,559</b></u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	10,261	-	-	10,261
Property investments	34,665	-	46,430	81,095
Securities and other investments	-	-	136,322	136,322
Net current assets / (liabilities)	24,330	3,415	(3,021)	24,724
Defined benefit pension scheme liability	(1,244)	-	-	(1,244)
Long term liabilities	(39,471)	-	-	(39,471)
	<u>28,541</u>	<u>3,415</u>	<u>179,731</u>	<u>211,687</u>

Property investments in endowment have reduced following the transfer of the Northgate site to assets in the course of construction for its redevelopment. On completion, the retail part of the development will be transferred back to property investments within endowment funds.

**20 TRUSTEES' REMUNERATION**

The Trustees of the College comprise the Governing Body, primarily Fellows who are teaching and research employees of the College and who sit on Governing Body by virtue of their employment.

No Trustee receives any remuneration for acting as a trustee. However, those Trustees who are also employees of the College receive salaries for their work as employees. These salaries are based on external scales and often are joint arrangements with the University of Oxford, although they may be supplemented by specific College allowances, as explained below.

In order to avoid conflicts of interest, recommendations concerning remuneration, both of individual Fellows and in general, are made by an independent Remuneration Committee, the membership of which agreed by the Governing Body and includes a non-remunerated Fellow, a retired Estates Bursar from another College, and three Old Members of the College.

Trustees of the College fall into the following categories:

- Professorial Fellows;
- Tutorial fellows both CUF and UL; and
- College officers

During the year seven Trustees, being the Principal, Academic Director, Estates Bursar, Development Director, Director of Accommodation Catering and Conferences, Human Resources Director and Property Director, worked on management and fundraising. All were full time with the exception of the Estates Bursar, who worked on a 50% presence, and the Human resources Director, who for part of the year worked on an 80% presence. These Trustees comprise the key management personnel and their cost for the year, including employer's pension and National Insurance, was £783k (2017/18: £694k).

Some Trustees, particularly Tutorial Fellows, are eligible to participate in the College's joint equity scheme - see Note 28.

Trustees receive additional allowances where they perform specific roles within College. These amounts are included in the remuneration figures below. The total remuneration and taxable benefits as shown below is £2,061k (2017/18: £1,773k), which includes employer pension contributions of £301k (2017/18: £257k).

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**Remuneration paid to trustees**

Range	2018/19		2017/18	
	Number of Trustees/ Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/ Fellows	Gross remuneration, taxable benefits and pension contributions £
£0	1	-	1	-
£1 - £999	10	6,058	8	5,057
£3000 - £3999	-	-	1	3,455
£10000 - £10999	-	-	1	10,560
£13000 - £13999	-	-	1	13,914
£16000 - £16999	1	16,470	-	-
£17000 - £17999	-	-	1	17,172
£21000 - £21999	1	21,780	1	21,044
£22000 - £22999	1	22,293	1	22,322
£23000 - £23999	-	-	1	23,194
£24000 - £24999	-	-	2	49,484
£25000 - £25999	-	-	1	25,711
£26000 - £26999	-	-	10	265,601
£27000 - £27999	-	-	3	82,330
£28000 - £28999	-	-	1	28,189
£29000 - £29999	2	59,029	-	-
£31000 - £31999	1	31,327	1	31,867
£32000 - £32999	6	194,545	-	-
£33000 - £33999	8	265,392	-	-
£34000 - £34999	4	137,201	-	-
£35000 - £35999	1	35,870	-	-
£36000 - £36999	-	-	1	36,341
£40000 - £40999	1	40,713	-	-
£43000 - £43999	-	-	1	43,908
£45000 - £45999	-	-	1	45,814
£47000 - £47999	1	47,589	-	-
£49000 - £49999	-	-	1	49,049
£51000 - £51999	-	-	1	51,682
£56000 - £56999	-	-	1	56,480
£58000 - £58999	1	58,592	4	233,890
£59000 - £59999	-	-	2	118,427
£61000 - £61999	1	61,058	-	-
£64000 - £64999	-	-	1	64,025
£65000 - £65999	3	196,949	-	-
£66000 - £66999	2	132,616	-	-
£67000 - £67999	1	67,886	-	-
£72000 - £72999	1	72,263	-	-
£81000 - £81999	1	81,926	-	-
£86000 - £86999	-	-	3	259,267
£87000 - £87999	1	87,684	-	-
£88000 - £88999	1	88,120	1	88,391
£94000 - £94999	1	94,312	-	-
£106000 - £106999	1	106,137	-	-
£125000 - £125999	-	-	1	125,771
£134000 - £134999	1	134,852	-	-
<b>Total</b>	<b>53</b>	<b>2,060,662</b>	<b>52</b>	<b>1,772,946</b>

All trustees, together with other senior employees, are eligible for private health insurance as part of their remuneration package. All trustees may eat at common table, as can all other employees who are entitled to meals while working.

**Trustee expenses**

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £5.7k (2017/18: £4.8k) was reimbursed to 13 (2017/18: 8) of the Trustees in relation to oversight of College investments or for attending other College business or conferences.

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**21 PENSION SCHEMES**

The College participates in two principal pension schemes, the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. The USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefits basis, based on length of service and pensionable salary and on a deferred contribution basis, based on contributions into the scheme). Both are multi-employer schemes and so, because the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis, in accordance with the accounting standard FRS 102, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities 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.

In addition to its two main pension schemes, the College contributes to the Church of England Funded Pension Scheme (CEPS) for stipendiary clergy, another multi-employer scheme, and the National Employment Savings Trust (NEST) for non-employees who are eligible under automatic enrolment regulations to pension benefits.

**Actuarial valuations**

Qualified actuaries periodically value the USS and OSPS schemes using the 'projected unit method'. 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, the assumptions which have the most significant effect on these valuations, and the determination of the contribution levels are shown in the following table.

	USS	OSPS
Date of valuation:	31/03/2017	31/03/2016
Date valuation results published:	28/01/2019	28/04/2017
Value of liabilities:	£67.5bn	£661m
Value of assets:	£60.0bn	£528m
Funding surplus / (deficit):	(£7.5bn) <sup>a</sup>	(£133m) <sup>b</sup>
Principal assumptions:		
• Investment return	CPI - 0.53% to CPI - 1.32%pa <sup>c</sup>	-
• Rate of interest (periods up to and after retirement)	-	'Gilts' + 1.2%pa
• Rate of increase in salaries	CPI + 2%pa <sup>d</sup>	'RPI + 1%pa
• Rate of increase in pensions	CPI pa <sup>d</sup>	Avg RPI/CPI pa
Mortality assumptions:		
• Assumed life expectancy at age 65 (males)	24.5 yrs	22.4 yrs
• Assumed life expectancy at age 65 (females)	26.0 yrs	24.7 yrs
Funding ratios:		
• Technical provisions basis	89%	80%
• Statutory Pension Protection Fund basis	72%	67%
• 'Buy-out' basis	48%	42%
• Estimated FRS 102 Total Funding level	77%	82%
Recommended employer's contribution rate (as % of pensionable salaries):	18% increasing to 24.2% by 01/04/20	19% from 01/08/2017 <sup>f</sup>
Effective date of next valuation:	31/03/2018	31/03/2019

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a. USS's actuarial valuation as at 31 March 2017 reflects the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation. Key changes include: for Final Salary section members, benefits built up to 31 March 2016 were calculated using pensionable salary and service immediately prior to that date; going forwards they will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary for each year of service up to a salary threshold, initially £55,000 p.a., effective from 1 October 2016; member contributions were 8% of salary but are increasing in stages from 1 April 2019 to a level of 11.7% from 1 April 2020; and a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold. Further details about the benefits may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). After allowing for those changes, the actuary established an employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2019, 19.5% from 1 April to 30 September 2019, 22.5% from 1 October 2019 to 31 March 2020 and a long-term rate of 24.2%. On the assumptions made and with the salary threshold and defined contribution section implemented, this gives rise to deficit contributions of at least 5% p.a. of salaries from 1 April 2020. At 31 March 2019 USS reported that the estimated funding deficit was £5.7bn (92% funded).

b. The USS' actuary has assumed that the investment return is CPI – 0.53% in year 1, decreasing linearly to CPI – 1.32% over 10 years, CPI + 2.56% from year 11 reducing linearly to CPI + 1.7% by year 21, thereafter remaining at CPI + 1.7%.

c. The USS' actuary has assumed that general pay growth will be CPI + 2% in year 1, CPI + 2% in year 2 and thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a. less an inflation risk premium) less RPI/CPI gap of 1.0%p.a.

d. The total USS employer contributions of 18% of salaries include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits, including employer matching contributions and certain investment management costs relating to the DC section. The 2017 actuarial valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

e. Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 30. As at 31 July 2019, using the discount rate of 1.60% relevant to the length of the new scheme, and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £1,024k, a decrease of £692k from the current year end provision.

f. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133m. The valuation results reflect a number of changes to benefits that were agreed following an employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI; from 1 October 2017 a defined contribution section for new entrants; and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

g. The OSPS employer contribution rate required for future service benefits in the defined benefit section alone has been 17.3% since 1 April 2018 or 19% for both defined benefits members and defined contributions members who joined on or after 1 October 2017. Part of the contribution for defined contribution members is paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

**Sensitivity of actuarial valuation assumptions**

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

Assumption	USS Change in assumption	Impact on USS liabilities
Initial discount rate	Increase / reduce by 0.25%	Decrease / increase by £3.3bn
Asset values	reduce by 10%	increase by £6.0bn
RPI inflation	Increase / reduce by 0.25%	Increase / decrease by £3.3bn
Rate of mortality	More prudent (mortality used at last valuation, rated down by a further year)	Increase by £1.6bn

Assumption	OSPS Change in assumption	Impact on OSPS technical provisions (from 80% funded at 31/03/2016)
Valuation rate of interest	Decrease by 1.0%	68%
Rate of pension increases	Increase by 1.0%	69%
Life expectancy	More prudent (life expectancy increases by 3 years)	72%

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**Deficit recovery plans**

The College has entered into agreements for both schemes that determine how each employer within the scheme will fund the scheme deficits. A liability is recognised for the discounted value of the expected future contributions under these past service deficit funding agreements, with changes to these liabilities being recognised as an expense in the periods in which the changes occur. The principal assumptions used in these calculations are tabled below:

Assumption	OSPS	USS
Finish date for deficit recovery plan	30/06/2027	30/06/2034
Average staff number increase	0%	0%
Average staff salary increase	2%	2%
Average discount rate over period	1.25%	1.6%
Effect of 0.5% change in discount rate	£16k	£69k
Effect of 1% change in staff growth	£56k	£150k

At 31 July 2019, a provision of £1,716k (2017/18: £502k) and a provision of £715k (2017/18: £718k) have been made for USS and OSPS respectively for the present value of the estimated future deficit funding element of the contributions payable under these agreements. In determining the level of this provision, it has been assumed that the College will continue to have a constant level of employee participation and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

The most recent valuation in respect of the CEPS was at 31 December 2015 and revealed a deficit of £236m, based on assets of £1.3bn and liabilities of £1.5bn. Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025. Consequently, the College was making deficit repair contributions of 14.1%, which reduced to 11.9% with effect from January 2018. At 31 July 2019, a provision of £19k has been made (2017/18: £24k). A valuation at 31 December 2018 is currently under way, but the results of this are yet to be determined.

**Pension charge for the year**

The pension charge recorded by the College for the year, excluding finance costs of £25k (2017/18: £22k), comprises current contributions payable of £690k (2017/18: £620k), plus deficit adjustments of £1,181k (2017/18: £91k reduction). The charge for OSPS includes £43k (2017/18: £5k) payable to its defined contribution section.

Scheme	2018/19 £'000	2017/18 £'000
Universities Superannuation Scheme	1,656	290
University of Oxford Staff Pension Scheme	214	229
Other schemes - contributions	1	10
<b>Total pension charge for the year</b>	<b>1,871</b>	<b>529</b>

The pension provision has increased by adjustments of £1,181k, comprising deficit increases of £1,235k and £6k respectively for USS and OSPS, and a deficit decrease of £2k for CEPS (2017/18: decrease of £14k and £30k respectively for USS and OSPS, and £4k increase for CEPS); less pension deficit contributions of £32k, £23k and £3k (2017/18: £40k, £8k and £3k) for USS, OSPS and CEPS.

Other creditors at year end include pension contributions payable of £110.6k for USS and OSPS (2017/18: £48k for USS).

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant website: [www.uss.co.uk](http://www.uss.co.uk), <https://finance.admin.ox.ac.uk/osps>.

**22 TAXATION**

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly, no provision for taxation has been included in the financial statements.

**Jesus College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2019**

**23 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS**

	<b>2018/19</b>	2017/18
	<b>Group</b>	Group
	<b>£'000</b>	£'000
<b>Net income</b>	<b>5,872</b>	2,000
Reversal of non-operating cash flows:		
Investment income	<b>(3,867)</b>	(5,004)
(Losses)/Gains in investments	<b>1,677</b>	(1,924)
Endowment donations	<b>(1,006)</b>	(1,671)
Depreciation	<b>920</b>	962
Financing costs	<b>1,726</b>	1,626
Increase in stock	<b>(16)</b>	(2)
(Increase)/Decrease in debtors	<b>(5,941)</b>	257
Decrease in creditors	<b>(1,046)</b>	(1,012)
Increase/(Decrease) in pension scheme liability	<b>1,205</b>	(68)
<b>Net cash used in operating activities</b>	<b>(476)</b>	<b>(4,836)</b>

**24 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018/19</b>	2017/18
	<b>£'000</b>	£'000
Cash and cash equivalents	<b>1,958</b>	562
Deposits and other short term investments	<b>22,976</b>	25,780
<b>Total cash and current asset investments</b>	<b>24,934</b>	<b>26,342</b>

Deposits and short-term investments relate to funds raised from the private placement and invested in a third party cash management fund which has 48 hour access.

**25 FINANCIAL INSTRUMENTS**

The College and Group's value of financial instruments are summarised below:

<b>Group and College</b>	<b>Group</b>		<b>College</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Financial assets measured at fair value through profit or loss	<b>143,275</b>	136,322	<b>143,275</b>	136,322
Financial liabilities measured at fair value through profit or loss	<b>2,449</b>	1,244	<b>2,449</b>	1,244
Financial assets measured at amortised cost	<b>33,640</b>	28,405	<b>34,484</b>	28,689
Financial liabilities measured at amortised cost	<b>41,123</b>	42,127	<b>41,591</b>	42,237

The College and Group's income, expenses, gains and losses in respect of financial instruments are summarised below:

<b>Interest income and expense:</b>	<b>Group</b>		<b>College</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Total interest income for financial assets held at amortised cost	<b>453</b>	123	<b>453</b>	123
Total interest expense for financial liabilities held at amortised cost	<b>1,526</b>	1,546	<b>1,526</b>	1,546

Financial assets measured at amortised cost comprise cash and cash equivalents, deposits and other short-term investments, fees receivable, trade debtors, amounts owed by group undertakings and other debtors excluding prepayments. Financial assets measured at fair value relate to listed investments.

Financial liabilities measured at amortised cost comprise bank loans and overdraft, other loans, trade creditors, other creditors, and accruals excluding deferred income. Financial liabilities measured at fair value relate to the pension liability.

**Jesus College**  
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**For the year ended 31 July 2019**

**26 FINANCIAL COMMITMENTS**

At 31 July the College had future minimum lease payments made under non-cancellable leases as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Non-cancellable operating lease commitments</b>		
Less than one year	<b>254</b>	220
After one year and less than five years	<b>1,016</b>	1,024
After five years	<b>4,468</b>	4,769
	<b><u>5,738</u></b>	<u>6,013</u>
<b>Non-cancellable operating lease rentals receivable</b>		
Less than one year	<b>1,616</b>	2,282
After one year and less than five years	<b>3,746</b>	4,809
After five years	<b>1,357</b>	2,045
	<b><u>6,719</u></b>	<u>9,136</u>

The above commitments consist of leases that the College holds with Oxford City Council which expire in 2041 and 2043, the rent for which is reviewed every five years.

The lease rentals receivable relates to rent income receivable from the College's investment properties. The amounts receivable are limited to the next rent review date for agricultural properties or the earlier of the lease end date or break clause date for other properties.

**27 OTHER COMMITMENTS**

The College had contracted commitments for projects of £29.6m at 31 July 2019 (2018: £278k). This includes £29.2m for the redevelopment of the Northgate site.

**28 RELATED PARTY TRANSACTIONS**

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102.

Members of the Governing Body, who are the Trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed in Note 20 in these financial statements.

The number of loans outstanding at 31 July with the balances in the following bands were as follows:

	<b>2019</b>	2018
£1 - £10,000	<b><u>1</u></b>	<u>1</u>
	<b>1</b>	1

Interest is charged on the above loan at 2.50% per annum. The loan is repayable within one year or on the departure of the Trustee from the College, if earlier.

The College has properties which are owned jointly with trustees under joint equity ownership agreements between the trustee and the College. The carrying value of the College's share was as follows:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Dr S. Aspden	<b>150</b>	156
Dr P. Kewes	<b>62</b>	64
Dr J. Oliver	<b>213</b>	220
Dr S. Morris	<b>151</b>	157
Total net book value of properties owned jointly with trustees	<b><u>576</u></b>	<u>597</u>

All joint equity properties are subject to sale on the departure of the trustee from the College. During the year, there were no transactions that affected the capital value of the College's share on these properties.

**29 CONTINGENT LIABILITIES**

There are no material contingent liabilities at the balance sheet date (2018: £nil).

**30 POST BALANCE SHEET EVENTS**

As set out in Note 21, a new Schedule of Contributions for the USS pension scheme based on the 2018 actuarial valuation was agreed in October 2019. Assuming no change to any other assumptions, this would have resulted in a decrease of £692k in the provision for the obligation to fund the deficit on the USS pension, which would instead be £1,024k. Any adjustment arising from the adoption of the 2018 valuation will be reflected in the College's Financial Statements for the year ending 31 July 2020.