



Saint John Baptist College in the University of Oxford

Annual Report and Financial Statements

Year ended 31 July 2019

Saint John Baptist College in the University of Oxford
Annual Report and Financial Statements
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Report of the Governing Body

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The College has been given a dispensation by the Charity Commission from publishing the names of its trustees.

The Governing Body is responsible for the direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the President and is advised by a range of committees, which include the Educational Policy, Finance, Estates, Equality and Remuneration Committees.

COLLEGE ADVISERS

Investment managers and advisers

Cazenove Capital Management Limited
12 Moorgate
London, EC2R 6DA

Edgewood Management LLC
350 Park Avenue
New York, NY 10022
USA

Stewart Investors
23 St Andrew Square,
Edinburgh, EH2 1BB

LGT Capital Partners Ltd.
Schuetzenstrasse 6, P.O. Box
8808 Pfaeffikon,
Switzerland

Investment property managers

Savills (L&P) Limited
Wytham Court
11 West Way
Botley
Oxford

OLIM Property Limited
Pollen House
10-12 Cork Street
LONDON W1S 3NP

St Brides LLC
3 Stamford Landing
48 Southfield Avenue, Suite 100
Stamford, CT 06902
USA

Auditor

Alliotts
Friary Court
13-21 High Street
Guildford
Surrey, GU1 3DL

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Bankers

The Royal Bank of Scotland plc
Incorporating Child & Co, Bankers
1 Fleet Street
London, EC4Y 1BD

Solicitors

Knights
Midland House
West Way
Botley
Oxford
OX2 0PH

College address

St John's College
Oxford
OX1 3JP

Website

<http://www.sjc.ox.ac.uk/>

Main Contact

'The Principal Bursar' at the College address

Saint John Baptist College in the University of Oxford

Report of the Governing Body

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.

REFERENCE AND ADMINISTRATIVE INFORMATION

Saint John Baptist College in the University of Oxford, which is known as St John's College, ("the College") is an eleemosynary chartered charitable corporation aggregate. It was founded by Sir Thomas White under a Royal Patent of Foundation, dated 1 May 1555.

The College registered with the Charity Commission on 10 January 2011 (registered number 1139733).

The College has been given a dispensation by the Charity Commission from publishing the names of its Trustees.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Objects are to be "A perpetual college of learning sciences, sacred theology, philosophy and good arts", from the Latin: *collegium perpetuum eruditionis scientiarum sacre theologie et philosophie ac bonarum artium*.

The Governing Body has considered the Charity Commission's guidance on public benefit and in keeping with its objects, St John's College provides and conducts itself as a College of the University of Oxford for the benefit of the general public, in particular by carrying out teaching in the higher education sector and by supporting advanced study or research by its members and others. The College aims to foster excellence in education and research.

The aim set for the College's non-charitable subsidiaries is to provide support for the achievement of the College's aims as above. The annual donation from the Lamb and Flag (Oxford) Limited, which is made under the Gift Aid Scheme, is currently used to support Graduate Scholarships; the donation from Thomas White Properties Limited is used for the general purpose of the College.

Activities and objectives of the College

The College is committed to providing public benefit in accordance with its founding principles, by its educational work and its contribution to the enlargement of human knowledge through its support for research.

The College's activities are focused on furthering its stated objects and aims and can be identified as:

- education of undergraduate students and postgraduate students within the University of Oxford;
- provision of student accommodation, meals and facilities;
- provision of a library and an historical archive;
- provision of a range of grants available to all students and a number of fully funded graduate scholarships (undergraduates have access to the University-wide Oxford bursary and Oxford Opportunity Bursary Schemes);
- employment of Junior Research Fellows;
- provision of staff and facilities to carry out research projects in the St John's College Research Centre and elsewhere in the College or University;
- provision of financial support and facilities for research undertaken by the teaching and other fellows of the College;
- support for such other educational or research activities as shall be determined by the Trustees.

Most of the College's research support is directed to individuals selected on the basis of open competition.

As can be seen from the financial statements, the charitable activity of the College is heavily subsidised; income received in respect of carrying out charitable activities covers only 26% of the expenditure required to carry out those activities.

St John's College is committed to academic excellence, admitting students of the highest academic potential regardless of background and supporting them to succeed. We welcome diversity in our student body and are committed to supporting a balanced and inclusive community, regardless of gender, ethnic origin, disability, social, economic or educational background. People of lesser means are encouraged to benefit from the

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educational and research activities of the College and steps are taken to ensure that they are not excluded from these benefits. UK and EU students currently attend St John's College and the University of Oxford on the same financial terms as they would attend any English institution of Higher Education, with Student Loan Company loans available to cover undergraduate fees and maintenance. Students from low-income households may qualify for enhanced government loans or for the Oxford Bursary or Moritz-Heyman Scholarship schemes.

ACHIEVEMENTS AND PERFORMANCE

In the 2018/19 academic year, the college admitted 121 new undergraduate students and 81 new postgraduate students. In total there were 410 undergraduate students and 251 postgraduate students within the College. 191 degrees were awarded by the University to members of the College.

In the 2018/19 academic year, 76 undergraduates at St John's received either an Oxford Bursary or a Moritz-Heyman Scholarship, with 18 receiving the maximum level of support. The cost to St John's College of Oxford Bursaries in the year was £96k and St John's students received bursary support totalling £187k with the balance of the cost being met by the University of Oxford. The College also contributed to 64 full graduate scholarships at a cost to the College of £863k. A large number of students benefited from a range of academic, travel and sports grants. Details of the costs of these grants can be seen in note 7 of the Financial Statements.

The College offered a programme of access and outreach events and activities aimed at widening participation, raising aspirations, and offering academic enrichment opportunities for young people. The College also ran activities for teachers including Teachers' Inspire and a Teachers' Study Week.

During the 2018/19 academic year, the College conducted 123 access and outreach events, as well as participating in 10 UCAS Higher Education fairs. In addition to the pupils and prospective applicants with whom the College interacted at the annual University open days and UCAS fairs, the college engaged with over 3,200 pre-university students from 72 schools and sixth-form colleges. The College offered subject-specific study days in Classics, Theology, English, Archaeology and Anthropology, Geography, History, Maths, Medicine and Biomedical Sciences, and Modern Languages. The College additionally supported six events with the Brilliant Club, one event with Oxford Pathways involving seven schools, and one In2Science event, as well as various faculty events. The College also supports external access initiatives such as the 3-day Year 12 Lumina access event in Harrow.

The College's undergraduate Ambassador Scheme continued to play a central role in St John's access and outreach work. St John's currently has 106 student ambassadors and 13 graduate ambassadors who supported events throughout the year providing academic taster sessions, tours, and Q & A sessions.

The College's Post-GCSE Inspire programme this year recruited 134 Year 12 pupils from 15 state schools and 199 Year 11 pupils from 19 state schools in our linked regions onto its annual programmes which included digital learning, site visits and a summer school. The St John's digital platform, Inspire Digital, was made available, containing a broad spectrum of learning resources as well as specific admissions materials. During 2018/19, there were more than 11,000 visits from individuals in 57 countries around the world.

The College supported the work of 15 stipendiary Junior Research Fellows during the academic year 2018/19 and multiple research events were held within and supported by the College.

The new state-of-the-art Library and Study Centre was completed during the 2018/19 academic year and opened on 12 October 2019. This innovative carbon-neutral space transforms the College's library provision and doubles the available seats for readers and shelving space for the collections, along with providing study and seminar rooms, a passively controlled environment for the College's Special Collections, and spaces for collaborative learning. It is designed to complement the existing library and is situated on the main College site with a link to the historic library in Canterbury Quad.

The College nursery continued to provide high quality childcare in a small and caring setting for the children of students, academic and non-academic staff of the College and, where space permits, for children of other members or staff of the University of Oxford. During 2018/19 it was inspected by Ofsted and rated 'Outstanding' across the board.

FUTURE PLANS

The College was established "in perpetuity" when it was founded in 1555. It will continue its support of access to higher education and its core activities of teaching undergraduate students, supporting graduate teaching

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and research, through a variety of scholarships and other mechanisms; and of supporting the advanced study and research of its Fellows, Lecturers and other senior members. The College will also continue its support for visiting scholars, at all levels of seniority, from other institutions.

The College will launch an Inspire programme for 400 Pre-GCSE pupils in Autumn 2019 which will mirror that of the currently running post-GCSE programme, supported by generous donations from our alumni community.

Further works to the existing library will enhance the environmental performance of the old buildings, make improvements to lighting, security and seating and make all areas of the building fully accessible to wheelchair users via the new lift in the Study Centre building.

FINANCIAL REVIEW

A summary of the College's financial activities is as follows:

	2019	2018
	£'000	£'000
Summary of Consolidated College Financial Activities		
Incoming College resources		
Resources from charitable activities	6,898	6,396
Unrestricted revenue legacies and donations	500	732
Restricted revenue legacies and donations	848	464
Trading income and other generation of funds	729	671
	<u>8,975</u>	<u>8,263</u>
Funding from the College Endowment		
Investment income and interest	17,447	16,160
Capital gains	600	1,650
Capital gains used to fund restricted and designated activity	99	173
	<u>18,146</u>	<u>17,983</u>
Total incoming resource	<u>27,121</u>	<u>26,246</u>
College expenditure		
General teaching and research	25,893	24,224
Non-cash pension costs	2,443	510
Total teaching and research	<u>28,336</u>	<u>24,734</u>
Public worship	95	84
Fundraising	613	558
Trading and sundry expenditure	597	588
	<u>29,641</u>	<u>25,964</u>
Net College Revenue	<u>(2,520)</u>	<u>282</u>
Actuarial (loss)/gain on pension asset	<u>(2,310)</u>	<u>1,765</u>
Summary of Endowment Movements		
Opening Endowments	551,546	525,775
Investment gains	33,911	44,201
New Endowments	87	939
Endowment costs	(6,388)	(6,096)
Gains used to fund operating activity	(600)	(1,650)
Gains on restricted and designated endowments used to fund operating activity	(99)	(173)
Gains used to fund fixed assets	<u>(5,000)</u>	<u>(11,450)</u>
Closing Endowments	<u>573,457</u>	<u>551,546</u>

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Incoming resources from charitable activities were £6.9 million (2018: £6.4 million). Within this figure fee income and other student tuition related income was £2.9 million (2018: £2.9 million). Funds received from Oxford University under the College Funding Formula scheme, net of college fees received directly, were £2.019 million. The College therefore continues to rely heavily on income generated by its endowment funds.

£17.4 million of investment income is recognised within the Statement of Financial Activities, £5.6 million has been transferred to undesignated, unrestricted funds from endowment gains, a further £99k has been transferred to restricted reserves from gains on endowments restricted to specific purposes and £1.4 million restricted funding for the new Library and Study Centre has been released from restricted reserves. Gains are reported on both the property and other investments of the Group, £7.4 million and £26.2 million respectively. The College also reports donations of £1.4 million, including £87k new endowments. Total funds of the College at 31 July 2019 were £635.5 million. Consolidated total funds were £653.7 million.

The total funding from the College endowments to support operating activities was £18.1 million which represents 3.3% of the opening value of endowments. Including increased funding of fixed assets, this increases to £23.1 million drawn from endowments, being 4.2% of opening endowments. Considering only the unrestricted General Endowment Fund these percentages are 3.4% and 4.3% respectively.

The total value of consolidated College endowments at the year end was £573 million of which £532 million is held in the General Endowment Fund. After taking account of the long term loan secured on fixed assets but serviced by endowment returns, these figures would be £538 million and £497 million respectively.

The College has continued its academic and research activity, at a total cost of £28.3 million. This figure includes the cost of teaching and academic facilities, of providing student accommodation and of supporting research. It includes £1.47 million of bursaries, studentships, scholarships, hardship grants and other awards made to students, in addition to facilities and resources provided directly. As described in note 20 to the accounts, staff costs include £2.9m relating to the USS pension scheme following its 2017 valuation, compared to actual contributions of £801k. The 2018 valuation was finalised after the year end and would have reduced the USS pension charge within staff costs to £1.6 million.

The previous College Contributions Scheme ended in 2017, but principles were agreed on 15 July 2019 for a Scheme 7. This scheme includes total payments of £3 million for 2018/19 and £424k has therefore been provided in the accounts.

The principal financial risk faced by the College is that the College endowment might no longer support academic activities, so the draw on capital would become unacceptably high. This risk is managed through robust investment management and ongoing review of financial activities as described under "Financial Review".

Reserves policy

The College's reserves policy is to maintain sufficient free reserves

- (i) to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall;
- (ii) to allow the College to be managed efficiently;
- (iii) to provide a buffer that would ensure uninterrupted services.

In assessing the level of the College's on-going activities and the support provided for different types of education and research, the Governing Body considers both current academic need and the financial environment in which the College operates (the health of the endowment, the gains which have been achieved on it in recent years and the return which can reasonably be expected from it over the medium term while also ensuring that the value of the capital in real terms is not diminished). The Governing Body will then manage the reserves of the College so as to support this level of charitable activity.

The Governing Body has reviewed the reserves of the College and has concluded that a general reserve of around one month's expenditure before depreciation, and excluding investment in fixed assets and the pension scheme, should be maintained for these purposes. A £5.6 million transfer has been made from endowments to the income and expenditure account to maintain these reserves. This transfer was funded out of investment gains on the unrestricted endowments. As shown above, £0.6 million of this transfer can be seen as funding the operating activities of the College with the remainder funding increased investment in fixed assets, primarily the library and study centre currently under construction. Further transfers of £99k have been made from investment gains on endowments originally given for restricted purposes or held for designated purposes to fund activity in pursuit of those purposes.

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The College's undesignated free reserves at the year-end amounted to £2.5 million (2018: £2.3million), representing retained unrestricted income reserves, excluding amounts of £71.4 million for the book value of fixed assets less long-term funding arrangements.

Investment policy, objectives and performance

The College's investment objectives are to balance current and future beneficiary needs by:

- Maintaining and if possible increasing the value of the investments in real terms;
- Producing a consistent and sustainable amount to support expenditure; and
- Delivering these objectives within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. Investment income is credited to unrestricted funds in the Statement of Financial Activities unless it arises from assets in a restricted or endowment fund where the donor has placed restrictions on the use of that income, in which case it will be credited to restricted funds.

Because the College's investment activity is conducted with a view to total return, it is expected that the College's activity will normally be funded by gains as well as by income, with transfers being made between the expendable endowment funds and the revenue funds as necessary to maintain the real value of the investments and support the College's current activity. The Governing Body keeps the level of transfers under review, to balance the needs and interests of current and future beneficiaries of the College's activities.

The investment strategy, policy and performance are monitored by the Investment Committee. At the year-end, consolidated long term investments, combining the securities and property investments, totalled £614 million, of which £296 million was property and £318 million, was other investments. A more detailed breakdown of the College's investments can be seen in notes 10 and 11 to the accounts.

The Governing Body assesses investment performance against the investment objectives over a rolling five-year period and believes results have been consistent with the College's objectives over this period. For 2018/19, gains on property investments were £7.4 million and gains on securities and other investments were £26.2 million.

The College's largest investment adviser, Cazenove operate a programme of socially responsible engagement with the management of companies in which they invest and the College takes account of advice from its investment and property managers about the social and ethical dimensions of its investment holdings.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Letters Patents of 1555 and its Statutes, which were most recently revised on 10 July 2012. These documents can be found on the College website (<https://www.sjc.ox.ac.uk/discover/about-college/legal/statutes/>).

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Bishop of Winchester. Nearly all members of Governing Body became members on the basis of an appointment to a substantive or titular academic post at the University of Oxford.

New members of the Governing Body are elected on the basis of an appointment process in which an expert selection committee makes a recommendation to the Governing Body. The committee always takes external advice and, in the large majority of cases, there are one or more external members of the selection committee. The formal appointment is a decision of the Governing Body acting as a whole. For the appointment of a new President, the Governing Body conducts the selection process directly itself.

The Governing Body determines the on-going 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 President and is advised by various committees. The President is *ex officio* chairman of all committees.

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Recruitment and training of Members of the Governing Body

New members of the Governing Body are normally recruited in response to an advertised academic position, as a result of which the University of Oxford and the College become joint employers of the person appointed. The chief exception to joint appointment relates to certain individuals who hold Statutory Professorships at the University of Oxford in conjunction with a Professorial Fellowship at St John's College. All members of Governing Body during the year were therefore working teachers and researchers at the University of Oxford, with the exception of the Finance Bursar and the Director of Development and Alumni Relations. The University and Colleges organise a variety of induction processes for new appointees, which cover a very wide range of the duties that they will undertake. All newly appointed Fellows are given guidance on how to access the official documentation of the College. There is an internal memorandum about College procedures and the rights and responsibilities of members of Governing Body.

Members of the Governing Body are provided with advice from the President and other College Officers (for example, Senior Tutor, Principal Bursar, Estates Bursar, Finance Bursar, Senior Dean) to keep them informed on current issues in the higher education sector and on regulatory requirements. These individuals receive advice directly from professional sources or through the University and inter-collegiate bodies (the Conference of Colleges and its various Committees), which exist to promote communication on academic, governance and regulatory issues.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body are teaching and research employees of the College with the exception of the Finance Bursar and the Director of Development and Alumni Relations who are full time professional employees. No trustee receives any remuneration or benefits from their trusteeship of the College. Those trustees who are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, composed entirely of external members. Where possible, remuneration is set in line with that awarded to the University's academic staff.

Organisational management

The Governing Body is scheduled to meet 13 times a year. All major decisions about the running of the College require the authority of the Governing Body. Certain operational matters are delegated to appointed college officers (for example, Senior Tutor, Principal Bursar, Estates Bursar, Finance Bursar, Senior Dean), who are members of the Governing Body and accountable to it. The college bylaws can be found on the College website (<https://www.sjc.ox.ac.uk/discover/about-college/legal/statutes/>).

Equality and Diversity

The Governing Body has due regard for the Public Sector Equality Duty. The Equality Committee of the College, which has representation from all members of the College (students, academic and non-academic staff), leads a proactive approach to eliminating discrimination, advancing equal opportunities and fostering good relations in the College. This committee reports directly to the Governing Body. The Governing Body appoints a Fellow for Equality who oversees the implementation of matters relating to Equality, as well as a Fellow for Women and a Fellow for Ethnic Minorities. The Fellow for Equality is also the Disability Lead for the College. The College's Equality Policy, Public Sector Equality Duty Policy, Harassment Policy and annual Equality Report can be found at <https://www.sjc.ox.ac.uk/discover/about-college/legal/college-policies/>.

Group structure and relationships

The College has five wholly owned non-charitable subsidiaries, The Lamb and Flag (Oxford) Limited, Thomas White Properties Limited, Thomas White Oxford Limited, Peartree Oxford Limited and Bainton Road Nursery Limited, whose annual profits are donated to the College under the Gift Aid Scheme. It has two additional wholly owned US subsidiaries.

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.

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Risk management

The College has on-going processes which operated through-out the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committees, chaired by the President. Financial and investment risks are assessed by the Finance Committee in conjunction with its Investment Sub-Committee. Recommendations of the committees are presented to Governing Body for their approval or rejection. Senior members of the college staff meet regularly with the Safety Officer or one of the Bursars to review health and safety issues. 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, has given consideration to the major risks to which the College and its subsidiaries are exposed and has concluded that robust systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

Fundraising

Fundraising is carried out by a small team of College employees, led by the Director of Fundraising and Alumni Relations. The College does not use external professional fundraisers or involve commercial participators. During the 2018/19 financial year there were no complaints about fundraising activities. The College has signed up to the Fundraising Regulator's Code of Fundraising Practice.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body 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. Under that law the Governing Body have prepared the financial statements in accordance 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 income or expenditure 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.
- 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 6 November 2019 and signed on its behalf by:

Professor M. Snowling
President

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Independent Auditor's Report to the Members of the Governing Body of St John's College, Oxford

Opinion

We have audited the financial statements of St John's College Oxford (the "Charity") for the year ended 31 July 2019 which comprise the Consolidated Statements of Financial Activities, the Consolidated and College Balance Sheets, the Cash Flow and the related notes, 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 and parent Charity's affairs as at 31 July 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 and parent Charity 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 College's Governing Body use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the College's Governing Body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and parent Charity'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 College's Governing Body is 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, except to the extent otherwise explicitly stated in our report, 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

In the light of the knowledge and understanding of the group and parent Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body.

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Independent Auditor's Report to the Members of the Governing Body of St John's College, Oxford (continued)

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the College's Governing Body 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 they 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 College's Governing Body are responsible for assessing the group and 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 College's Governing Body either intend to liquidate the group and parent Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the College's Governing Body in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's Governing Body 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 College's Governing Body, for our audit work, for this report, or for the opinions we have formed.

Alliotts

Statutory Auditor
Friary Court
13 – 21 High Street
Guildford
Surrey GU13DL

Date: 6 November 2019

Alliotts 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.

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 for the College and its wholly owned subsidiaries. The subsidiaries have been consolidated from the date of their formation. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and each of its subsidiaries for the reporting year are 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. The College has therefore 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 investments and certain financial assets and liabilities at fair value 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 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 judgements and estimates considered by the Governing Body to have the most significant effect on amounts recognised in the financial statements are explained in the following accounting policies, particularly policy 9, Investments.

4. Income recognition

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

a. Income from fees, HEFCE support and other charges for services

Fees receivable, less any scholarships, bursaries or other allowances granted from the College 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.

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity 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 and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants 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 following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

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Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are 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 in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

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

5. 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.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

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, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

6. Leases

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. 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.

7. Tangible fixed assets

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

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its

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Year ended 31 July 2019

intended use and amounting to more than £50,000 together with expenditure on equipment costing more than £50,000 is capitalised.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

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.

8. 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	[50 years]
Building improvements	[10 years]
Equipment	[5 years]

Freehold land is not depreciated. Assets under construction are not depreciated until they come into use. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

If events or changes in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured 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.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair 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 fund holding or disposing of the relevant investment.

10. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

11. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

12. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis. The majority of stock is consumables.

13. Foreign currencies

The functional and presentation currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting 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 SOFA.

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 set by the terms of an appeal. Endowment funds are further sub-divided 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 or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the College. Any income arising from the capital 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 three principal pension schemes for the College's staff are the Universities Superannuation Scheme (USS), the University of Oxford Staff Pension Scheme (OSPS) and the St John's College Staff Pension Fund (SJCSPF).

USS and OSPS are multi-employer defined benefit schemes where the share of the assets and liabilities applicable to each employer cannot be identified. The costs of retirement benefits provided to employees of the College through these schemes are accounted for as if they 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 balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The SJCSPF scheme is a defined benefit scheme and this scheme is accounted for using defined benefit accounting in accordance with the requirements of FRS 102.

St John's College
Consolidated Statement of Financial Activities
For the year ended 31 July 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		6,779	119	-	6,898	6,396
Public worship		-	-	-	-	-
Heritage		-	-	-	-	-
Other Trading Income	3	718	-	-	718	671
Donations and legacies	2	500	848	87	1,435	2,135
Investments						
Investment income	4	16,622	825	-	17,447	16,160
Profits/(losses) on disposal of fixed assets		-	-	-	-	-
Other income		11	-	-	11	1
Total income		24,630	1,792	87	26,509	25,363
EXPENDITURE ON:						
Charitable activities:	5					
Teaching, research and residential		27,325	1,011	-	28,336	24,734
Public worship		83	12	-	95	84
Generating funds:						
Fundraising		613	-	-	613	558
Trading expenditure		545	-	-	545	537
Investment management costs		-	52	6,388	6,440	6,147
Total Expenditure		28,566	1,075	6,388	36,029	32,060
Net gains/(losses) on investments	10, 11	-	-	33,911	33,911	44,201
Net Income/(Expenditure)		(3,936)	717	27,610	24,391	37,504
Transfers between funds	16	7,148	(1,449)	(5,699)	-	-
Other recognised gains/losses						
Actuarial gains/(losses) on defined benefit pension schemes		(2,310)	-	-	(2,310)	1,765
Net movement in funds for the year		902	(732)	21,911	22,081	39,269
Fund balances brought forward	16	72,846	7,223	551,546	631,615	592,346
Funds carried forward at 31 July		73,748	6,491	573,457	653,696	631,615

St John's College
Consolidated and College Balance Sheets
As at 31 July 2019

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
FIXED ASSETS					
Tangible assets	9	106,404	101,645	106,401	101,603
Property investments	10	296,087	259,315	216,802	183,295
Other Investments	11	318,051	328,232	380,093	388,404
Total Fixed Assets		720,542	689,192	703,296	673,302
CURRENT ASSETS					
Stocks		1,490	1,469	1,477	1,455
Debtors	13	4,320	3,789	4,719	4,948
Cash at bank and in hand		9,808	13,454	7,986	11,484
Total Current Assets		15,618	18,712	14,182	17,887
LIABILITIES					
Creditors: Amounts falling due within one year	14	5,902	4,480	5,371	3,711
NET CURRENT ASSETS/(LIABILITIES)		9,716	14,232	8,811	14,176
TOTAL ASSETS LESS CURRENT LIABILITIES		730,258	703,424	712,107	687,478
CREDITORS: falling due after more than one year	15	75,000	75,000	75,000	75,000
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		655,258	628,424	637,107	612,478
Defined benefit pension scheme asset/(liability)	20	(1,562)	3,191	(1,562)	3,191
TOTAL NET ASSETS/(LIABILITIES)		653,696	631,615	635,545	615,669
FUNDS OF THE COLLEGE					
Endowment funds		573,457	551,546	556,093	535,781
Restricted funds		6,491	7,223	6,491	7,223
Unrestricted funds					
Designated funds		611	541	611	541
General funds		74,699	69,114	73,912	68,933
Pension reserve	20	(1,562)	3,191	(1,562)	3,191
		653,696	631,615	635,545	615,669

The financial statements were approved and authorised for issue by the Governing Body of St John's College on 06-Nov-2019

Trustee: Prof. M J Snowling

Trustee: Prof. S Elston

St John's College
Consolidated Statement of Cash Flows
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Net cash provided by (used in) operating activities	22	<u>(20,542)</u>	<u>(22,762)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		17,447	16,160
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(7,957)	(14,424)
Proceeds from sale of investments		73,769	31,541
Purchase of investments		(66,716)	(17,305)
Net cash provided by (used in) investing activities		<u>16,543</u>	<u>15,972</u>
Cash flows from financing activities			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Receipt of endowment		87	939
Net cash provided by (used in) financing activities		<u>87</u>	<u>939</u>
Change in cash and cash equivalents in the reporting period		<u>(3,912)</u>	<u>(5,851)</u>
Cash and cash equivalents at the beginning of the reporting period		13,454	19,071
Change in cash and cash equivalents due to exchange rate movements		266	234
Cash and cash equivalents at the end of the reporting period	23	<u>9,808</u>	<u>13,454</u>

St John's College
Notes to the financial statements
For the year ended 31 July 2019

1 INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,826	1,786
Tuition fees - Overseas students	874	745
Other fees	-	-
Other HEFCE support	247	357
Other academic income	102	81
College residential income	3,730	3,392
	<u>6,779</u>	<u>6,361</u>
Restricted funds		
Other academic income	119	35
	<u>119</u>	<u>35</u>
Endowed funds	-	-
Total Teaching, Research and Residential	<u>6,898</u>	<u>6,396</u>

The above analysis includes £2.019m received from Oxford University from publicly accountable funds under the CFF Scheme (2018: £2.021m).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £0.8k. These are not included in the fee income reported above. (2018: £38k).

2 DONATIONS AND LEGACIES

	2019	2018
	£'000	£'000
Donations and Legacies		
Unrestricted funds	500	732
Restricted funds	848	464
Endowed funds	87	939
	<u>1,435</u>	<u>2,135</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2019	2018
	£'000	£'000
Subsidiary company trading income	569	568
Other trading income	149	103
	<u>718</u>	<u>671</u>

4 INVESTMENT INCOME

	2019	2018
	£'000	£'000
Rents	11,552	10,593
Other property income	96	87
Equity dividends	5,756	5,416
Income from fixed interest stocks	17	47
Interest	26	17
	<u>17,447</u>	<u>16,160</u>
<i>Investment income is attributed to:-</i>		
Unrestricted funds	16,622	15,453
Restricted funds	825	707
Endowed funds	-	-
Total Investment income	<u>17,447</u>	<u>16,160</u>

St John's College
Notes to the financial statements
For the year ended 31 July 2019

5 ANALYSIS OF EXPENDITURE

	2019	2018
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	12,398	9,731
Public worship	57	56
Other direct costs allocated to:		
Teaching, research and residential	9,254	8,863
Public worship	38	28
Support and governance costs allocated to:		
Teaching, research and residential	6,684	6,140
Public worship	-	-
Total charitable expenditure	<u>28,431</u>	<u>24,818</u>
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	413	339
Trading expenditure	178	173
Investment management costs	133	303
Other direct costs allocated to:		
Fundraising	152	178
Trading expenditure	367	364
Investment management costs	4,854	4,542
Support and governance costs allocated to:		
Fundraising	48	41
Investment management costs	1,453	1,302
Total expenditure on raising funds	<u>7,598</u>	<u>7,242</u>
Total expenditure	<u>36,029</u>	<u>32,060</u>

The 2018 resources expended of £32.060m represented £25.222m from unrestricted funds, £0.742m from restricted funds and £6.096m from endowed funds.

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.

The teaching and research costs include College Contribution payable of £424k (2018 - £0k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Charitable Activities £'000	2019 Total £'000
2019			
Financial and domestic administration	263	1,065	1,328
IT	12	553	565
Depreciation	-	3,199	3,199
Interest payable	1,224	1,826	3,050
Pension deficit liability movement	-	-	-
Governance costs	2	41	43
	<u>1,501</u>	<u>6,684</u>	<u>8,185</u>

St John's College
Notes to the financial statements
For the year ended 31 July 2019

2018	Generating Funds £'000	Charitable Activities £'000	2018 Total £'000
Financial and domestic administration	103	842	945
IT	12	445	457
Depreciation	-	2,975	2,975
Interest payable	1,224	1,825	3,049
Pension deficit liability movement	-	(19)	(19)
Governance costs	4	72	76
	<u>1,343</u>	<u>6,140</u>	<u>7,483</u>

Financial and domestic administration, IT, human resources and governance costs are attributed according to the estimated staff time spent on each. Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets. Interest and other finance charges are attributed according to the purpose of the related financing.

	2019 £'000	2018 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	43	48
Auditor's remuneration - other services	-	-
Other governance costs	-	-
	<u>43</u>	<u>48</u>
Non-governance costs include:		
Auditor's remuneration - other services	-	3
	<u>-</u>	<u>3</u>

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the members of Governing Body on the basis that these payments relate to their involvement in the College's charitable activities. Details of the remuneration of the members of Governing Body and their reimbursed expenses are included as a separate note within these financial statements.

7 GRANTS AND AWARDS

	2019 £'000	2018 £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
Unrestricted funds		
Grants to individuals:		
Bursaries and hardship awards	153	160
Graduate studentships	570	497
Other scholarships, prizes and grants	323	296
Total unrestricted	<u>1,046</u>	<u>953</u>
Restricted funds		
Grants to individuals:		
Bursaries and hardship awards	95	39
Graduate studentships	293	293
Other scholarships, prizes and grants	35	25
Total restricted	<u>423</u>	<u>357</u>
Total grants and awards	<u>1,469</u>	<u>1,310</u>

The figure above includes the cost to the College of the Oxford Bursary scheme. Students of this college received £187k (2018: £203k). Some of those students also received fee waivers amounting to £53k (2018: £76k).

St John's College
Notes to the financial statements
For the year ended 31 July 2019

8 STAFF COSTS

	2019	2018
	£'000	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	9,804	9,117
Social security costs	890	816
Pension costs:		
Defined benefit schemes	3,824	1,725
Defined contribution schemes	2	1
Other benefits	-	-
	<u>14,520</u>	<u>11,659</u>

The average number of employees of the College, excluding Trustees, was 346 (2018: 333)

The average number of employed College Trustees during the year was 58 (2018: 56)

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

	2019	2018
£60,001-£70,000	5	3
£70,001-£80,001	3	1
£80,001-£90,001	2	-

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	10	4
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Details of these schemes can be found in Note 20

9 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Buildings under Construction £'000	Building Improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	93,589	20,509	22,497	1,446	138,041
Additions	552	4,972	2,296	137	7,957
Transfers	-	-	-	-	-
At end of year	<u>94,141</u>	<u>25,481</u>	<u>24,793</u>	<u>1,583</u>	<u>145,998</u>
Depreciation and impairment					
At start of year	20,503	-	15,108	785	36,396
Depreciation charge for the year	1,900	-	1,156	142	3,198
At end of year	<u>22,403</u>	<u>-</u>	<u>16,264</u>	<u>927</u>	<u>39,594</u>
Net book value					
At end of year	<u>71,738</u>	<u>25,481</u>	<u>8,529</u>	<u>656</u>	<u>106,404</u>
At start of year	73,086	20,509	7,389	661	101,645

St John's College
Notes to the financial statements
For the year ended 31 July 2019

College	Freehold land and buildings £'000	Buildings under Construction £'000	Building Improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	93,589	20,509	22,395	1,248	137,741
Additions	552	4,972	2,296	136	7,956
Transfers					-
At end of year	94,141	25,481	24,691	1,384	145,697
Depreciation and impairment					
At start of year	20,503	-	15,006	629	36,138
Charge for the year	1,900	-	1,156	102	3,158
At end of year	22,403	-	16,162	731	39,296
Net book value					
At end of year	71,738	25,481	8,529	653	106,401
At start of year	73,086	20,509	7,389	619	101,603

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 and 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 could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 PROPERTY INVESTMENTS

Group	Investment Property £'000	2019 Total £'000	2018 Total £'000
Valuation at start of year	259,315	259,315	251,005
Additions and improvements at cost	30,534	30,534	5,645
Disposals	(1,162)	(1,162)	(2,080)
Revaluation gains/(losses) in the year	7,400	7,400	4,745
Valuation at end of year	296,087	296,087	259,315
College	Investment Property £'000	2019 Total £'000	2018 Total £'000
Valuation at start of year	183,295	183,295	178,112
Additions and improvements at cost	29,307	29,307	3,811
Disposals	(961)	(961)	(2,080)
Revaluation gains/(losses) in the year	5,161	5,161	3,452
Valuation at end of year	216,802	216,802	183,295

At 31 July 2019 the Estate land and property was valued by the College's Property Advisor, Savills, which is a member of the Royal Institution of Chartered Surveyors.

St John's College
Notes to the financial statements
For the year ended 31 July 2019

11 OTHER INVESTMENTS

All investments are held at fair value.

	2019	2018
	£'000	£'000
Group investments		
Valuation at start of year	328,232	306,811
Purchases	36,182	11,660
Disposals	(72,607)	(29,461)
(Decrease)/increase in value of investments	26,244	39,222
Group investments at end of year	318,051	328,232
Investment in subsidiaries	62,042	60,172
College investments at end of year	380,093	388,404

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2019 Total £'000	Held outside the UK £'000	Held in the UK £'000	2018 Total £'000
Equity investments	213,987	71,173	285,160	213,111	86,189	299,300
Fixed interest stocks	5,647	544	6,191	5,161	481	5,642
Investment funds and other securities	12,792	13,908	26,700	9,281	14,009	23,290
Total group investments	232,426	85,625	318,051	227,553	100,679	328,232

12 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in The Lamb and Flag (Oxford) Limited, a company which runs the Lamb and Flag public house. The profits of the subsidiary company are donated to the College under the Gift Aid scheme and used to support graduate scholarships.

The College also holds 100% of the issued share capital in Thomas White Properties Limited, a company which holds investment property. The profits of the subsidiary company are donated to the College under the Gift Aid scheme.

The College also holds 100% of the issued share capital in Thomas White Oxford Limited, a company which holds investment property. The profits of the subsidiary company are donated to the College under the Gift Aid scheme.

The College also holds 100% of the issued share capital in Peartree Oxford Limited, a company which holds investment property. The profits of the subsidiary company are donated to the College under the Gift Aid scheme.

The College also holds 100% of the issued share capital in Bainton Road Nursery Limited, a company which operates a day nursery for students and staff. The profits of the subsidiary company are donated to the College under the Gift Aid scheme.

The College is the sole shareholder of Thomas White Investments LLC, a company incorporated in Delaware which holds investment property.

The College is also the sole shareholder of Lady White Investments LLC, a company incorporated in Delaware which holds investment property.

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

	Parent College	The Lamb & Flag (Oxford) Ltd	Thomas White Properties Ltd.	Bainton Road Nursery Ltd
	£'000	£'000	£'000	£'000
Income	25,090	569	91	374
Expenditure	(34,553)	(513)	(23)	(355)
Donation to College under gift aid	-	(56)	(253)	-
Actuarial gains on pension scheme	(2,310)	-	-	-
Net gains/(losses) on investments	31,647	-	201	-
Result for the year	19,874	-	16	19
Total assets	715,916	253	15,029	114
Total liabilities	(80,371)	(184)	(326)	(19)
Net funds at the end of year	635,545	69	14,703	95

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	Peartree Oxford Ltd	Thomas White Oxford Ltd	Lady White Investments LLC	Thomas White Investments LLC
	£'000	£'000	£'000	£'000
Income	96	73	627	774
Expenditure	(89)	(254)	(214)	(15)
Distribution from US subsidiaries	-	-	(405)	(636)
Net gains/(losses) on investments	500	(227)	920	867
Result for the year	<u>507</u>	<u>(408)</u>	<u>928</u>	<u>990</u>
Total assets	18,550	21,101	9,871	16,197
Total liabilities	(29)	(521)	(127)	(439)
Net funds at the end of year	<u>18,521</u>	<u>20,580</u>	<u>9,744</u>	<u>15,758</u>

During the year ended 31 July 2019, the following movements in share capital of subsidiary undertakings took place:

- the share capital of Thomas White Oxford Limited was increased from £8,503,930 to £10,303,930
- the share capital of Bainton Road Nursery Limited was increased from £375,000 to £445,000

13 DEBTORS

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Amounts falling due within one year:				
Trade debtors	2,389	2,231	2,317	2,042
Amounts owed by College members	665	482	665	482
Amounts owed by Group undertakings	-	-	588	1,439
Prepayments and accrued income	624	442	508	351
Other debtors	642	634	641	634
	<u>4,320</u>	<u>3,789</u>	<u>4,719</u>	<u>4,948</u>

14 CREDITORS: falling due within one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Trade creditors	2,369	2,479	2,214	1,956
Amounts owed to College Members	169	164	168	164
Taxation and social security	271	419	233	386
College contribution	424	-	424	-
Accruals and deferred income	2,404	1,143	2,067	930
Other creditors	265	275	265	275
	<u>5,902</u>	<u>4,480</u>	<u>5,371</u>	<u>3,711</u>

15 CREDITORS: falling due after more than one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Bank loans	35,000	35,000	35,000	35,000
Loan notes	40,000	40,000	40,000	40,000
Other creditors	-	-	-	-
	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>

The £35 million bank loan is secured on the Kendrew Quadrangle. It is repayable in 2039 and interest is charged at a fixed rate of 5.225%. This loan was drawn down in December 2009.

The loan notes comprise £20 million due in 2051 with a fixed interest rate of 2.92% and £20 million due in 2061 with a fixed interest rate of 3.2%.

The funds from the loan notes were drawn down in June 2016.

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16 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
College						
Endowment Funds - Permanent						
Permanent Endowment Funds	4,849	-	-	-	307	5,156
Endowment Funds - Expendable						
General Endowment Fund	497,874	1	(5,723)	(5,600)	28,488	515,040
Designated Endowment Funds	7,596	-	(121)	6	740	8,336
Specific Endowment Funds	25,462	86	(2,443)	(99)	2,112	27,561
Total Endowment Funds	535,781	87	(5,723)	(5,699)	31,647	556,093
Restricted Funds						
Restricted Funds	7,223	1,792	(1,075)	(1,449)	-	6,491
Total Restricted Funds	7,223	1,792	(1,075)	(1,449)	-	6,491
Unrestricted Funds						
General Reserve	68,933	23,026	(25,191)	7,142	-	73,910
Designated Reserves	541	185	(121)	6	-	611
Pension Reserve	3,191	-	(2,443)	-	(2,310)	(1,562)
Total Unrestricted Funds	72,665	23,211	(27,755)	7,148	(2,310)	72,959
Total Funds of the College	615,669	25,090	(34,553)	-	29,337	635,543

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Group						
Endowment Funds - Permanent						
Permanent Endowment Funds	4,849	-	-	-	307	5,156
Endowment Funds - Expendable						
General Endowment Fund	513,639	1	(6,388)	(5,600)	30,752	532,404
Designated Endowment Funds	7,596	-	(121)	6	740	8,336
Specific Endowment Funds	25,462	86	(2,443)	(99)	2,112	27,561
Total Endowment Funds	551,546	87	(6,388)	(5,699)	33,911	573,457
Restricted Funds						
Restricted Funds	7,223	1,792	(1,075)	(1,449)	-	6,491
Total Restricted Funds	7,223	1,792	(1,075)	- 1,449	-	6,491
Unrestricted Funds						
General Reserve	69,114	24,445	(26,002)	7,142	-	74,699
Designated Reserves	541	185	(121)	6	-	611
Pension Reserve	3,191	-	(2,443)	-	(2,310)	(1,562)
Total Unrestricted Funds	72,846	24,630	(28,566)	7,148	(2,310)	73,748
Total Funds of the Group	631,615	26,509	(36,029)	-	31,601	653,696

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17 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:

Permanent Endowment Funds Capital balance of donations where related income, but not the original capital, can be used only for restricted purposes of the College

Endowment Funds - Expendable:

General Endowment Fund Capital balance of donations and past capitalisation of income where either income, or income and capital, can be used for the general purposes of the College

Designated Endowment Funds Capital balance of donations where related income, or income and capital, can be used for the general purposes of the College but have been designated for specific purposes by the Trustees

Specific Endowment Funds Capital balance of donations where either the related income, or both income and capital, can be used only for restricted purposes of the College

Restricted Funds:

Restricted Funds Revenue gifts given for restricted purposes together with income generated from Permanent and Specific Endowment Funds

Designated Funds

Designated Reserves Unrestricted Funds allocated by the Fellows for designated future purposes, together with income generated from Designated Endowment Funds

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

Specific endowments (consolidated and College) include funds valued at £1.571m which provide income for purposes that lie outside the objects of the College. Income arising amounted to £52k.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
2019				
Tangible fixed assets	106,404	-	-	106,404
Property investments	-	-	296,087	296,087
Securities and other investments	-	-	318,051	318,051
Net current assets	3,906	6,491	(681)	9,716
Pension Asset	(1,562)	-	-	(1,562)
Long term creditors	(35,000)	-	(40,000)	(75,000)
	<u>73,748</u>	<u>6,491</u>	<u>573,457</u>	<u>653,696</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
2018				
Tangible fixed assets	101,645	-	-	101,645
Property investments	-	-	259,315	259,315
Securities and other investments	-	-	328,232	328,232
Net current assets	3,010	7,223	3,999	14,232
Pension Asset/ (liability)	3,191	-	-	3,191
Long term creditors	(35,000)	-	(40,000)	(75,000)
	<u>72,846</u>	<u>7,223</u>	<u>551,546</u>	<u>631,615</u>

19 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees. Some Trustees are paid salaries by the College for the academic or other services they provide as employees of the College. Many Trustees are paid salaries by the University of Oxford for the provision of teaching, conduct of research and other academic and administrative duties. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

The College has a Remuneration Committee, composed of individuals external to the College, which makes recommendations to Governing Body on pay and benefits.

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Remuneration paid to trustees

Range	2019		2018	
	Number of Trustees/ Fellows	Gross remuneration, taxable benefits and pension contributions £000's	Number of Trustees/ Fellows	Gross remuneration, taxable benefits and pension contributions £000's
£0-£999			1	-
£2,000-£2,999	1	3		
£4,000-£4,999			1	5
£5,000-£5,999	6	35	5	29
£6,000-£6,999	3	19	5	33
£7,000-£7,999	3	22		-
£8,000-£8,999			1	9
£9,000-£10,000	1	9		
£11,000-£11,999	1	12	1	11
£13,000-£13,999	1	14	1	13
£14,000-£14,999	2	28	1	14
£15,000-£15,999	1	15		-
£16,000-£16,999	1	17	4	66
£17,000-£17,999	1	17		-
£18,000-£18,999	1	19	2	36
£19,000-£19,999	3	59	1	20
£20,000-£20,999	1	20	1	21
£21,000-£21,999	5	107	2	42
£22,000-£22,999			1	23
£23,000-£23,999	1	24	1	23
£24,000-£24,999			1	24
£27,000-£27,999			1	27
£28,000-£28,999			1	28
£29,000-£29,999	1	30		-
£31,000-£31,999			1	31
£32,000-£32,999			1	33
£33,000-£33,999	1	34		
£34,000-£34,999			1	35
£35,000-£35,999	1	35		
£37,000-£37,999			1	37
£38,000-£38,999	1	38		
£39,000-£39,999			2	79
£41,000-£41,999	1	41		
£44,000-£44,999	1	44		-
£45,000-£45,999	1	45	2	92
£46,000-£46,999	1	47		
£47,000-£47,999	1	47	2	95
£48,000-£48,999			1	49
£49,000-£49,999	1	49	1	49
£50,000-£50,999	1	50		-
£51,000-£51,999	1	51		-
£52,000-£52,999	2	105	1	52
£53,000-£53,999	1	53		
£54,000-£54,999	1	54	2	110
£56,000-£56,999	1	57		
£61,000-£61,999			1	62
£62,000-£62,999	1	63	2	126
£64,000-£64,999			1	65
£69,000-£69,999	1	70		
£71,000-£71,999	1	72		
£72,000-£72,999	2	145		
£73,000-£73,999	1	74		
£75,000-£75,999			1	75
£86,000-£86,999			2	171
£92,000-£92,999	1	93		
£95,000-£95,999			1	96
£103,000-£103,999			1	103
£107,000-£107,999	1	107		
£109,000-£109,999			1	109
£110,000-£110,999	2	221		
£181,000-£181,999			1	181
£189,000-£189,999	1	189		
Total	60	2,234	57	2,074

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All of the foregoing individuals are eligible for membership of the USS defined benefit pension scheme as outlined in note 20

The President lives on the main college site. Some Trustees are eligible for College housing schemes. At 31 July 2019, 23 Trustees lived in properties owned by the College (2018 - 22) and 7 trustees lived in properties owned jointly with the College (2018 - 7). No such properties were bought or sold during the year (2018 - 0). 20 Trustees receive a Housing Allowance (2018: 22), which is disclosed within the salary figures above. All trustees may eat at common table, as can all other employees who are entitled to meals while working.

No reimbursement was made to Trustees during the year of personal expenses incurred in connection with their services to the College as Trustees.

See also note 25, Related Party Transactions

20 PENSION SCHEMES

The College participates in three main pension schemes on behalf of its staff, the St John's College Staff Pension Fund ("the SJCSPF"), the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS"). The assets of the schemes are each held in separate trustee-administered funds.

The College has also made available the National Employment Savings Trust for any individual who is not eligible for membership of one of the main schemes but who is eligible for pension benefits under automatic enrolment regulations.

St John's College Staff Pension Fund

The level of benefits provided by the Fund depends on a member's length of service and their salary at their date of leaving the Fund.

The last funding valuation of the St John's College Staff Pension Fund was carried out by a qualified actuary as at 31 July 2018 and showed a surplus of £4.1 million. The next funding valuation is due no later than 31 July 2021.

The College pays contributions of 12% of pensionable salaries in respect of current accrual, with active members paying a further 6% of pensionable salaries. A contribution of £0.5million is expected to be paid by the College during the year ending on 31 July 2020.

The results of the latest funding valuation at 31 July 2018 have been adjusted to the balance sheet date taking account of experience over the period since 31 July 2018, changes in market conditions and differences in the financial and demographic assumptions. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method.

The principal assumptions used to calculate the liabilities under FRS102 are set out below:

Main financial assumptions	31-Jul-19	31-Jul-18
	% pa	% pa
RPI Inflation	3.30	3.20
CPI Inflation	2.30	2.10
Rate of increase in salaries	2.30 for 5 years, 3.30 thereafter	2.10 for 5 years, 3.10 thereafter
Pension increases pre April 2005	2.30	2.10
Pension increases post April 2005	2.30	2.10
Discount rate for Scheme liabilities	2.2	2.8

Main demographic assumptions

	31-Jul-19	31-Jul-18
Mortality	95% for pensioners and 100% for non-pensioners of the S2PxA tables with improvements in line with the CMI 2017 projections and smoothing factor of 7.5 and a long-term rate of improvement of 1.25% pa	95% for pensioners and 100% for non-pensioners of the S2PxA tables with improvements in line with the CMI 2017 projections and smoothing factor of 8.0 and a long-term rate of improvement of 1.5% pa
Life expectancy for male currently aged 60	26.6 years	27.6 years
Life expectancy for female currently aged 60	28.7 years	29.6 years
Life expectancy at 60 for male currently aged 40	28.2 years	29.1 years
Life expectancy at 60 for female currently aged 40	30.3 years	31.1 years

Fund asset allocation

	31-Jul-19		31-Jul-18	
	£'000	%	£'000	%
Equities	16,020	66	16,083	70
Government bonds	1,932	8	1,837	8
Other	6,454	26	4,989	22
Total	24,406	100	22,909	100

None of the fund assets are invested in the College's financial instruments or in property occupied by, or other assets used by, the College.

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	31-Jul-19	31-Jul-18
	£'000	£'000
Reconciliation of funded status to balance sheet		
Fair value of assets	24,406	22,909
Present value of funded defined benefit obligations	<u>(22,745)</u>	<u>(18,651)</u>
Funded status	1,661	4,258
Unrecognised asset	-	-
Asset/(liability) recognised on the balance sheet	<u>1,661</u>	<u>4,258</u>
Present value of unfunded defined benefit obligations	-	-

When determining the asset recognised on the balance sheet, it has been assumed that the College would be able to recover the surplus through reduced future contributions or a refund from the fund in the future. This reflects the provisions of the plan documentation.

	Year ending 31-Jul-19	Year ending 31-Jul-18
	£'000	£'000
Amounts recognised in income statement		
Operating cost:		
Current service cost	876	1,026
Administration expenses	0	0
Past service cost	0	0
Curtailment cost	0	0
Settlement cost	0	0
Financing cost:		
Interest on net defined benefit liability/(asset)	(114)	(75)
Pension expense recognised in income statement	<u>762</u>	<u>951</u>

	Year ending 31-Jul-19	Year ending 31-Jul-18
	£'000	£'000
Amounts recognised in Other Comprehensive Income (OCI)		
Asset gains/(losses) arising during the year	553	248
Liability gains/(losses) arising during the year	(2,863)	1,517
Change in the effect of the asset ceiling	0	0
Total amount recognised in OCI	<u>(2,310)</u>	<u>1,765</u>

	Year ending 31-Jul-19	Year ending 31-Jul-18
	£'000	£'000
Changes to the present value of the defined benefit obligation during the year		
Opening defined benefit obligation (DBO)	18,651	18,776
Current service cost	876	1,026
Interest expense on DBO	532	506
Contributions by members	238	219
Actuarial (gains)/losses on liabilities	2,863	(1,517)
Net benefits paid out	(415)	(359)
Past service cost	0	0
Curtailment cost	0	0
Net increase in liabilities from disposals/acquisitions	0	0
Settlements	0	0
Closing defined benefit obligation	<u>22,745</u>	<u>18,651</u>

	Year ending 31-Jul-19	Year ending 31-Jul-18
	£'000	£'000
Changes to the fair value of St John's College Staff Pension Fund assets during the year		
Opening fair value of fund assets	22,909	21,778
Interest income on fund assets	646	581
Gain/(loss) on fund assets	553	248
Contributions by the College	475	442
Contributions by fund participants	238	219
Net benefits paid out	(415)	(359)
Administration costs incurred	0	0
Net increase in assets from disposals/acquisitions	0	0
Settlements	0	0
Closing fair value of fund assets	<u>24,406</u>	<u>22,909</u>

	Year ending 31-Jul-19	Year ending 31-Jul-18
	£'000	£'000
Actual return on fund assets		
Interest income on fund assets	646	581
Gain/(loss) on fund assets	553	248
Actual return on fund assets	<u>1,199</u>	<u>829</u>

Multi-employer schemes

The assets of USS and OSPS are each held in separate trustee-administered funds.

USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis – based on contributions into the scheme). Both are multi-employer schemes and the company is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the company accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

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

Both schemes have put in place agreements for additional contributions to fund their past service deficits. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements.

Universities Superannuation Scheme

The pension charge for the year includes £2.908m (2018: £708k) in relation to the USS. This represents contributions of £801k (2018: £705k) payable to the USS, adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates but excluding pension finance costs.

USS' actuarial valuation as at 31 March 2017 takes into account 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 which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards 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 each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions were 8% of salary but will increase in stages from 1 April 2019 to a level of 11.7% from 1 April 2020; 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. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. 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).

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, remaining at CPI + 1.7%. 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. 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%.

A new deficit recovery plan was put in place as part of the 2017 valuation. This requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. In the prior year, the deficit contributions were 2.1% of salaries up to March 2031. A provision of £3.186m has been made at 31 July 2019 (2018 - £1.059m) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

The 2018 actuarial valuation was finalised after the year end which indicated a shortfall of £3.6 billion. Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 31 July 2019, assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised consolidated provision of £1.902m, a decrease of £1.284m from the current consolidated year end provision and a pension charge for the year of £1.625m in relation to the USS.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website www.uss.co.uk

Oxford Staff Pension Scheme

The pension charge for the year includes £39k (2018 : -£8k) in relation to the OSPS. This represents contributions of £10k (2018 : £9k) payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates.

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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 £133 m. 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.

A provision of £37k has been made at 31 July 2019 (2018 - £8k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the University of Oxford website <http://www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps/>.

Pension charge for the year

The pension charge excluding finance costs recorded by the College during the accounting period was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2019	2018
	£000's	£000's
Universities Superannuation Scheme	2,909	708
University of Oxford Staff Pension Scheme	39	(9)
St John's College Staff Pension Fund	876	1,026
Total	<u>3,824</u>	<u>1,725</u>

Included in other creditors and accruals are pension contributions payable of £0k (2018: £0k).

Pension asset

The pension asset/(liability) shown on the Balance Sheet arises as follows:

Scheme	2019	2018
	£000's	£000's
Universities Superannuation Scheme	(3,186)	(1,059)
University of Oxford Staff Pension Scheme	(37)	(8)
St John's College Staff Pension Fund	1,661	4,258
Total	<u>(1,562)</u>	<u>3,191</u>

21 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 in the UK 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.

22 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2019	2018
	Group	Group
	£'000	£'000
Net income/(expenditure)	22,081	39,269
Elimination of non-operating cash flows:		
Investment income	(17,447)	(16,160)
(Gains)/losses in investments	(33,911)	(44,201)
Endowment donations	(87)	(939)
Depreciation	3,199	2,975
Decrease/(Increase) in stock	(21)	11
Decrease/(Increase) in debtors	(531)	(954)
(Decrease)/Increase in creditors	1,422	(1,508)
(Decrease)/Increase in pension scheme liability	4,753	(1,255)
Net cash provided by (used in) operating activities	<u>(20,542)</u>	<u>(22,762)</u>

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23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£'000	£'000
Cash at bank and in hand	9,808	13,454
Total cash and cash equivalents	<u>9,808</u>	<u>13,454</u>

24 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2019 for future capital projects totalling £1.980m (2018 - £4.327m).

25 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of 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 separately in these financial statements.

26 POST BALANCE SHEET EVENTS

As set out in Note 20, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed for the USS pension scheme. This results in a decrease of £1.284m in the provision for the obligation to fund the deficit on the USS pension which would instead be £1.902. This adjustment will be reflected in the College's Financial Statements for the year ended 31 July 2020.