



Annual Report and Financial Statements

Year ended 31 July 2018

Jesus College
Annual Report and Financial Statements
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JESUS COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2018

MEMBERS OF THE GOVERNING BODY

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

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Professor Sir N. Shadbolt			•			•	•	•*	•*
Professor P.N. Mirfield	Retired, 30/9/17								
Professor K.M. Kohl									
Professor P.O. Daley					•				
Professor M. Brouard									
Dr D.N. Barron		•	•	•	•				
Professor A. Dancer			•						
Dr S.G. White					•				
Dr A.J. D'Angour							•		
Professor P. Clavin									
Dr P. Kewes						•			
Professor S. Srinivas						•			
Professor J. Tilley	On leave, 2017-2018		•						
Dr C. Warman						•			
Dr S. Aspden			•	•					
Professor G. Taylor									
Professor H.C. Godfray	Left 30/09/18							•	•
Dr J. Magorrian			•						
Dr M. Turner									
Ms P.M. Roberts	Left 31/10/17	•					•		
Dr J. Oliver						•			
Dr A. Lumbers	On leave wef 01/04/18	•	•	•	•	•	•		
Dr P. Esö			•						
Professor E. Anderson									
Dr R. Grenyer						•			
Professor G. Holländer									
Dr A. Gajda							•		
Dr S. Douglas			•						
Professor P. Riley							•		
Dr Y. Chen					•				
Mr P. Goffin			•	•					
Mr R. Baumann		•		•	•		•		
Dr R. Evans									
Dr S. Morris		•							
Dr M. John		•	•						
Mrs R. Green		•			•				
Dr K. Vincent	On leave until 08/01/18					•			
Mr D. Stevenson		•	•	•					
Professor L. Enriques									

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

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		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Professor T. Coulson									
Professor R. Pierrehumbert									
Professor D. Bradley									
Professor S. Dercon									
Dr A. Mogensen									
Mr S. Woodward		•	•	•	•	•	•	•*	•*
Dr Ben Williams	Appointed, 01/01/17				•				
Professor Judith Rousseau	Appointed, 01/09/17								
Dr Miles Jackson	Appointed, 01/10/17								
Dr Standa Živný	Appointed, 01/10/17								
Dr Brittany Wellner James	Appointed 11/10/17	•					•		
Dr Ralf Wölfer	Appointed 01/01/18								
Dr Anne Mullen	Appointed 12/03/18	•	•	•	•	•	•		
Dr Stephen Conway	Appointed 01/09/18								
Dr Matt Kusner	Appointed 01/10/18								
Other Non-Governing Body members		1	2	2	0	0	6	5	2

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

The committees have non-Governing Body members as follows:

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

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

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

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

Mr Andrew Jardine, Ms Yvonne Jones (Chair), Ms Clare Matterson, Ms Ann Means and Mr Nick Sykes served as members of the Remuneration Committee. Ms Matterson resigned wef 25 September 2018.

Mr Mark Clarke and Mr John Dowty served as members of the Risk and Audit Committee. Mr Clarke resigned wef 19 November 2018; Ms Sharon Maidment was appointed on the same date.

COLLEGE SENIOR STAFF

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

Prof Sir N. Shadbolt	Principal
Dr D. N. Barron	Vice-Principal (Dr Patricia Daley wef 1/10/2018)
Mr R. Baumann	Director of Accommodation, Catering and Conferences
Mrs R. Green	Human Resources Director
Dr A. Lumbers	Academic Director (Dr A Mullen, maternity cover wef 12/03/18)
Ms P.M. Roberts	Development Director (Dr B Wellner James wef 11/10/17)
Mr D. Stevenson	Property Director
Mr S. Woodward	Estates Bursar

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COLLEGE ADVISERS

Investment managers

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

Auditor

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

Bankers

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

Solicitors

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

Valuers

Savills
33 Margaret Street
London, W1G OJD

Deloitte LLP
Athene Place
66 Shoe Lane
London, EC4A 3BQ

College address

Jesus College
Turl Street
Oxford, OX1 3DW

Website

www.jesus.ox.ac.uk

JESUS COLLEGE

Report of the Governing Body

Year ended 31 July 2018

The Members of the Governing Body present their Annual Report for the year ended 31 July 2018 under the Charities Act 2011 together with the audited financial statements for the year then ended.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Body

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

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

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

Recruitment and training of Members of the Governing Body

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

Remuneration of Members of the Governing Body

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

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

Organisational management

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

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

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

Group structure and relationships

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

The College has two wholly owned non-charitable subsidiaries, Jesus Accommodation Limited ('JAL') and Jesus College Developments (Oxford) Limited ('JCD'). JAL accounts for the conference and function activities of the College and its annual profits are donated to the College under the Gift Aid Scheme. JCD is acting as the developer for the Northgate Project, which will re-develop Northgate House, a property owned by, and adjacent to, the College. The subsidiaries' aims, objectives and results are covered in the relevant sections of this report.

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

OBJECTIVES AND ACTIVITIES

Charitable objects and aims

Objects

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

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

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

Public benefit

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

The College provides public benefit by offering higher education to its undergraduates and postgraduates. Undergraduate places are offered purely on the basis of academic merit. Financial support is available to undergraduates from the UK or the EU to assist them with the costs of tuition fees and living costs whilst at the College. This support is in addition to that available from the University of Oxford through the Oxford Bursaries scheme, in which the College also participates. The College is also aware of the difficulties that many people aspiring to undertake graduate studies face in obtaining financial support and has therefore increased its efforts to collaborate with the University to provide scholarships. In addition, the College continues to support all students in their studies through grants to cover, inter alia, the purchase of books, travel and research expenses. In the past year the College spent a total of £787k (2016/17: £681k), comprising £185k (2016/17: £207k) in bursaries and hardship funding and £602k (2016/17: £474k) in scholarships, prizes and grants.

The education of our undergraduates is furthered through the tutorial system, which provides for undergraduates to meet with their tutor on a regular basis. The tutor is responsible for their students' academic progress and pastoral care. The College also provides the College Library for students' use, as well as computing, accommodation, food and other facilities. For 2017/18, about 44% (2016/17: 43%) of the cost of running the College was met out of its endowment income.

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

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

Access and Outreach

The College is committed to supporting and growing its Access and Outreach programme. Jesus was one of the very first Oxford colleges to build a structured access programme led by an academic; last year our Access Fellow engaged with over 8,000 pupils (2016/17: 4,500) from 488 schools and colleges (2016/17: 224). Our strategy focuses on socioeconomic and BAME diversity and gender balance across subjects. Diversity is worthwhile in itself, but also drives up academic standards by allowing academics to recruit from the widest pools of talent.

Creating cultural change, both within Jesus College and among underrepresented communities, means a sustained shift in perceptions and behaviour. Access provision within College is becoming one of the day-to-day activities of our membership, from the JCR, through the MCR, to the SCR. Increasing numbers of colleagues now contribute to access events, both student and academic, which include sustained and high-quality contact with target communities and a culture of alumni giving back to College the material and immaterial resources needed to sustain investment in access work.

Our flagship activity this summer was the second, annual Seren Summer School targeted at underprivileged Welsh students. 2017 was a pilot project where we hosted 22 students in College; this year we increased the size of the school to 75 students and ten teachers. All participants were from underrepresented backgrounds, many from some of the most deprived areas in Europe let alone the UK. The school is run in collaboration with the Welsh Government's Seren Network and we are grateful for their £15k contribution towards the estimated economic cost of £75k. The remaining costs were covered by our generous alumni.

The future of this event is promising. The Welsh Government were pleased with the event and the College was thanked personally by the Cabinet Secretary for Education. In addition, funding has been earmarked for summer schools in 2019 and 2020. We are also delighted to report that from the 22 participants in 2017, 16 applied to Oxford and 3 were offered places.

ACHIEVEMENTS AND PERFORMANCE

Activities and achievements during 2017/18

The achievements of the College's academic staff continue to be recognised through many prestigious honours, awards, grants and prizes. Professor Martin Booth was elected a Fellow of the Optical Society and Dr Tim Palmer was elected a Foreign Member of the Italian Accademia dei Lincei. Professor Sue Doran was awarded a short-term Fellowship at the Huntington Library to work on the Ellesmere Manuscripts for a book on 'Regime Change: From Elizabeth I to James I 1603-1612'. Professor Yvonne Jones, as acting Director of the Wellcome Centre for Human Genetics, led a successful bid for £3.7m from the Medical Research Council to purchase a state-of-the-art cryo electron microscope. Professor Susan Jebb was appointed as a National Institute of Health Research Senior Investigator; senior Investigators are among the most prominent and prestigious researchers funded by the NIHR and the most outstanding leaders of patient and people-based research within the NIHR Faculty. Dr Michael Skwarski (2016, DPhil Oncology) was awarded the Innovative Protocol Award at the European Cancer Organisation (ECCO) Methods in Clinical Cancer Research (MCCR) Workshop 2018. Dr Dafydd Daniels was chosen as one of the 10 BBC and AHRC New Generation Thinkers 2018.

Publications in this year have included: Professor Sir Nigel Shadbolt's *The Digital Ape*; Dr David Acheson's book, *The Calculus Story*, which was one of the *New Scientist's* 'picks for Christmas'; Professor Sue Doran's OUP book, *Elizabeth and her Circle* in paperback; Professor Armand D'Angour's *Music, Text, and Culture in Ancient Greece* co-edited with Tom Phillips; Professor Dominic Wilkinson's two editorials in the *Lancet* and one in the *British Medical Journal* regarding the Charlie Gard legal case; Dr Owen Holland's first book, *William Morris's Utopianism: Propaganda, Politics and Prefiguration*; Dr Matthew Williams, *How Language Works in Politics*; and Professor Richard Grenyer's publication in *Nature Ecology and Evolution*, titled: "The global distribution of tetrapods reveals a need for targeted reptile conservation";

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The College's academic staff have been involved in some exciting projects and media events. Professor Paulina Kewes has contributed to two programmes on Shakespeare Uncovered, Measure for Measure (filmed in the Fellows' Library), the other discussing The Winter's Tale with Shakespearian actor Simon Russell Beale. Globe Magazine featured Professor Kewes's essay revealing John Dryden's pivotal role in popularising Shakespeare's plays. Professor Armand D'Angour's film with JRF, Dr Tosca Lynch, about their performed reconstructions of ancient Greek music has topped over 300,000 views on Youtube and Facebook. Professor Sue Doran worked as historical consultant on two TV programmes, the history of Norwich and the poet-politician Thomas Norton (1532-84). Rathika Muthukumaran acted as historical consultant to the Northern Broadsides and Shakespeare's Globe's co-production of The Captive Queen at the Sam Wanamaker Playhouse, London.

College students have received recognition in a number of fields. 41 students, or 44%, were awarded a First Class degree for 2017/8 (2016/17: 29 or 32%) and 13 were awarded University prizes for top performance in University examinations. We also celebrated the success of eight graduate students who achieved Distinctions in their examinations. In the recent 'Tri-Innovate' entrepreneurship contest, eight teams from the College entered out of a total of twenty-five. Two reached the final and Alex McCallion was awarded the runners-up prize of £4,000 for his 'Greater Change' app, which aims to tackle homelessness in Oxford.

FUNDRAISING

The Development Team leads the College's fundraising activities. It includes two major gifts fundraisers who visit up to 200 individuals each per year to solicit donations. Their work is supplemented by two direct mail appeals in spring and autumn and an annual Telethon appeal in March. In respect of the Telethon, we have a contract with an external company, Rux Burton Associates, to help deliver this project, a role which is monitored carefully by Development Team members.

The College has registered with the Fundraising Regulator and supports the standards for fundraising set out in the Code of Fundraising Practice. During the year, one complaint was received from an alumnus concerning the 'more commercial' stance of the College. The College takes seriously its obligation to protect any vulnerable people and does so by designing our fundraising appeals so that they appear at regular and expected intervals each year; using its database to avoid sending excessive fundraising requests or duplicated appeals; making sure all potential donors are given notice of the annual Telethon appeal and an opportunity to 'opt-out'; and tailoring our mailings to potential donors based on their personal preferences.

450th Campaign

In 2021 Jesus College will celebrate a milestone 450th anniversary. The College launched the public phase of a £45 million 450th Anniversary Campaign in September 2018, with a target of £10m remaining at the time of launch. The Northgate site re-development is part of the 450th Anniversary Campaign and has attracted funding of £15 million, alongside continued fundraising efforts for bursaries, graduate scholarship and tutorial fellowships. Over the next four years the College will run a campaign that celebrates the College's 450-year history, highlighting the strengths of the College today and its needs for the next century.

FINANCIAL REVIEW

The Statement of Financial Activities shows net incoming resources of £2m (2016/17: £15.4m), although this figure includes legacies and donations for restricted and endowed funds of £3.4m (2016/17: £3.4m) and net gains on investments of £1.9m (2016/17: £12.9m).

Income

Charitable and trading income

Income from charitable activities, which comprises tuition fees from UK, EU and other overseas students, support from Office for the Student and other academic income, and related residential income, was £5.7m (2016/17: £5.7m). The slight increase in fee income was offset by a reduction in residential income. Trading income, which comprises principally the College's conference and function income, was slightly lower at £0.3m (2016/17: £0.4m).

Donations and legacies

Donation and legacy income was £3.6m (2016/17: £3.7m), of which £1.5m (2016/17: £0.3m) is attributable to the lead donation for the Northgate Project. The College has also benefitted from completing the realisation of two major legacies. Alongside such major gifts, the College's alumni continue to provide significant and regular

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contributions which are crucial to the College's ability to support its teaching and research activities and enhance the sporting, cultural and educational opportunities of its members. It is important to remember that most donations go into the College's endowment funds and it is only the income from this which is available to be spent.

Investments

Investment income was £5.0m (2016/17: £5.2m).

The College makes investments with the aim of achieving a minimum total return for securities of 3.5% plus CPI after fees and in accordance with the following ethical principles:

The College expects all companies in which it invests to abide by the relevant law. This includes both the law of the place where it has its headquarters and the law of the places where it carries out its operations. Where breaches are shown to have occurred, the College expects prompt and effective corrective action to be taken.

Where a portfolio company, to the College's knowledge, takes action which, whilst lawful, creates a significant risk of such severe reputational loss to the College that the achievement of its academic objectives is imperilled, the College will not seek to maintain its investment if there is no reasonable prospect of change in the company's behaviour.

The College invests in various asset classes, including public equities, commercial and agricultural property, government and commercial bonds, and private equity. Management of the endowment is overseen by the Estates Committee, although the equity part of the investment portfolio's management is delegated to an external manager, Cambridge Associates. Consistent with the College's Total Return policy, their investment mandate does not distinguish between income and capital gains. This has contributed to the slight reduction in investment income this year, a trend which will continue in next few years as the rents from the College's commercial property, Northgate House, cease temporarily during its redevelopment.

The gross figures for the performance of investments are as follows:

	Value at start of year	Net additions / (disposals)	Change in value	Value at end of year	Income in year	Total return	
	A	B	C	D	E	2017/18	2016/17
	£'000	£'000	£'000	£'000	£'000	%	%
Agricultural	34,063	4	1	34,068	533	1.6%	13.1%
Commercial and residential	53,837	-383	-6,427	47,027	3,302	-5.8%	-2.2%
Equities, bonds & cash	124,658	3,314	8,350	136,322	1,045	7.4%	14.8%
Total	212,558	2,935	1,924	217,417	4,880	3.2%	9.4%

Total return = (C+E) / (A+B/2). Figures for total return are approximate and do not take account of fees and other costs including the loan on Northgate House. Income excludes £124k (2016/17: £46k) of interest on current asset investments.

The agricultural portfolio has proved to be stable in a period of relative uncertainty.

The sharply lower return for the commercial portfolio reflects two factors. The challenging retail environment has meant that our non-Northgate House commercial properties have reduced in value by £2.7m even though the underlying rents are unchanged. The major part, however, results from a further reduction in the valuation of Northgate House of £3.7m (2016/17: £5.1m) as its tenancies terminate or are vacated ahead of its redevelopment. This brings the reduction in value of this property over the last four years to slightly more than £14m, a figure which we hope will be reversed to an extent in the wake of the Northgate Project.

Equity and related returns for the financial year have been more variable with the resurgence of volatility in many markets in early 2018 and a more cautious stance by our investment managers as they seek to balance short-term return with longer-term maintenance of capital. Dividend and related income continued to reduce, as expected, given the mandate to focus on the total return from investments as opposed to income yield.

The total return from securities exceeds the College's investment policy target. For the overall portfolio, excluding the exceptional impact of the Northgate House valuation, the return is 4.9%, 1.6% above the College's revised and more cautious total return spending rate of 3.3%.

Further details on investments can be found in Notes 4, 11 and 13 to the financial statements.

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Expenditure

Total expenditure rose by £2.1m to £14.6m, although £1.8m of this was due to expenditure and funding costs for the Northgate Project – see below. Excluding this, underlying costs increased by 2.4%.

Staff costs remained at £4.9m (2016/17: £4.9m), reflecting a reduction in the pension charge as discount rates moved up, offset by underlying salary inflation of 1.7% and a small increase in headcount. The College has maintained its commitment to paying all staff at a rate which is at least equivalent to the Voluntary Living Wage and is pleased to confirm that this year it received accreditation with the Living Wage Foundation.

Headline non-pay costs were £7.6m (2016/17: £7.3m). These have been impacted by higher management costs for the equity portfolio as it increased in value, professional costs, and increases in grants and scholarships.

Northgate Project

The College has always invested, and continues to invest, in its property and infrastructure to ensure that its facilities support its academic mission. As reported last year, the College has embarked on a major project to re-develop Northgate House, the major property behind its central site bordering Cornmarket and Market Street. The project will provide additional teaching and research space, increase the number of student rooms on the central site, establish a digital hub and improve the accessibility of the College, both physically and virtually. Planning permission was granted in August 2018 and vacant possession of the site is expected to be received early in the New Year so that demolition and subsequent construction can begin.

Costs of £1,498k (2016/17: £268k), see Note 5, were incurred and expensed, largely in respect of design and related professional fees; these are matched by income from the lead donation, see Note 2. In addition, interest payable on the loans raised to complete the financing of the project was £672k (2016/17: £110k). The College expects to sign the main construction contract early in the New Year, at which point the balance of the £15m lead donation will be recognised and the costs of the project, including related interest, will be capitalised.

Reserves policy

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

Total funds of the College and its subsidiary at the year-end amounted to £212m (2017: £210m), of which £58.5m (2017: £61.7m) are considered to be available reserves. Available reserves are defined as:

- Free reserves, being retained unrestricted income reserves of £17.9m (2017: £17.3m). These exclude £10.3m (2017: £11.1m) for the net book value of tangible fixed assets; funds designated at the year-end amounting to £0.3m (2017: £0.3m); and are net of the pension deficit reserve of £1.2m (2017: £1.3m);
- Unapplied total return of £63.8m (2017: £52.7m) less an amount of £19.3m (2017: £16.3m), being the inflationary adjustment required to preserve the permanent endowment capital of £87.7m; and
- Expendable endowment of £28.2m (2017: £36.8m) less an amount of £32.1m (2017: £28.8m), being the underlying capital base.

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

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

After making appropriate allowance for these risks, available reserves at the year-end represented approximately 0.98 times 2017/18 operational expenditure excluding the costs of the Northgate Project (2016/17: 1.52 times). On this basis, the Committee has concluded that the level of reserves is appropriate.

Designated reserves at the year-end include £248k (2016/17: £301k) in the Development Fund to be spent on supporting both new projects and a variety of current activities including bursaries and widening participation within a 12 to 18 month timescale.

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Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. A risk management policy has been approved by the Governing Body and in accordance with this, risks and mitigating procedures within the College are reviewed by the relevant College committees, chaired by the Principal or Vice-Principal. Financial and investment risks are assessed by the Estates Committee; the Director of Accommodation, Catering and Conferences and department heads meet regularly to review health and safety issues; and academic matters are addressed by the Academic Director. 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 constituted a Risk and Audit Committee to help it monitor the major risks to which the College is exposed. A risk register has been established and responsibility for the management of the key risks resides with the College Officers and their relevant committees, with the Risk and Audit Committee receiving periodic reports on the effectiveness of this. It is recognised that systems can provide only reasonable and not absolute assurance that major risks have been managed.

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

- Academic performance. Attracting the best tutors and students is essential to the College's overall purpose. A key part of the College's Strategic Plan for 2017 to 2021 involves providing additional means of supporting both tutorial fellows, to ensure they continue to deliver excellent results through their teaching and research, and students, whether in terms of access, study facilities or preparation for the next stage of their careers.
- Student welfare. The care of and support for students is a priority for the College. An established welfare network and medical support team are available within College in addition to the communications and services that exist in the wider University. The College's welfare provision is supplemented by an experienced student Counsellor who provides on-site support.
- Major incident. This takes account of the risk of a major fire, explosion or other disaster which might affect either the College's operational or investment property. The University's policy to cover such incidents has been adopted by the College and dry runs have been completed. Regular maintenance of safety systems takes place and a catastrophe insurance policy is kept under review.
- IT security. The risk embraces IT systems failure, data security and vulnerability to cyber-attack. The College regularly reviews its policies and practices in this area. A data security policy has been adopted; appropriate back-up facilities are available; and insurance cover exists.
- Management of investments. The College is reliant on the investment return from its endowments to support its charitable activities. As noted above, a portion of its rents from the Northgate House property will be affected during its re-development, although reserves have been established over a period of years in anticipation of this. Responsibility for monitoring the College's investment performance rests with the Estates Committee, which has appointed experienced investment managers to act on its behalf.
- Northgate Project. The project will provide a significant expansion of the College's central site. As with any major construction project, there are planning, funding and execution risks. The College has retained the services of a full professional team of advisers and has already secured the funding for the project. Responsibility for oversight of the project's delivery has been delegated to a specific working group which reports directly to the Governing Body.
- Pensions. The 2017 actuarial valuation of USS has not yet been completed formerly. There is a risk that the year-end provision will change and contributions will rise following the final outcome of negotiations, potentially by a significant amount, depending on what is agreed finally.

FUTURE PLANS

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

- An increase in student numbers from the introduction of Computer Sciences and the expansion of postgraduate places;
- Improved learning, teaching and accommodation facilities as part of the Northgate Project;
- The introduction of an innovative Digital Hub to promote interdisciplinary research and knowledge exchange; and
- Extending the number of, and support for, junior and early career Fellows.

JESUS COLLEGE

Report of the Governing Body

Year ended 31 July 2018

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

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

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

Approved by the Governing Body on 28 November 2018 and signed on its behalf by:

Prof Sir N. Shadbolt
Principal

JESUS COLLEGE

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

Year ended 31 July 2018

Opinion on financial statements

We have audited the financial statements of Jesus College ('the Charity' or 'the College') for the year ended 31 July 2018, which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Charity's affairs as at 31 July 2018 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

JESUS COLLEGE

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

Year ended 31 July 2018

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

Reading

Date: 28 November 2018

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

JESUS COLLEGE

Statement of Accounting Policies

Year ended 31 July 2018

1. Scope of the financial statements

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

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

2. Basis of accounting

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

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

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

3. Accounting judgements and estimation of uncertainty

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

- The College participates in three multi-employer defined benefit pension plans. In the judgement of the Governing Body there is insufficient information about the plans' assets and liabilities to reliably account for its share of the defined benefit obligations and plans' assets in the financial statements and therefore the plans are accounted for as defined contribution schemes (see Note 21).
- The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date.
- The College has signed a gift agreement for £15m with a lead donor for the Northgate Project, payment of which is in instalments until completion of the project. The donation is conditional on the project proceeding, subject to validly incurred preliminary expenditure. Accordingly, only income matched by valid expenditure in the year has been recognised (see Note 2). Final approval is expected to be given by the College's Governing Body at the point of signing the main construction contract, at which time the balance of the donation will be recognised.
- Before legacies are recognised in the financial statements, the Governing Body exercises judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient evidence exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate sufficient funds are in the estate after meeting liabilities for the bequest to be paid.

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

- The decision whether to proceed with the Northgate Project. A positive decision will result in the recognition of the balance of the lead donation and the capitalisation of the project costs, plus the further write-down of the existing building, consequent upon its demolition, to its estimated land value;
- The level of investment return and the performance of investment markets both for the College's commercial property and other investments; and
- The discount rate which is applied when determining the College's share of the past service deficits on the pension schemes to which it contributes and the level of deficit contributions payable once the USS valuation is agreed.

JESUS COLLEGE

Statement of Accounting Policies

Year ended 31 July 2018

4. Consolidation

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

5. Income recognition

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

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

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

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

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

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

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

6. Investment income

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

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

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

7. Total return investment accounting

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

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

8. Expenditure

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

JESUS COLLEGE

Statement of Accounting Policies

Year ended 31 July 2018

8. Expenditure (continued)

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

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

9. Tangible fixed assets

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

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

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

10. Depreciation

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

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

Freehold land is not depreciated. The cost of maintenance, including non-capital repairs and refurbishment, is charged in the Statement of Financial Activities in the period in which it is incurred.

Works of art and other valuable artefacts regarded as inalienable are not included in the financial statements.

11. Investments

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

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

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

12. Foreign currencies

The functional and presentation currency of the College and its subsidiaries is the pound sterling. Transactions denominated in foreign currencies are translated at the spot rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates applying at the reporting date. Foreign exchange gains and losses from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

JESUS COLLEGE

Statement of Accounting Policies

Year ended 31 July 2018

13. Financial instruments

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

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

14. Leases

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

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

15. Fund accounting

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

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

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

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

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

16. Pension costs

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

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

Jesus College
Consolidated Statement of Financial Activities
For the year ended 31 July 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2017/18 Total £'000	2016/17 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		5,741	-	-	5,741	5,725
Public worship		3	-	-	3	2
Other trading income	3	323	-	-	323	402
Donations and legacies	2	198	1,775	1,671	3,644	3,678
Investments						
Investment income	4	648	9	4,347	5,004	5,243
Total return allocated to income	13	4,308	1,029	(5,337)	-	-
Total income		11,220	2,813	681	14,715	15,050
EXPENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential*		8,195	3,089	-	11,284	9,693
Public worship		66	-	-	66	80
Generating funds:						
Fundraising		616	-	-	616	603
Trading expenditure		272	-	-	272	352
Investment management costs		1,729	-	672	2,401	1,828
Total expenditure		10,878	3,089	672	14,639	12,556
Net income/(deficit) before investment gains		342	(275)	9	76	2,495
Net gains on investments	10, 11	297	-	1,627	1,924	12,931
Net income/(deficit)		639	(275)	1,636	2,000	15,426
Transfers between funds	17	(849)	-	849	-	-
Net movement in funds for the year		(210)	(275)	2,485	2,000	15,426
Fund balances brought forward	17	28,751	3,691	177,245	209,687	194,261
Funds carried forward at 31 July		28,541	3,415	179,731	211,687	209,687

*: Teaching, research and residential expenditure includes £1,498k (2016/17: £268k) for the Northgate Project.

Jesus College
Consolidated and College Balance Sheets
As at 31 July 2018

	Notes	2017/18 Group £'000	2016/17 Group £'000	2017/18 College £'000	2016/17 College £'000
FIXED ASSETS					
Tangible assets	9	10,261	11,111	10,261	11,111
Property investments	10	81,095	87,900	81,095	87,900
Other investments	11	136,322	124,658	136,322	124,658
Total fixed assets		227,678	223,669	227,678	223,669
CURRENT ASSETS					
Stocks		120	118	120	118
Debtors	14	2,346	4,432	2,629	4,764
Investments	24	25,780	26,036	25,780	26,036
Cash at bank and in hand	24	562	2,016	370	1,708
Total current assets		28,808	32,602	28,899	32,626
LIABILITIES					
Creditors: Amounts falling due within one year	15	4,084	4,882	4,175	4,907
NET CURRENT ASSETS		24,724	27,719	24,725	27,719
TOTAL ASSETS LESS CURRENT LIABILITIES		252,402	251,388	252,403	251,388
CREDITORS: falling due after more than one year	16	39,471	40,389	39,471	40,389
NET ASSETS BEFORE PENSION LIABILITY		212,931	210,999	212,931	210,999
Defined benefit pension scheme liability	21	1,244	1,312	1,244	1,312
NET ASSETS		211,687	209,687	211,687	209,687
FUNDS OF THE COLLEGE					
Endowment funds	17	179,731	177,245	179,731	177,245
Restricted funds	17	3,415	3,691	3,415	3,691
Unrestricted funds					
Designated funds	17	10,616	11,422	10,616	11,422
General funds	17	19,169	18,641	19,169	18,641
Pension reserve	21	(1,244)	(1,312)	(1,244)	(1,312)
		211,687	209,687	211,687	209,687

The financial statements were approved and authorised for issue by the Governing Body of Jesus College on 28 November 2018

Prof Sir N. Shadbolt

Mr S.N. Woodward

Principal

Estates Bursar

Jesus College
Consolidated Statement of Cash Flows
For the year ended 31 July 2018

	Notes	2017/18 £'000	2016/17 £'000
Net cash used in operating activities	23	(4,836)	(2,069)
Cash flows from investing activities			
Dividends, interest and rents from investments		4,883	5,196
Purchase of property, plant and equipment		(112)	(352)
Proceeds from sale of investments		1,572	1,310
Purchase of investments		(4,507)	(13,969)
Net withdrawals from (additions to) current asset investments		256	(16,508)
Net cash provided by / (used in) investing activities		2,092	(24,323)
Cash flows from financing activities			
Repayments of borrowing		(859)	(822)
Finance costs paid		(1,471)	(993)
Cash inflows from new borrowing		-	24,889
Receipt of endowment donations		3,620	1,055
Net cash provided by / (used in) financing activities		1,290	24,130
Change in cash and cash equivalents in the reporting period		(1,454)	(2,262)
Cash and cash equivalents at the beginning of the reporting period		2,016	4,278
Cash and cash equivalents at the end of the reporting period	24	562	2,016

Jesus College
Notes to the Financial Statements
For the year ended 31 July 2018

1 INCOME FROM CHARITABLE ACTIVITIES

	2017/18	2016/17
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,454	1,392
Tuition fees - Overseas students	754	650
Other HEFCE support	200	197
Other academic income	199	205
College residential income	3,134	3,281
Total teaching, research and residential	5,741	5,725
Total public worship	3	2
Total income from charitable activities	5,744	5,727

The above includes £1,646k (2016/17: £1,578k) from Oxford University under the CFF Scheme, net of College fees received directly. Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the College's share of fees waived amounted to £6k (2016/17: £17k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2017/18	2016/17
	£'000	£'000
Donations and Legacies		
Unrestricted funds	198	248
Restricted funds	1,775	1,303
Endowed funds	1,671	2,127
	3,644	3,678

Restricted fund donations include £1,498k (2016/17: £268k) recognised for the Northgate Project.

3 INCOME FROM OTHER TRADING ACTIVITIES

	2017/18	2016/17
	£'000	£'000
Subsidiary companies trading income	321	394
Other trading income	2	8
	323	402

Jesus Accommodation Limited accounted for £321k (2016/17: £394k) of the College's non-charitable trading income.

4 INVESTMENT INCOME

	2017/18	2016/17
	£'000	£'000
<i>Unrestricted funds</i>		
Agricultural rent	500	500
Other property income	33	42
Interest on fixed term deposits and cash	114	35
Bank interest	1	1
	648	578
<i>Restricted funds</i>		
Interest on fixed term deposits and cash	9	10
	9	10
<i>Endowed funds</i>		
Commercial rent	3,243	3,188
Other property income	59	55
Equity dividends	1,045	1,401
Income from fixed interest stocks	-	11
	4,347	4,655
Total Investment income	5,004	5,243

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

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5 ANALYSIS OF EXPENDITURE

	2017/18	2016/17
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	3,604	3,509
Public worship	40	60
Other direct costs allocated to:		
Northgate Project expenditure	1,498	268
Other teaching, research and residential	4,162	3,850
Total teaching, research and residential	5,660	4,118
Public worship	26	20
Support and governance costs allocated to:		
Teaching, research and residential	2,020	2,066
Total charitable expenditure	11,350	9,773
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	292	312
Trading expenditure	110	124
Investment management costs	131	122
Other direct costs allocated to:		
Fundraising	259	230
Trading expenditure	109	162
Investment management costs	657	624
Support and governance costs allocated to:		
Fundraising	65	61
Trading expenditure	53	66
Investment management costs	1,613	1,082
Total expenditure on raising funds	3,289	2,783
Total expenditure	14,639	12,556

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 charge of £146k (2016/17: £141.6k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

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

Jesus College
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	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	2016/17 Total £'000
Financial administration	37	222	-	259
Domestic administration	71	251	-	322
Human resources	22	238	-	260
IT	18	242	-	260
Depreciation	-	1,037	-	1,037
Bank interest payable	939	13	-	952
Other finance charges	117	41	-	158
Governance costs	5	22	-	27
	<u>1,209</u>	<u>2,066</u>	<u>-</u>	<u>3,275</u>

Finance, administration and human resources costs are allocated according to the estimated staff time spent on each activity. Depreciation is allocated according to the use made of the underlying assets. IT and Governance costs are allocated according to activity. Interest and other finance charges are allocated according to the purpose of the related financing. Other finance charges include £672k (2016/17: £110k) of interest payable for the private placement loan of £25m.

	2017/18 £'000	2016/17 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	29	20
Auditor's remuneration - other services	-	7
	<u>29</u>	<u>27</u>

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

7 GRANTS AND AWARDS

	2017/18 £'000	2016/17 £'000
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During the year, the College funded research awards and bursaries to students from its restricted and unrestricted funds as follows:

Unrestricted funds

Grants to individuals:		
Scholarships, prizes and grants	247	292
Bursaries and hardship awards	23	165
Total unrestricted	<u>271</u>	<u>457</u>

Restricted funds

Grants to individuals:		
Scholarships, prizes and grants	355	182
Bursaries and hardship awards	162	42
Total restricted	<u>517</u>	<u>224</u>

Total grants and awards

	<u>787</u>	<u>681</u>
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The figures above include the cost to the College of the Oxford Bursary scheme. Our students received £86k this year (2016/17: £89k). Some of those students also received fee waivers amounting to £6k (2016/17: £17k).

8 STAFF COSTS

	2017/18 £'000	2016/17 £'000
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The aggregate staff costs for the year were as follows:

Salaries and wages	4,004	3,801
Social security costs	365	345
Pension costs	529	708
	<u>4,898</u>	<u>4,854</u>

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

	2017/18	2016/17
Tuition and research	16	14
College residential	52	49
Public worship	1	1
Fundraising	6	6
Support	13	14
Total	88	84

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

University lecturers	22	20
CUF lecturers	10	10
Other teaching and research	10	10
Other	8	8
Total	50	48

The aggregate payroll costs for the year were £4.9m, of which £4.2m related to income-generating functions and £0.7m to support functions. The College also benefits from temporary staff, agency workers and part-time external tutors who are not on the College payroll. The related costs were £360k (2016/17: £438k). The decrease in agency fees reflects lower vacant posts this year partly offset by a slight increase in external tuition provided by self-employed tutors.

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

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

9 TANGIBLE FIXED ASSETS

Group and College	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	14,770	6,579	2,730	542	24,621
Additions	-	-	112	-	112
At end of year	14,770	6,579	2,842	542	24,733
Depreciation and impairment					
At start of year	9,966	2,065	1,069	410	13,510
Depreciation charge for the year	552	163	191	56	962
At end of year	10,518	2,228	1,260	466	14,472
Net book value					
At end of year	4,252	4,351	1,582	76	10,261
At start of year	4,804	4,514	1,661	132	11,111

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

10 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2017/18 Total £'000	2016/17 Total £'000
Valuation at start of year	34,063	52,885	952	87,900	89,305
Additions and improvements at cost	4	-	-	4	2
Disposals	-	-	(383)	(383)	(398)
Revaluation gains/(losses) in the year	1	(6,455)	28	(6,426)	(1,009)
Valuation at end of year	34,068	46,430	597	81,095	87,900

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A formal valuation of the agricultural properties was prepared by Gerald FitzGerald FRICS of Savills Ltd as at 31 July 2018. A formal valuation of the commercial and other properties was prepared by Philip Parnell FRICS of Deloitte LLP as at 31 July 2018. Agricultural property values are largely unchanged. In contrast, the value of the College's commercial property has decreased for two reasons. £3,700k is due to the continued reduction in the value of Northgate House as its tenancies cease, either because of the end of the related lease or in agreement with the College, in preparation for its redevelopment. £2,755k is attributable to the remaining commercial properties and reflects the more challenging environment facing retailers.

During the year, the College sold its share of two properties and reduced its share in a third property held in joint equity with its Fellows for £108k, £180k and £105k respectively. These disposals resulted in a net gain of £15k against their previously revalued carrying value.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2017/18	2016/17
	£'000	£'000
Group and College investments		
Valuation at start of year	124,658	97,663
New money invested	4,503	13,967
Amounts withdrawn	(1,189)	(912)
Increase in value of investments	8,350	13,940
Group and College investments at end of year	136,322	124,658

In addition to the above, the College realised a loss on currency exchange on cash balances of £5k (2016/17 £4.4k loss).

Group and College investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2017/18 Total £'000	Held outside the UK £'000	Held in the UK £'000	2016/17 Total £'000
Equity investments	96,120	26,392	122,512	65,134	43,790	108,924
Property funds	-	1,286	1,286	-	1,214	1,214
Alternative and other investments	2,978	114	3,092	3,233	285	3,518
Fixed term deposits and cash	7,105	2,327	9,432	-	11,002	11,002
Total group and College investments	106,203	30,119	136,322	68,367	56,291	124,658

Alternative and other investments include certain unlisted investments valued as at 30 June 2018 because valuations at 31 July 2018 are not readily available.

12 PARENT AND SUBSIDIARY UNDERTAKINGS

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

Jesus Accommodation Limited:

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

Jesus College Developments (Oxford) Limited:

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

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

	Parent College £'000	Jesus Accommod- ation Ltd £'000	JC Develop- ments (Oxford) Ltd £'000
Income	14,343	321	1,465
Expenditure	(14,318)	(272)	(1,463)
Donation to College under gift aid	51	(49)	(2)
Net income before investment gains	<u>76</u>	<u>-</u>	<u>-</u>
Total assets	256,577	296	383
Total liabilities	(44,890)	(296)	(383)
Net funds at the end of year	<u>211,687</u>	<u>-</u>	<u>-</u>

Jesus College
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13 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2015. The investment return to be applied as income is calculated as 3.3% (2016/17: 3.5%) of the average of the inflation-adjusted year-end values of the relevant investments for the last 5 years. The preserved value of the invested endowment capital represents its fair value at August 2009 plus all subsequent endowments valued at the date of the gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total £'000
At the beginning of the year:					
Trust for Investment	87,682	-	87,682	-	87,682
Unapplied total return	-	52,730	52,730	-	52,730
Expendable endowment	-	-	-	36,834	36,834
Total endowments	87,682	52,730	140,412	36,834	177,245
Movements in the reporting period:					
Gift of endowment funds	43	-	43	1,628	1,671
Investment return: total investment income	-	3,453	3,453	894	4,347
Investment return: realised and unrealised gains and losses	-	12,392	12,392	(10,765)	1,627
Less: Investment management costs	-	(534)	(534)	(138)	(672)
Other transfers	-	-	-	849	849
Total	43	15,311	15,354	(7,532)	7,822
Unapplied total return allocated to income in the period	-	(4,239)	(4,239)	(1,098)	(5,337)
Net movements in reporting period	43	11,072	11,115	(8,630)	2,485
At end of the reporting period:					
Trust for Investment	87,725	-	87,725	-	87,725
Unapplied total return	-	63,802	63,802	-	63,802
Expendable endowment	-	-	-	28,204	28,204
Total endowments	87,725	63,802	151,527	28,204	179,731

The investment return for Expendable Endowment is stated after allocating £12,125k for the cumulative write-down of Northgate House against the Northgate Fund, see Note 17.

14 DEBTORS

	2017/18 Group £'000	2016/17 Group £'000	2017/18 College £'000	2016/17 College £'000
Amounts falling due within one year:				
Trade debtors	425	661	396	566
Amounts owed by College members	207	136	207	136
Amounts owed by Group undertakings	-	-	368	470
Prepayments	283	198	282	197
Accrued income	1,140	2,372	1,085	2,331
Assets held for sale	-	575	-	575
Other debtors	133	75	133	75
Amounts falling due after more than one year:				
Accrued income	159	414	159	414
	2,346	4,432	2,629	4,764

The changes in the level of accrued income reflect the timing of cash receipts in respect of confirmed donations.

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15 CREDITORS: falling due within one year

	2017/18	2016/17	2017/18	2016/17
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loan	910	850	910	850
Trade creditors	862	444	616	309
Amounts owed to College members	142	226	142	226
Amounts owed to Group undertakings	-	-	402	214
Taxation and social security	346	398	335	390
College contribution	150	148	150	148
Expenditure accruals	488	590	462	558
Deferred income	1,082	2,083	1,073	2,071
Other creditors	104	145	85	141
	4,084	4,882	4,175	4,907

Included in deferred income is £484k (2016/17: £981k) of the lead donation received to fund future expenditure on the Northgate Project. In accordance with the terms of the donation, this will not be recognised as income until either related expenditure is incurred or planning permission for the project and formal approval by the College's Governing Body is received. See also Note 30.

16 CREDITORS: falling due after more than one year

	2017/18	2016/17	2017/18	2016/17
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loan - unsecured	14,581	15,500	14,581	15,500
Other loan - unsecured	24,890	24,889	24,890	24,889
	39,471	40,389	39,471	40,389

The College holds two long term loans:

The bank loan relates to the acquisition of Northgate House, an investment property. Interest is payable at a fixed rate of 5.369%. The loan is repayable in instalments over 20 years and matures in April 2028; £910k of the loan is payable within one year.

In January 2017, the College raised £25m via a private placement primarily to fund the Northgate Project, although the funds were not drawn down until May 2017. The loan comprises £10m repayable in May 2037 at a fixed interest rate of 2.67% and £15m repayable in May 2058 at a fixed interest rate of 2.64%.

At 31 July 2018, the loans are stated net of unamortised acquisition costs of £243k and £110k (2016/17: £281k and £111k) respectively.

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17 ANALYSIS OF MOVEMENTS ON FUNDS	At 1 August 2016/17 £'000	Incoming resources* £'000	Resources expended £'000	Transfers ** £'000	Gains/ (losses) £'000	At 31 July 2017/18 £'000
ENDOWMENT FUNDS - PERMANENT	140,412	3,495	(529)	(4,238)	12,387	151,527
Bursary and hardship funds	1,426	39	(5)	(44)	127	1,543
Cultural sporting and travel funds:						
P.W. Dodd Fund	796	20	(3)	(24)	70	859
Other cultural sporting and travel	762	19	(2)	(22)	65	822
General purposes:						
Old Estate inc. Leoline Jenkins	101,578	2,498	(386)	(3,067)	8,961	109,584
Meyricke Endowment	16,645	409	(63)	(503)	1,468	17,956
Other general purposes	2,333	57	(9)	(71)	204	2,514
Building & infrastructure (A E Stevens)	3,820	94	(15)	(115)	337	4,121
Other specific endowments	149	5	-	(5)	13	162
Scholarships, prizes & awards funds	3,357	116	(11)	(99)	298	3,661
Teaching & research funds:						
Zeitlyn	5,128	126	(19)	(155)	452	5,532
Other teaching & research funds	4,418	112	(16)	(133)	392	4,773
ENDOWMENT FUNDS - EXPENDABLE	36,833	2,523	(143)	(249)	(10,760)	28,204
Northgate House	20,889	514	(79)	218	(12,125)	9,417
College Pension Fund	1,628	40	(6)	(49)	144	1,757
John Walsh History Fellowship	1,545	42	(6)	(47)	136	1,670
W & M Elton Davies Fund	1,461	36	(6)	(44)	129	1,576
H Morag English Fellowship	1,305	32	(5)	(39)	115	1,408
Hoffmann Medical Grad. Scholarships	1,747	32	(5)	(39)	114	1,849
J Bounden Endowment Fund	1,641	346	(5)	(38)	110	2,054
Shredder Maths student support Fund	195	985	(2)	(16)	46	1,208
Other teaching & research funds	6,422	496	(29)	(195)	571	7,265
Total endowment funds	177,245	6,018	(672)	(4,488)	1,627	179,731
RESTRICTED FUNDS						
Bursary and hardship funds	790	66	(225)	105	-	736
Cultural sporting and travel funds	70	-	(49)	46	-	67
Building & Infrastructure:						
Cheng/Knight Dragon	-	1,498	(1,498)	-	-	-
Other building & infrastructure	233	22	(368)	115	-	2
Other specific funds	98	20	(5)	18	-	131
Scholarships, prizes & awards funds	1,178	56	(222)	169	-	1,181
Teaching & research funds	1,322	122	(722)	576	-	1,298
Total restricted funds	3,691	1,784	(3,089)	1,029	-	3,415
UNRESTRICTED FUNDS						
General unrestricted funds	18,641	6,714	(10,119)	3,635	297	19,169
Designated: Fixed asset	11,111	-	-	(849)	-	10,261
Designated: Annual fund	301	198	(251)	-	-	248
Designated: Other	10	-	(3)	100	-	107
General purposes funds	-	-	(573)	573	-	-
Pension reserve	(1,312)	-	68	-	-	(1,244)
Total unrestricted funds	28,751	6,912	(10,878)	3,459	297	28,541
Total funds	209,687	14,715	(14,639)	-	1,924	211,687

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

**Transfers include £4,308k and £1,029k released to unrestricted and restricted funds respectively in accordance with the College's total return policy and £849k added to expendable endowment for the 2016/17 capital repayment on the Northgate House loan.

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment funds - Permanent:

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

Endowment funds - Expendable:

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

Restricted funds:

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

Designated funds:

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

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

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19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017/18 Total £'000
Tangible fixed assets	10,261	-	-	10,261
Property investments	34,665	-	46,430	81,095
Securities and other investments	-	-	136,322	136,322
Net current assets / (liabilities)	24,331	3,415	(3,021)	24,724
Defined benefit pension scheme liability	(1,244)	-	-	(1,244)
Creditors falling due after one year	(39,471)	-	-	(39,471)
	28,541	3,415	179,731	211,687

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016/17 Total £'000
Tangible fixed assets	11,111	-	-	11,111
Property investments	35,015	-	52,885	87,900
Securities and other investments	-	-	124,658	124,658
Net current assets / (liabilities)	24,326	3,691	(298)	27,719
Defined benefit pension scheme liability	(1,312)	-	-	(1,312)
Long term liabilities	(40,389)	-	-	(40,389)
	28,751	3,691	177,245	209,687

20 TRUSTEES' REMUNERATION

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

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

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

Trustees of the College fall into the following categories:

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

During the year seven Trustees, being the Principal, Academic Director, Estates Bursar, Development Director, Director of Accommodation Catering and Conferences, Human Resources Director and Property Director, worked on management and fundraising. All were full time with the exception of the Estates Bursar, who worked on a 50% presence. These Trustees comprise the key management personnel and their cost for the year, including employer's National Insurance, was £694k (2016/17: £684k).

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

Trustees receive additional allowances where they perform specific roles within College. These amounts are included in the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,773k (2016/17: £1,719k), which includes employer pension contributions of £257k (2016/17: £249k).

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Remuneration paid to trustees

Range	2017/18		2016/17	
	Number of Trustees/ Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/ Fellows	Gross remuneration, taxable benefits and pension contributions £
£0	1	-	-	-
£1 - £999	8	5,057	8	4,829
£3000 - £3999	1	3,455	1	3,459
£10000 - £10999	1	10,560	1	10,289
£13000 - £13999	1	13,914	-	-
£14000 - £14999	-	-	1	14,166
£17000 - £17999	1	17,172	-	-
£21000 - £21999	1	21,044	-	-
£22000 - £22999	1	22,322	1	22,891
£23000 - £23999	1	23,194	1	23,665
£24000 - £24999	2	49,484	1	24,219
£25000 - £25999	1	25,711	5	128,440
£26000 - £26999	10	265,601	7	185,941
£27000 - £27999	3	82,330	2	54,378
£28000 - £28999	1	28,189	2	57,240
£31000 - £31999	1	31,867	-	-
£36000 - £36999	1	36,341	-	-
£43000 - £43999	1	43,908	1	43,167
£45000 - £45999	1	45,814	1	45,957
£47000 - £47999	-	-	1	47,425
£49000 - £49999	1	49,049	-	-
£50000 - £50999	-	-	1	50,634
£51000 - £51999	1	51,682	-	-
£54000 - £54999	-	-	1	54,898
£56000 - £56999	1	56,480	1	56,252
£57000 - £57999	-	-	1	57,721
£58000 - £58999	4	233,890	3	175,101
£59000 - £59999	2	118,427	-	-
£60000 - £60999	-	-	1	60,838
£64000 - £64999	1	64,025	-	-
£66000 - £66999	-	-	2	132,789
£83000 - £83999	-	-	1	83,195
£85000 - £85999	-	-	2	170,588
£86000 - £86999	3	259,267	-	-
£87000 - £87999	-	-	1	87,056
£88000 - £88999	1	88,391	-	-
£123000 - £123999	-	-	1	123,652
£125000 - £125999	1	125,771	-	-
Total	52	1,772,946	48	1,718,792

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

Trustee expenses

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £4.8k (2016/17: £9.7k) was reimbursed to 8 (2016/17: 9) of the Trustees in relation to College investments or for attending other College business or conferences.

21 PENSION SCHEMES

Pension scheme provisions

The College is a member of the Universities Superannuation Scheme (USS) and University of Oxford Staff Pension Scheme (OSPS), both multi-employer pension schemes which are in deficit. The College has recognised a provision for its commitments under the agreed deficit reduction plans. In calculating these provisions, the College has estimated that salary expense will increase at 2% p.a and has discounted the liability at 2.20% (2017: 1.90%) for USS and 1.95% (2017: 1.55%) for OSPS. A sensitivity analysis to changes in salary and discount rate changes is shown below.

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Pension schemes

The College participates in two principal pension schemes, the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes include contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary) and until April 2016 were contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. As the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis, in accordance with the accounting standard FRS 102, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall, which cannot be otherwise recovered, in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. In OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

Actuarial valuations

Qualified actuaries periodically value the USS and OSPS schemes using the 'projected unit method'. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations, the assumptions which have the most significant effect on these valuations, and the determination of the contribution levels are shown in the following table.

	USS	OSPS
Date of valuation:	31/03/2014	31/03/2016
Value of liabilities:	£46.9bn	£661m
Value of assets:	£41.6bn	£528m
Funding surplus / (deficit):	(£5.3bn) ^a	(£133m) ^b
Principal assumptions:		
• Investment return	5.2%pa ^c	-
• Rate of interest (periods up to and after retirement)	-	'Gilts' + 1.2%pa
• Rate of increase in salaries	RPI + 1%pa ^d	'RPI + 1%pa
• Rate of increase in pensions	CPI pa ^d	Avg RPI/CPI pa
Mortality assumptions:		
• Assumed life expectancy at age 65 (males)	24.2 yrs	22.4 yrs
• Assumed life expectancy at age 65 (females)	26.3 yrs	24.7 yrs
Funding ratios:		
• Technical provisions basis	89%	80%
• Statutory Pension Protection Fund basis	82%	67%
• 'Buy-out' basis	54%	42%
• Estimated FRS 102 Total Funding level	77%	82%
Recommended employer's contribution rate (as % of pensionable salaries):	18% ^e	23%; 19% from 01/08/2017 ^f
Effective date of next valuation:	31/03/2017	31/03/2019

a. USS's actuarial valuation as at 31 March 2014 reflects the revised benefit structure effective 1 April 2016. Key changes include: for Final Salary section members, benefits built up to 31 March 2016 were calculated using pensionable salary and service immediately prior to that date; going forwards they will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary for each year of service up to a salary threshold, initially £55,000 p.a., effective from 1 October 2016; member contributions are 8% of salary; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold; and optional additional contributions into the defined contribution section of which the first 1% of salary is matched by the employer. Until 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries. After allowing for the changes, the employer contribution rate is 18% pa of salaries for the period from 1 April 2016 to 31 March 2031, which gives rise to deficit contributions of at least 2.1% p.a. of salaries.

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

c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.

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d. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa 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 0.8% p.a.

e. The USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it was 16% of salaries. The total employer contributions include provisions for the cost of administrative expenses of 0.4% of salaries and from the implementation of the salary threshold matching contributions and certain investment management costs relating to the DC section.

The 2017 actuarial valuation of USS is underway but this has not yet been completed formerly. Publication has been delayed beyond the statutory deadline of 30 June 2018 so that the completion of the valuation can run in parallel to the Joint Expert Panel ('JEP'), which is reviewing the valuation to provide assurances that the trustee is, ultimately, in a position to address its statutory obligations. The JEP is tasked with agreeing key principles to underpin the future approach of the University and College Union (UCU) and Universities UK (UUK) to the USS valuation. The JEP published their first report on 13 September 2018 and has recommended four areas where adjustments to the valuation should be considered. It is the JEP belief, based on independent actuarial analysis, that the full implementation of these adjustments could mean total required contributions estimated at 29.2% to fund current benefits (minus the 1% match). This compares to the current rate of 26% (18% of salary paid by employers as above, 8% by employees) and the rate of 36.6% from April 2020 that has been proposed by USS based on the valuation as it stands.

In the judgement of the College, as the 2017 valuation has not been completed formally, and there remain various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it is appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation. However, there is a significant risk that the year-end provision as calculated will not reflect the position following the final outcome of negotiations, potentially by a significant amount, depending upon what is agreed finally as regards future deficit contributions and their duration. The College expects to have greater clarity in this respect during the next financial year.

f. The OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% (23% from 1 August 2016 to 31 July 2017). It is now 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of the contribution for defined contribution members will be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

Sensitivity of actuarial valuation assumptions

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

Assumption	USS Change in assumption	Impact on USS liabilities
Initial discount rate	Increase / reduce by 0.25%	Decrease / increase by £0.8bn
Discount rate in 20 years' time	Increase / reduce by 0.25%	Decrease / increase by £1.1bn
RPI inflation	Increase / reduce by 0.1%	Increase / decrease by £0.8bn
Rate of mortality	More prudent (mortality at last valuation, rated down by a further year)	Increase by £0.5bn

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

Deficit recovery plans

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principal assumptions used in these calculations are tabled below:

Assumption	OSPS	USS
Finish date for deficit recovery plan	30/06/2027	31/03/2031
Average staff number increase	0%	0%
Average staff salary increase	2%	2%
Average discount rate over period	1.95%	2.2%
Effect of 0.5% change in discount rate	£19.4k	£16.3k
Effect of 1% change in staff growth	£72k	£35.5k

At 31 July 2018, a provision of £501.5k (2016/17: £545k) and a provision of £718k (2016/17: £744k) have been made for USS and OSPS respectively for the present value of the estimated future deficit funding element of the contributions. 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.

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Church of England Funded Pension Scheme

In addition to its two main pension schemes, the College contributes to the Church of England Funded Pension Scheme for stipendiary clergy, another multi-employer scheme which is in deficit. The most recent valuation was at 31 December 2015 and revealed a deficit of £236m, based on assets of £1.3bn and liabilities of £1.5bn. Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025. Consequently, the College was making deficit repair contributions of 14.1%, which reduced to 11.9% with effect from January 2018. At 31 July 2018, a provision of £24k has been made (2016/17: £23k).

Other pension schemes

The College has made available a National Employment Savings Trust (NEST) for non-employees who are eligible under automatic enrolment regulations to pension benefits.

Pension charge for the year

The pension charge recorded by the College for the year, excluding finance costs of £22k (2016/17: £38k), comprises current contributions payable of £569k (2016/17: £603k), net of deficit adjustments of £40k (2016/17: additional adjustments of £105k). The charge for OSPS includes £5k (2016/17: £nil) payable to its defined contribution section.

Scheme	2017/18	2016/17
	£'000	£'000
Universities Superannuation Scheme	290	352
University of Oxford Staff Pension Scheme	229	325
Other schemes - contributions	10	31
Total pension charge for the year	529	708

The pension provision has been reduced by the adjustments of £40k, comprising £14k, £30k and a deficit increase of £4k for USS, OSPS and the Church of England pension scheme respectively (2016/17: adjustment increases of £54k, £23k and £23k) and pension deficit contributions of £40k, £8k and £3k (2016/17: £41k, £9k and £6k) for USS, OSPS and the Church of England scheme respectively.

Other creditors at year end include pension contributions payable of £48k (2016/17: £50k).

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant website: www.uss.co.uk, www.nhsbsa.nhs.uk/Pensions, www1.admin.ox.ac.uk/finance/epp/pensions/schemes/osps, www.saul.org.uk.

22 TAXATION

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

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

	2017/18	2016/17
	Group	Group
	£'000	£'000
Net income	2,000	15,426
Elimination of non-operating cash flows:		
Investment income	(5,004)	(5,243)
Gains in investments	(1,924)	(12,931)
Endowment donations	(1,671)	(2,127)
Depreciation	962	1,037
Financing costs	1,626	1,110
(Increase)/Decrease in stock	(2)	7
(Increase)/Decrease in debtors	257	(395)
(Decrease)/Increase in creditors	(1,012)	961
(Decrease)/Increase in pension scheme liability	(68)	87
Net cash used in operating activities	(4,836)	(2,069)

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24 ANALYSIS OF CASH AND CASH EQUIVALENTS	2017/18	2016/17
	£'000	£'000
Cash and cash equivalents	562	2,016
Deposits and other short term investments	25,780	26,036
Total cash and current asset investments	26,342	28,052

Deposits and short-term investments of £25.78m include £25m of funds raised from the private placement and £0.6m (2017: £1m) of a restricted donation invested in a third party cash management fund which has 48 hour access.

25 FINANCIAL INSTRUMENTS

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

Group and College	Group		College	
	2017/18	2016/17	2017/18	2016/17
	£'000	£'000	£'000	£'000
Financial assets measured at fair value through profit or loss	136,322	124,658	136,322	124,658
Financial liabilities measured at fair value through profit or loss	1,244	1,312	1,244	1,312
Financial assets measured at amortised cost	28,405	32,286	28,689	32,619
Financial liabilities measured at amortised cost	42,127	42,791	42,237	42,835

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

Interest income and expense:	Group		College	
	2017/18	2016/17	2017/18	2016/17
	£'000	£'000	£'000	£'000
Total interest income for financial assets held at amortised cost	123	46	123	46
Total interest expense for financial liabilities held at amortised cost	1,546	1,019	1,546	1,019

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

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

26 FINANCIAL COMMITMENTS

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

	2017/18	2016/17
	£'000	£'000
Non-cancellable operating lease commitments		
Less than one year	220	244
After one year and less than five years	1,024	976
After five years	4,769	4,776
	6,013	5,996
Non-cancellable operating lease rentals receivable		
Less than one year	2,282	3,778
After one year and less than five years	4,809	5,782
After five years	2,045	2,874
	9,136	12,434

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

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

27 OTHER COMMITMENTS

The College had contracted commitments for non-capital projects of £278k at 31 July 2018 (2017: £63k).

28 RELATED PARTY TRANSACTIONS

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

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

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

	2017/18	2016/17
£1 - £10,000	<u>1</u>	<u>1</u>
	1	1

Interest is charged on the above loan at 3.00% per annum. The loan is repayable within four years or on the departure of the Trustee from the College, if earlier.

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

	2017/18	2016/17
	£'000	£'000
Dr S. Aspden	156	152
Dr P. Kewes	64	143
Dr J. Oliver	220	215
Dr S. Morris	157	153
Dr S. Srinivas	-	103
Dr M. Turner	-	186
Total net book value of properties owned jointly with trustees	<u>597</u>	<u>952</u>

All joint equity properties are subject to sale on the departure of the trustee from the College. During the year, the College sold its share of two properties and part of its share in one property held in joint equity with its Fellows for £108k, £180k and £105k respectively, recording a gain of £14.8k.

29 CONTINGENT LIABILITIES

There are no material contingent liabilities at the balance sheet date (2016/17: £nil).

30 POST BALANCE SHEET EVENTS

On 24 August 2018 the College received planning permission for the Northgate Project. Demolition and construction work is expected to commence in Spring 2019.