



**JESUS COLLEGE
CAMBRIDGE**

ANNUAL REPORT AND ACCOUNTS

**for the year ended
30 June 2018**

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JESUS COLLEGE
CAMBRIDGE CB5 8BL

Visitor: The Bishop of Ely

Master: Professor I.H. White, F.R.Eng.

The Fellows of the College (in order of election):

Professor J.B.Thompson	Dr R. Reich
Professor P.H. Nolan, C.B.E.	Dr M.W. Waibel
Professor I. Paterson, F.R.S.	Dr F.G.F. Stark
Professor M.L.S. Sørensen	Dr S. Schnall
Dr G.T. Parks	Dr M. Landgraf
Professor J.M. Soskice	Dr M. Condé
Dr R. Mengham	Dr D.A. Cooper
Professor M.M. Arnot, F.R.S.A., Ac.S.S. (until 30 September 2017)	Dr T. Savin
Revd Dr T.D. Jenkins	Professor A.C. Bashford (until 11 October 2017)
Professor R. Cipolla, F.R.Eng.	Professor S. Colvin
Dr S. Fennell	Dr L. Corens
Professor D.I. Wilson, C.Eng., Sc.D.	Dr T.J.H. Hele
Dr J.W. Ajioka	Professor A. Vignoles, F.B.A.
Professor S.A.T. Redfern	Dr S.V. Stinchcombe
Professor J.P.T. Clackson	Professor V.P.M. Carvalho
Professor M.R. Laven	Professor K.A. Steemers
Dr T.S. Aidt	Dr Y. Peleg
Dr S.T.C. Siklos	Dr R.J.M. Bashford-Rogers
Professor T.D. Wilkinson	Dr D. Casadei (until 30 September 2017)
Dr V. Mottier	Dr M. Harper
Professor Lord Mair, C.B.E., F.R.Eng., F.R.S. (until 30 September 2017)	Rev'd Dr P. Dominiak
Dr F. Green	Dr U. Schneider
Professor J.A. Dowdeswell, Sc.D.	Dr C. Fenton-Glynn
Professor N.G. Berloff	Dr J. Eisler
Professor S.M. Clarke	Dr D. Nally
Dr M.F. Gill	Dr S.R.L. Stacpoole
Dr W. Federle	Dr H. Williams
Dr B. Walton	Dr V. Silvestri
Professor O.A. Scherman	Dr H. Taylor
Dr R. Flemming	Dr G. Conti
Dr C.E. Chambers	Professor E. Benvenisti, C.B.E.
Mr R.J.P. Dennis, M.A. (until 4 June 2018)	Professor P.J. Williamson
Professor J.J. Baumberg, F.R.S.	Dr S. Dutton
Dr G.N. Wells	Dr S. Andres
Dr D.J. Kelly	Dr J. Green
Dr C.M. Burlinson	Dr M. Elliott
Dr B.M.B. Post	Dr J.L. Huppert
Professor A.H. Brand, F.R.S.	Mr R. Pinel
Dr M.J. Edwards	Dr R.F. Anthony
Professor K.S. Lilley	Dr J. Dinwoodie (from 1 October 2017)
Professor C. Mascolo	Mrs L. Tagliapietra (from 1 October 2017)
Dr C-B. Schoenlieb	Dr M. Dyble (from 1 October 2017)
Dr N.A. Rutter	Dr A.J. Grant (from 1 October 2017)
Dr R. Morieux	Dr J.A. Linebaugh (from 1 October 2017)
Mrs A. Künzl-Snodgrass	Dr J.L. Berenbeim (from 2 October 2017)

Emeritus Fellows:

Dr C.J. Adkins, F.Inst.P.
Dr J.A. Hudson
Dr J.E. Roseblade
Professor M.J. Waring, Sc.D., F.R.S.C.
Dr W.C. Saslaw
Mr P.R. Glazebrook, M.A.
Professor J.T. Killen, F.B.A.
Professor S.C. Heath, Litt.D.
Professor P.D.A. Garnsey, F.B.A.
Dr S.B. Hladky
Dr S. Evans (until 10 September 2016)
Dr D.E. Hanke
Dr M.R. Minden (from 1 October 2016)
Mr N.J. Ray, M.A., A.R.I.B.A.
Professor J.R. Howlett
Dr G.C. Harcourt, A.O., A.C., Litt.D., F.A.S.S.A.,
Ac.S.S.
Professor D.K. Fieldhouse, Litt.D., F.B.A.
Professor W.J. Stronge

Dr R.D. Bowers
Professor Lord Renfrew of Kaimsthorpe,
M.A., Sc.D., Hon.D.Lit., F.B.A. (Honorary Fellow)
Professor R. Freeman, Sc.D., F.R.S.
Dr M.P.C. Oldham
Professor D.A.S. Compston, C.B.E., F.R.C.P.,
F.R.S.
Professor M.M. Arnot, F.R.S.A., Ac.S.S. (from 1
October 2017)
Professor J.R. Crawford, S.C., F.B.A., A.C.
Professor Sir Bruce Ponder, F.R.C.P., F.R.S.
Dr A.J. Bowen, M.A.
Professor J.C.W. Mitchell, F.B.A.
Professor J.M. Bacon, Hon.D.Univ
Mr S.J. Barton, M.A.
Professor Lord Mair, C.B.E., F.R.Eng., F.R.S.
(Honorary Fellow) (from 1 October 2017)
Professor H. le B. Skaer
Mr R.J.P. Dennis, M.A. (from 5 June 2018)

Honorary Fellows:

Professor P.W. Anderson, M.A., F.R.S.
Sir Samuel Brittan, M.A., Hon.D.Litt.
Miss J. Norman, M.Mus., Hon.Mus.D.,
Hon.D.H.L., Hon.R.A.M.
Hon. A.R. Gubbay, M.A., LL.M., Hon.LL.D.
Lord Renwick of Clifton, M.A., Hon.LL.D.,
Hon.D.Litt., F.R.S.A.
The Rt Hon Lord Stewartby of Portmoak,
P.C., M.A., Litt.D., F.B.A., F.R.S.E. (until 3 March
2018)
Lord Rees of Ludlow, O.M., M.A., Hon.Sc.D.,
F.R.S.
Professor R.F. Tuck, M.A., F.B.A.
Professor Dame Sandra Dawson, D.B.E.,
M.A., Hon.D.Sc., F.I.P.H., F.C.G.I., C.I.M.
Sir David Hare, M.A., Hon.Litt.D., F.R.S.L.
Mr A.M.D. Gormley, O.B.E., M.A., Hon.Litt.D.
Reverend Professor Sir Bernard Silverman,
M.A., Sc.D., F.R.S.
Lord Watson of Richmond, C.B.E., M.A.,
F.R.T.S.
Professor Lord Renfrew of Kaimsthorpe,
M.A., Sc.D., Hon.D.Lit., F.B.A. (Emeritus Fellow)
Dr P.J. Hurford, O.B.E., M.A., Mus.B., F.R.C.O.
Mr S. Chatterjee, M.A.

Mr M. Perahia, F.R.C.M.
Professor K. E. Wrightson, M.A., F.R.Hist.S.,
F.B.A.
Professor E.S. Maskin, Hon.Sc.D., F.B.A.
The Rt Hon Sir Rupert Jackson, P.C., M.A.,
LL.B.
Professor T.F. Eagleton, M.A., F.B.A.
Mr J.A. O'Donnell, M.A., K.C.S.G., F.R.C.O.,
F.R.S.C.M., F.G.C.M., F.R.C.M.
The Rt Hon Sir Colman Treacy, P.C., M.A.
Sir David Wootton, M.A.
Sir Richard Long, C.B.E., R.A.
Professor J.R. Crawford, S.C., F.B.A., A.C.
(Emeritus Fellow)
Professor R.J.W. Evans, Hon.Litt.D., F.B.A.,
F.L.S.W.
Sir Jonathan Ive, C.B.E., Hon.Sc.D.
The Rt Hon Sir Stephen Irwin, P.C., M.A.
(from 2 October 2017)
Sir Alan Fersht, Ph.D., F.R.S. (from 2 October
2017)
Professor Lord Mair, C.B.E., F.R.Eng., F.R.S.
(Emeritus Fellow) (from 2 October 2017)

St Radegund Fellows:

Mr J.W. Hudleston
Mr R. P-L. Kwok, M.A.
Mr P.J.S. Yates, M.A.
Mrs S.J. Yates, M.A.
Mr B.N. Buckley

Ms J. Sainsbury, M.A.
Professor P. Frankopan, M.A.
Dr L. Rausing
Professor P. Baldwin

Fellow Commoners:

Mr J. Cornwell, M.A.
Professor B.A.K. Rider, O.B.E., Hon.LL.D.
Dr S.S. Saxena

Dr J.R. Bellingham
Dr P. Taneja
Rev'd Dr J. Leach

Corporate Governance

1. The following statement is provided by the Trustees (Council) to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137462) and subject to regulation by the Charity Commission for England and Wales. The members of Council are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Trustees are the Council which is advised in carrying out its duties by a number of Committees. These include the Bursarial Committee, Investment Committees (Financial and Property), Education Board, Development Committee, Buildings Committee and Staff Committee.
4. It is the duty of the Bursarial Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees (Council) on the appointment of external auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Trustees (Council).
5. There is a Register of Interests of Trustees (Members of the Council). Declarations of interest are made systematically at meetings.
6. The College's Trustees (Members of the Council) during the year ended 30 June 2018 are set out on page 6.

Officers, Council and Principal Professional Advisers

Master: Professor I.H. White, F.R.Eng.

President: Professor J.M. Soskice (until 30 September 2017)

President: Dr S.T.C. Siklos (from 1 October 2017)

Senior Tutor: Dr G.T. Parks

Bursar: Dr R.F. Anthony

Council

Professor I.H. White, Master	
Professor J.M. Soskice, President	(until 30 September 2017)
Dr S.T.C. Siklos, President	(from 1 October 2017)
Dr G.T. Parks, Senior Tutor	
Dr R.F. Anthony, Bursar	
Mr N.J. Ray	(until 30 September 2017)
Dr G.N. Wells	(until 30 September 2017)
Professor J.A. Dowdeswell	(until 30 September 2017)
Dr C.M. Burlinson	(until 30 September 2017)
Professor O.A. Scherman	(until 30 September 2017)
Dr S.T.C. Siklos	(until 30 September 2017)
Dr V. Mottier	(until 30 September 2017)
Dr L. Corens	(until 30 September 2017)
Rev'd Dr P. Dominiak	
Professor C. Mascolo	
Dr G. Conti	
Professor S. Colvin	
Dr H. Taylor	(from 1 October 2017)
Professor A. Vignoles	(from 1 October 2017)
Professor T.D. Wilkinson	(from 1 October 2017)
Dr Y. Peleg	(from 1 October 2017)
Dr R. Reich	(from 1 October 2017)
Professor P.J. Williamson	(from 1 October 2017)
Dr B.M.B. Post	(from 1 October 2017)
Dr J. Green	(from 1 October 2017)
Miss K. Boucher, J.C.S.U. President	(Michaelmas Term 2017)
Mr E. Parker Humphreys, J.C.S.U. President	(Lent and Easter Terms 2018)
Ms S. Laing, J.C.S.U.	(until 30 September 2017)
Ms H. Scott, J.C.S.U.	(from 1 October 2017 until 31 December 2017)
Ms S Keenan, J.C.S.U.	(from 1 January 2018)
Ms E. Unwin, M.C.R. President	(until 30 September 2017)
Ms T. Saunders-Wood, M.C.R. President	(from 1 October 2017)
Ms S. Basilico, M.C.R.	(until 30 September 2017)
Dr A.R. Bowden, M.C.R.	(from 1 October 2017)

Auditors:

Peters Elworthy & Moore
Salisbury House
Station Road,
Cambridge CB1 2LA

Bankers:

Lloyds Bank, Wholesale Banking & Markets
East Anglia & South Midlands
Endeavour House, Chivers Way
Histon,
Cambridge CB24 9ZR

Financial Advisers:

(until 30 September 2017)
Sandaire Investment Office
105 Wigmore Street
London
W1U 1QY

(from 1 October 2017)

Cazenove Capital
1 London Wall Place
London EC2Y 5AU

(from 1 October 2017)

Cambridge University Endowment Fund
Investment Office, 1st Floor
30 Station Road
Cambridge CB1 2RE

Insurance Brokers:

Henderson Insurance Brokers Ltd
Trueman House
Capitol Park
Leeds LS27 0TS

Pension Scheme Actuaries:

Jardine Lloyd Thompson Benefit Solutions
(for Phoenix Life Ltd)
1st Floor, Rosemoor Court
Pynes Hill
Exeter EX2 5TU

Property Managers (Agricultural & Commercial):

Bidwells LLP
Trumpington Road
Cambridge CB2 2LD

Financial and Operating Review

Introduction

Jesus College was founded in 1496 when it was granted its Royal Charter. The College is an autonomous, self-governing community of scholars, one of the 31 colleges within the University of Cambridge. Jesus College admits students to study for all degrees at the University. In 2017-18 there were 516 undergraduate and 395 graduate students at the College. The governance is the responsibility of the Society (the Governing Body), consisting of the Master and 85 Fellows, who are nearly all academics holding teaching and research posts at the University and the College.

Aims and objectives of the College

The College's charitable objectives are to establish a college within the University of Cambridge for the advancement of education, learning, research and religion.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an education for undergraduate and graduate students, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. The College maintains teaching, library and study facilities in support of these activities.

The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background. The College provides financial support to its students through scholarships, awards and prizes to fund fees, maintenance, research, and travel costs. It contributes, together with the University and the other Cambridge Colleges, to the Cambridge Bursary scheme, which is the primary mechanism of financial support for undergraduates to study at Cambridge, and to the Vice Chancellor's Awards and Newton CHES MPhil studentships to support graduates. The College also funds a number of undergraduate and graduate scholarships, details of which can be found on the College's website.

In terms of broader educational opportunities, the College, through the JCSU and MCR and with the support of the Jesus College Boat Club Trust, funds and provides for a wide range of activities, including sports, music, theatre and other cultural activities.

The College advances research through:

- Providing stipendiary Research Fellowships in the humanities and sciences to outstanding academics at the early stages of their careers, which enable them to develop and focus on their research.
- Supporting research work pursued by its Fellows financially and through promoting interaction across disciplines.
- Encouraging visits from outstanding academics from across the world in all disciplines.

The work of the Intellectual Forum and the Rustat Conferences is aimed at bringing together academic research with experts from industry, governments and not-for-profit organisations to address key contemporary issues. The Jesus College China Centre is an interdisciplinary centre for the study of issues relating to China and her changing global relationships.

The College provides support to a range of musical activities, in particular through the College and Chapel Choirs. The College employs a full-time Director of Music, and each year awards a number of Choral and Organ scholarships. In addition, it offers places in the Chapel Choir for younger choristers from the Cambridge area.

The College advances religion primarily through its Chapel, which has been in continuous use since before the College's foundation. Regular services are held, which are open to the public. The College

employs the Dean of Chapel, who is an Anglican priest, and who provides for wider spiritual and pastoral care for the students, staff and Fellows.

Funding

The College levies fees and charges for the following:

- To undergraduates at externally regulated rates for those Home/EU students who are eligible for public support, and to other undergraduates to contribute towards the cost of their education.
- To graduate students to contribute towards the cost of their education
- For accommodation and meals at subsidised rates

The fees and charges made to students are at below the full economic cost of providing the education, accommodation, meals and other services. These subsidies are funded through:

- The provision of the College's accommodation, catering and other facilities for external conferencing activities, which are charged at commercial rates.
- The return from the College's endowment assets.
- Donations from the College's alumni and supporters.

Achievements

In October 2017, West Court was official opened by HRH the Earl of Wessex (1983). This added substantial new facilities to the College. West Court is the most significant addition to the College's estate for many decades, and adds significant resources in enabling the College to deliver its charitable objectives.

The multiple achievements of the College members are listed extensively in the College's Annual Report, which is available at <https://www.jesus.cam.ac.uk/alumni/college-publications>.

Financial Review

Income and Expenditure

Income from the College's unrestricted activities rose by 6%, while expenditure increased by 10%. The shortfall was therefore higher, mostly due to the net operating cost of West Court in its first full year of operation and additional educational expenditure. Endowment income was higher, but not enough to compensate for the shortfall. As a result the surplus decreased to £1m:

	2018 £'000	2017 £'000
Total Operating Income	10,605	9,978
Total Expenditure	<u>(15,450)</u>	<u>(13,973)</u>
Operating shortfall	(4,845)	(3,995)
Endowment income and donations	<u>5,842</u>	<u>5,307</u>
Surplus	997	1,312

The College has an extensive capital expenditure programme. It is therefore important that surpluses continue to be generated to fund the expansion, improvement and refurbishment of the College's buildings.

Operating Income

The College's operating income consists primarily of its academic fees, student rents and catering and conferencing receipts. An overall 6% increase was primarily due to the full-year's impact of West Court:

- Fee income increased by 4%, as a result of increased graduate student numbers;
- Student rent income rose by 3%;
- College catering income 3% lower, although some activity transferred to West Court, which is included in conferencing;
- Conferencing income increased by 23%, due to the full year impact of West Court.

Operating expenditure

Operating expenditure rose by 9%.

Education

The College runs a growing deficit on its educational account as fee income fails to keep pace with the costs of admitting, teaching and supporting students. Increased costs were noticeable in access and widening participation. The deficit is only sustainable through funding from donations and endowment income.

Accommodation, Conferencing and Catering

Costs for the 'hotel' activities of the College rose at a higher rate than income, resulting in a larger deficit than last year. This was partly due to rising labour and food costs, but also because of the costs of operating West Court, which was in operation for its first full year. Conferencing continues to make a significant positive contribution to support the non-commercial operations of the College.

Payroll costs, which are the largest element of the College's expenditure, are around 41% of total expenditure.

Operating Shortfall

The Operating Shortfall measures the excess of College costs over Operating Income. Unfortunately, the increased pressure on the College in terms of its core educational, accommodation and catering activities, means that the College is reliant on the support of donations and its endowment income to enable it to generate a required surplus. The completion of West Court is expected to make an overall positive contribution to the College's financial position within a few years.

Investment Performance

The College's investment portfolio produced a return of 6.5% (2016-17: 12.5%) during the year. The capital value increased from £164m to £178m, comprising the College's financial assets (£84m) and property (£94m). The increase in property values is partly due to the purchase of long leasehold interests on Station Road at a cost of £6.3m. The overall performance is slightly less than the long-run target return of UK RPI+4% (7.5%). The performance of the property and financial portfolios was 6.8% and 6.1% respectively. This reflects the subdued nature of the property and financial markets in 2017-18, compared to the recent years of high returns.

During the year the College, with the advice from its Financial Investment Committee whose membership is drawn mainly from external experts, undertook a review of its financial investments mandate. Following a tendering process, the College moved its financial investments partly to the Cambridge University Endowment Fund (CUEF) and partly to Cazenove Capital, which explains the high levels of investment purchases and disposals during the year.

Investment Costs

The costs of managing the College's endowment are charged directly to the endowment and do not form part of the Operating Income and Expenditure calculations.

Investment costs for the financial portfolio were £263,464, a substantial decrease from the prior year (£351,000). This is primarily due to the transfer to CUEF, which does not charge investment management fees, but recovers its internal costs direct from the CUEF fund.

Investment costs for the property portfolio are a mixture of an agency fee, buildings repair costs, and additions/disposals costs and related projects. The total was £350,435 (2016-17: £328,254). In addition, there was £292,133 of maintenance and development expenditure (2016-17: £314,877).

Capital Expenditure

The total capital expenditure on fixed assets in the year was £2.7m, a significant reduction on the prior year (£14m), reflecting the previous year's costs associated with the completion of West Court. The College continues to invest in a continual programme of refurbishment of its student and fellows housing.

Balance Sheet and Reserves

Net College assets increased by £10m to £337m in the course of the year, which is primarily due to a £7m gain on investments.

Long-term creditors represent unsecured bank loans. During the year the College entered into a unsecured revolving credit facility of £7m, of which £5m had been drawn down by the year end. This was used to fund the acquisition of the Station Road leaseholds. For some time, the College has been considering taking advantage of the low interest rates available for Oxbridge colleges on very long-dated private placement bonds. Since the year end, the College undertook a private placement transaction to repay the revolving credit facility and other bank loans and to provide funds for investments and future capital projects.

Both Restricted and Unrestricted Reserves increased to £204m and £133m respectively. The College's reserves have shown a steady growth over the last five years, consistent with limited inflationary growth and the rising demands made on the College noted above for its charitable activities. The College is committed to a steady increase in its financial resources to ensure that it can continue to meet the needs of its members in the future. This is consistent with a charity with the history and position of the College that has met the needs of its members over many centuries.

Staff and Pensions

Academic and non-academic staff numbers rose, principally due to the expansion of College activities associated with West Court. The College's defined benefit pension scheme for non-academic staff, which is closed to new members, has an accounting surplus of £1,292,000 as against a deficit for the Universities Superannuation Scheme (USS), which is provided to its fellows and academic staff, of £309,499. It should be noted that the basis on which these numbers are calculated is very different for the two schemes. Total pension costs in relation to all pension schemes charged to the income & expenditure account were £562,599 (2016-17: £484,892).

Fundraising

Participation in the Jesus College Annual Fund is just above 20% (1,740 alumni), putting the College in the front rank of Cambridge colleges. Following the success of fundraising in support of the acquisition and redevelopment of West Court, donations were lower this year, but remained at a good level of £2,659,576 (2016-17: £3,224,228). Fundraising costs during the year amounted to £272,000, a small increase on the previous year.

During the year, the College registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. The College's fundraising promise is set out on its website and ensures that the College's fundraising is legal, open, honest and respectful. The College's fundraising is focused on its alumni and supporters, who have established connections with the College. The College does not use external fundraisers. Fundraising and alumni relations are the responsibility of the College's Director of Development & Alumni Relations, who is a Fellow and who reports to the College Council and the

Society (Governing Body). The College also updated its Data Protection Statement, which makes it clear how an individual's data is used and held.

Principal risks and uncertainties

The major risks to which the College is exposed are assessed by the responsible College departments and Committees reporting to the Council, using a College Risk Register, which is reviewed each Lent Term.

The most significant short term risks facing the College relate to Brexit, which has created substantial uncertainties for staff and students, and the ongoing political discussions regarding undergraduate student funding and support. There is also considerable uncertainty relating to the future of pensions in the higher education sector, notably in relation to USS.

The diversified nature of the College's endowment helps to mitigate risks associated with the return from its investments, which are managed on a long-term total return basis. The College's property portfolio is heavily focused on the Cambridge region, which has been of financial benefit. The College's debt interest is managed through long-term loans at fixed rates.

The long-term performance of the College is very closely linked to that of the University and the other Cambridge colleges.

The Future

The College faces considerable uncertainty in its income streams and operations due to, Brexit, the government's review of undergraduate fees, and the increasing interest from politicians of all parties and the media in the activities of the collegiate University. In addition, the property and financial investment markets are likely to show lower returns than in previous years. With an increasing deficit on its educational activities, the College will have significant challenges in the future to maintain the support that it offers its fellows and students.

Having undertaken a reassessment of its ten-year capital programme, including timing and funding, the College has taken advantage of exceptionally low interest rates to refinance some its debt and provide funding for future capital projects and investments.

The College remains in a strong position financially, and it is important that careful financial management is continued in order to maintain this position

On behalf of the College Council

Professor I.H. White

Dr R.F. Anthony

Professor Ian White
Master

Dr Richard Anthony
Bursar

5 November 2018

Statement of Internal Control

1. The Council is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims, and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims, and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.
3. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. This process was in place for the year ended 30 June 2018 and up to the date of approval of the financial statements.
4. The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
5. The Council's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Responsibilities of the College Council

The Council is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and 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 in operation.

The Council is responsible for keeping accounting records which 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 Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the College's website.

Independent auditors' report to the Governing Body of Jesus College, Cambridge

Opinion

We have audited the financial statements of Jesus College (the 'College') for the year ended 30 June 2018 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the 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 College's affairs as at 30 June 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the College 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 auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

Responsibilities of the College Council

As explained more fully in the responsibilities of the College Council statement set out on page 10, the College Council 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 College Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the College Council are responsible for assessing the College'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 College or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditors' report.

Use of our report

This report is made solely to the College's Council, as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our audit work has been undertaken so that we might state to the College trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do

not accept or assume responsibility to anyone other than the College and the College's Council as a body, for our audit work, for this report, or for the opinions we have formed



PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: *23 November 2018*

Peters, Elworthy & Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Principal Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom accounting standards. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP).

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments which is included at valuation.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 25. Intra-group balances are eliminated on consolidation.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors

Grant income

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.
3. Restricted expendable endowments - the donor has specified a particular objective and the College can convert the donated sum into income.
4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations with no restrictions are recorded within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

Investment income and change in value of investment assets

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Total return

The College invests its endowment investment portfolio and allocates a proportion of the related earnings and capital appreciation to the statement of comprehensive income and expenditure in accordance with the total return concept. The allocation to income is determined by a spending rule which is designed to stabilise annual spending levels and to preserve the real value of the endowment portfolio over time. The income transferred to the income and expenditure account on this total return basis is calculated at 4% of the weighted average value of the College's investment portfolio over a five year period up to the commencement of the current accounting year.

Other income

Income is received from a range of activities including residences, catering conferences and other services rendered.

Cambridge Bursary Scheme

In 2017-18, payment of the Cambridge Bursaries has been made by the College to eligible students via the Student Loans Company (SLC) and Cambridge University has reimbursed the College for their portion. The College has shown the gross payment made to eligible students via the SLC and a contribution from the University as income under "Academic Fees and Charges".

The net payment of £158,396 (£102,896) is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	£162,623	(£161,206)
Expenditure	£324,429	(£319,602)

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are forward foreign exchange contract, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

Fixed assets

Land and buildings

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

External Structures	200 years
Internal Structures	50 years

Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

Land held specifically for development, investment and subsequent sale is included in current assets at the lower of cost and net realisable value.

The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	33% per annum.

Leased assets

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities and assets

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

Taxation

The College is a registered charity (number 1137462) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G, II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension costs

Pensions are detailed in note 29 to the accounts.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Jesus College

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2018

		Unrestricted 2018 £	Restricted 2018 £	Endowment 2018 £	Total 2018 £	Unrestricted 2017 £	Restricted 2017 £	Endowment 2017 £	Total 2017 £
Income	Note								
Academic fees and charges	1	3,644,331	-	-	3,644,331	3,506,720	-	-	3,506,720
Residences, catering and conferences	2	6,906,265	-	-	6,906,265	6,337,493	-	-	6,337,493
Investment Income	3	12,044	-	4,971,949	4,983,993	5,011	-	4,192,345	4,197,356
Endowment Return Transferred	3	4,564,799	1,003,705	(5,568,504)	-	4,286,532	888,893	(5,175,425)	-
Other income		54,629	-	-	54,629	134,020	-	-	134,020
Total Income before Donations and Endowments		15,182,068	1,003,705	(596,555)	15,589,218	14,269,776	888,893	(983,080)	14,175,589
Donations		1,264,901	-	-	1,264,901	1,015,457	-	-	1,015,457
New Endowments		-	-	643,437	643,437	-	-	1,350,472	1,350,472
Other Capital Grants for Assets		-	751,238	-	751,238	-	858,299	-	858,299
Total Donations and Endowments		1,264,901	751,238	643,437	2,659,576	1,015,457	858,299	1,350,472	3,224,228
Total Income		16,446,969	1,754,943	46,882	18,248,794	15,285,233	1,747,192	367,392	17,399,817
Expenditure									
Education	4	6,847,588	457,700	-	7,305,288	6,175,540	414,338	-	6,589,878
Residences, catering & conferences	5	7,567,443	-	-	7,567,443	6,828,140	-	-	6,828,140
Other expenditure		953,743	535,105	-	1,488,848	880,200	415,481	-	1,295,681
Contribution under Statute G II		81,000	-	-	81,000	89,000	-	-	89,000
Total expenditure	6	15,449,773	992,805	-	16,442,578	13,972,880	829,819	-	14,802,699
Surplus before other gains and losses		997,195	762,138	46,882	1,806,215	1,312,353	917,373	367,392	2,597,118
Gain on Investments	3b	-	-	7,227,505	7,227,505	-	-	15,209,418	15,209,418
Surplus for the year		997,195	762,138	7,274,387	9,033,720	1,312,353	917,373	15,576,810	17,806,536
Other Comprehensive Income									
Actuarial Gain in respect of Pension Schemes	15	794,000	-	-	794,000	154,000	-	-	154,000
Total Comprehensive Income for the year		1,791,195	762,138	7,274,387	9,827,720	1,466,353	917,373	15,576,810	17,960,536

All items dealt with in arriving at the surplus for 2018 and 2017 relate to continuing operations.
The notes on pages 21 to 34 form part of these accounts

Jesus College

Balance Sheet

Year Ended 30 June 2018

	Note	Consolidated 2018	College 2018	Consolidated 2017	College 2017
		£	£	£	£
Fixed assets					
Tangible assets	8	187,945,699	187,938,200	187,535,801	187,528,301
Heritage assets	8	502,635	502,635	502,635	502,635
Investments	9	178,232,614	178,232,614	163,679,695	163,679,695
Total Fixed Assets		<u>366,680,948</u>	<u>366,673,449</u>	<u>351,718,131</u>	<u>351,710,631</u>
Current assets					
Stocks	10	689,324	296,151	714,755	321,581
Trade and other Receivables	11	931,303	1,593,763	1,545,937	1,938,914
Cash and Cash Equivalents	12	3,199,454	2,780,980	2,581,153	2,399,882
Creditors: amounts falling due within one year	13	(8,906,621)	(8,749,935)	(3,189,239)	(3,000,271)
Net current liabilities		<u>(4,086,539)</u>	<u>(4,079,040)</u>	<u>1,652,606</u>	<u>1,660,106</u>
Total assets less current liabilities		<u>362,594,409</u>	<u>362,594,409</u>	<u>353,370,737</u>	<u>353,370,737</u>
Creditors: amounts falling due after more than one year	14	(26,750,000)	(26,750,000)	(26,750,000)	(26,750,000)
Provisions					
Pension Provisions	15	982,501	982,501	378,453	378,453
Total Net Assets		<u>336,826,910</u>	<u>336,826,910</u>	<u>326,999,190</u>	<u>326,999,190</u>
Restricted Reserves					
Income and Expenditure Reserve - Endowment Reserve	16	203,565,936	203,565,936	196,291,549	196,291,549
Income and Expenditure Reserve - Restricted Reserve	17	242,330	242,330	231,430	231,430
Total Restricted Reserves		<u>203,808,266</u>	<u>203,808,266</u>	<u>196,522,979</u>	<u>196,522,979</u>
Unrestricted Reserves					
Income and Expenditure Reserve - Unrestricted		133,018,644	133,018,644	130,476,211	130,476,211
Total Unrestricted Reserves		<u>133,018,644</u>	<u>133,018,644</u>	<u>130,476,211</u>	<u>130,476,211</u>
Total Reserves		<u>336,826,910</u>	<u>336,826,910</u>	<u>326,999,190</u>	<u>326,999,190</u>

The financial Statements were approved by Council on 5 November 2018 and signed on its behalf by:

Professor I.H. White

Dr R.F. Anthony

Professor Ian White
Master

Dr Richard Anthony
Bursar

Jesus College

Statement of Changes in Reserves

Year Ended 30 June 2018

	Income and Expenditure Reserve			Total £
	Unrestricted £	Restricted £	Endowment £	
Balance at 1 July 2017	130,476,211	231,430	196,291,549	326,999,190
Surplus/(Deficit) from Income and Expenditure Statement	997,195	762,138	7,274,387	9,033,720
Other Comprehensive Income	794,000	-	-	794,000
Release of Restricted Capital Funds Spent in the Year	751,238	(751,238)	-	-
Balance at 30 June 2018	<u>133,018,644</u>	<u>242,330</u>	<u>203,565,936</u>	<u>336,826,910</u>

	Income and Expenditure Reserve			Total £
	Unrestricted £	Restricted £	Endowment £	
Balance at 1 July 2016	128,151,559	172,356	180,714,739	309,038,654
Surplus/(Deficit) from Income and Expenditure Statement	1,312,353	917,373	15,576,810	17,806,536
Other Comprehensive Income	154,000	-	-	154,000
Release of Restricted Capital Funds Spent in the Year	858,299	(858,299)	-	-
Balance at 30 June 2017	<u>130,476,211</u>	<u>231,430</u>	<u>196,291,549</u>	<u>326,999,190</u>

Jesus College

Consolidated Cash Flow Statement

Year Ended 30 June 2018

		2018	2017
	Note	£	£
Net cash inflow from operating activities	19	6,874,132	(773,945)
Cash Flows from Investing Activities	20	(7,727,283)	(1,083,449)
Cash Flows from Financing Activities	21	(1,277,346)	(1,245,865)
Increase/(decrease) in cash and cash equivalents in the year		<u>(2,130,496)</u>	<u>(3,103,258)</u>
Cash and Cash Equivalents at Beginning of the Year		<u>5,704,406</u>	<u>8,807,664</u>
Cash and Cash Equivalents at end of the Year		<u>3,573,910</u>	<u>5,704,406</u>

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

1 ACADEMIC FEES AND CHARGES

	2018	2017
	£	£
College Fees:		
Fee income received at the Regulated Undergraduate rate	1,969,750	1,983,375
Fee income received at the Unregulated Undergraduate rate	337,285	350,300
Fee income received at the Graduate rate	1,143,034	995,661
Cambridge Bursaries	162,623	161,206
Other Income	31,639	16,178
Total	<u>3,644,331</u>	<u>3,506,720</u>

2 INCOME FROM RESIDENCES, CATERING AND CONFERENCES

		2018	2017
		£	£
Accommodation:	College members	3,881,497	3,783,447
	Conferences	1,069,840	998,615
Catering:	College members	691,800	717,780
	Conferences	1,263,129	837,651
Total		<u>6,906,265</u>	<u>6,337,493</u>

3a ENDOWMENT RETURN AND INVESTMENT RETURN

	2018	2017
	£	£
Total return contribution (note 3b)	5,568,504	5,175,425
Other interest Receivable	12,044	5,011
Total	<u>5,580,548</u>	<u>5,180,436</u>

The total return contribution is calculated as set out in the accounting policy on recognition of income and endowment return.

3b SUMMARY OF TOTAL RETURN

		2018	2017
		£	£
Income from:			
	Land and buildings	3,745,812	3,527,427
	Quoted and other securities and cash	1,226,137	664,918
		<u>4,971,949</u>	<u>4,192,345</u>
Gains/(losses) on endowment assets:			
	Land and buildings	3,472,867	2,106,328
	Quoted and other securities and cash	4,660,670	14,097,221
		<u>8,133,537</u>	<u>16,203,549</u>
Investment management costs (note 3c)		<u>(906,032)</u>	<u>(994,131)</u>
		7,227,505	15,209,418
Total Return for the year		<u>12,199,454</u>	<u>19,401,763</u>
Total return transferred to income and expenditure account (note 3a)		(5,568,504)	(5,175,425)
Unapplied total return for the year		<u>6,630,950</u>	<u>14,226,338</u>

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

3c INVESTMENT MANAGEMENT COSTS

	2018 £	2017 £
Land and buildings	350,435	328,254
Quoted securities - equities	263,464	351,000
Other investments	292,133	314,877
Total	<u>906,032</u>	<u>994,131</u>

4 EDUCATION EXPENDITURE

	2018 £	2017 £
Teaching	2,584,135	2,363,478
Tutorial	1,814,219	1,638,951
Admissions	495,146	433,005
Research	828,684	503,744
Scholarships and awards	722,755	771,528
Other educational facilities	860,347	879,172
Total	<u>7,305,288</u>	<u>6,589,878</u>

5 RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

		2018 £	2017 £
Accommodation	College members	3,986,764	3,654,742
	Conferences	1,041,306	955,788
Catering	College members	1,666,848	1,509,162
	Conferences	872,525	708,448
Total		<u>7,567,443</u>	<u>6,828,140</u>

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

6 ANALYSIS OF EXPENDITURE BY ACTIVITY

6a ANALYSIS OF 2017/18 EXPENDITURE BY ACTIVITY

	Staff Costs (note 7)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	3,300,597	3,297,885	706,806	7,305,288
Residences, catering and conferences	3,086,687	3,117,518	1,363,238	7,567,443
Other	350,564	1,062,163	157,121	1,569,848
Total	<u><u>6,737,847</u></u>	<u><u>7,477,566</u></u>	<u><u>2,227,165</u></u>	<u><u>16,442,578</u></u>

*Other expenditure includes £272k (2017: £266k) as the costs of fundraising.
This expenditure does not include the costs of alumni relations

6a ANALYSIS OF 2016/17 EXPENDITURE BY ACTIVITY

	Staff Costs (note 7)	Other operating Expenses	Depreciation	Total
	£	£	£	£
Education	2,908,245	3,038,282	643,354	6,589,881
Residences, catering and conferences	2,719,763	2,867,522	1,240,855	6,828,140
Other	308,891	932,776	143,014	1,384,681
Total	<u><u>5,936,899</u></u>	<u><u>6,838,580</u></u>	<u><u>2,027,223</u></u>	<u><u>14,802,702</u></u>

6c AUDITORS REMUNERATION

	2018	2017
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	33,306	33,097
Other fees payable to the College's external auditors	6,438	480
	<u><u>39,744</u></u>	<u><u>33,577</u></u>

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

7 STAFF COSTS

Consolidated	College Fellows Academic	College Fellows Non- Academic	Staff Non- Academics	Total	Total
	2018 £	2018 £	2018 £	2018 £	2017 £
Staff costs					
Emoluments	868,891	279,161	4,557,271	5,705,323	5,081,449
Social security costs	70,960	22,220	359,891	453,071	392,328
Other pension costs	152,146	53,365	373,942	579,453	463,122
Total	<u>1,091,997</u>	<u>354,746</u>	<u>5,291,104</u>	<u>6,737,847</u>	<u>5,936,899</u>
Average staff numbers (full time equivalents)					
Academic	97		-	97	81
Non-academic		4	170	174	146
	<u>97</u>	<u>4</u>	<u>170</u>	<u>271</u>	<u>227</u>

The Governing Body comprises the Master and 86 Fellows, together with 33 Emeritus Fellows of whom the 97 are declared above as stipendiary.

No officer or employee of the College, including the Master, received emoluments of over £100,000.

Members of Council received remuneration for their academic and administrative duties but were not remunerated for the role as Trustees of the Charity.

Key management personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes the Master, the Bursar and the Senior Tutor.

	Total 2018 £	Total 2017 £
Key Management Personnel - Aggregated emoluments	147,293	154,936

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

8 FIXED ASSETS

College	Land and Buildings 2018 £	Heritage Assets 2018 £	Equipment 2018 £	Total 2018 £	Total 2017 £
Cost or valuation					
At beginning of year	206,570,575	502,635	3,468,215	210,541,425	198,678,285
Additions	2,253,124	-	402,450	2,655,574	14,130,062
Transfers	(18,509)	-	-	(18,509)	(1,843,108)
Disposals	-	-	(77,280)	(77,280)	(423,814)
At end of year	<u>208,805,190</u>	<u>502,635</u>	<u>3,793,385</u>	<u>213,101,210</u>	<u>210,541,425</u>
Depreciation					
At beginning of year	21,045,137	-	1,465,352	22,510,489	20,893,994
Charge for the year	1,786,678	-	440,488	2,227,166	2,027,223
Eliminated on disposals	-	-	(77,280)	(77,280)	(410,728)
Written back on revaluation	-	-	-	-	-
At end of year	<u>22,831,815</u>	<u>-</u>	<u>1,828,560</u>	<u>24,660,375</u>	<u>22,510,489</u>
Net Book Value					
At beginning of year	<u>185,525,438</u>	<u>502,635</u>	<u>2,002,863</u>	<u>188,030,936</u>	<u>177,784,291</u>
At end of year	<u>185,973,375</u>	<u>502,635</u>	<u>1,964,825</u>	<u>188,440,835</u>	<u>188,030,936</u>
Consolidated					
Cost or valuation					
At beginning of year	206,578,074	502,635	3,468,215	210,548,924	198,685,785
Additions	2,253,124	-	402,450	2,655,574	14,130,062
Transfers	(18,509)	-	-	(18,509)	(1,843,108)
Disposals	-	-	(77,280)	(77,280)	(423,814)
At end of year	<u>208,812,689</u>	<u>502,635</u>	<u>3,793,385</u>	<u>213,108,709</u>	<u>210,548,925</u>
Depreciation					
At beginning of year	21,045,137	-	1,465,352	22,510,489	20,893,994
Charge for the year	1,786,678	-	440,488	2,227,166	2,027,223
Eliminated on disposals	-	-	(77,280)	(77,280)	(410,728)
Written back on revaluation	-	-	-	-	-
At end of year	<u>22,831,815</u>	<u>-</u>	<u>1,828,560</u>	<u>24,660,375</u>	<u>22,510,489</u>
Net Book Value					
At beginning of year	<u>185,532,937</u>	<u>502,635</u>	<u>2,002,863</u>	<u>188,038,435</u>	<u>177,791,791</u>
At end of year	<u>185,980,874</u>	<u>502,635</u>	<u>1,964,825</u>	<u>188,448,334</u>	<u>188,038,436</u>

The insured value of freehold land and buildings as at 30 June 2018 was £230 million (2017: £224 million)

Heritage Assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 2011 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous years were as follows:

	2018 £	2017 £	2016 £	2015 £	2014 £
Value of acquisitions by donation	-	-	101,800	-	70,000
Total acquisitions capitalised	<u>-</u>	<u>-</u>	<u>101,800</u>	<u>-</u>	<u>70,000</u>

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

9 INVESTMENTS

	Consolidated 2018 £	College 2018 £	Consolidated 2017 £	College 2017 £
Balance at beginning of year	163,679,695	163,679,695	160,054,287	160,054,287
Transfer from (to) operational assets	18,508	18,508	1,843,108	1,843,108
Additions	70,294,595	70,294,595	12,516,197	12,516,197
Disposals	(60,978,763)	(60,978,763)	(22,021,812)	(22,021,812)
Gain/(Loss) on Disposals	1,986,104	1,986,104	1,417,250	1,417,250
Gain/(Loss)	5,981,271	5,981,271	14,457,832	14,457,832
Increase/ (decrease) in cash balances held at fund manage	(2,748,796)	(2,748,796)	(4,587,167)	(4,587,167)
Balance at the end of the year	<u>178,232,614</u>	<u>178,232,614</u>	<u>163,679,695</u>	<u>163,679,695</u>
Represented by:				
Property	93,958,700	87,396,200	83,586,864	77,184,364
Quoted securities - equities	35,540,255	35,540,255	58,438,038	58,438,038
Fixed interest securities	-	-	8,740,199	8,740,199
Investments in subsidiary undertakings	-	6,562,500	-	6,402,500
Cash in hand and at investment managers	374,456	374,456	3,123,252	3,123,252
Cambridge University Endowment Fund	36,194,879	36,194,879	-	-
Other investments	12,164,324	12,164,324	9,791,342	9,791,342
Total	<u>178,232,614</u>	<u>178,232,614</u>	<u>163,679,695</u>	<u>163,679,695</u>

10 STOCKS

	Consolidated 2018 £	College 2018 £	Consolidated 2017 £	College 2017 £
Land for resale	393,174	-	393,174	-
Goods	296,150	296,151	321,581	321,581
Total	<u>689,324</u>	<u>296,151</u>	<u>714,755</u>	<u>321,581</u>

11 DEBTORS

	Consolidated 2018 £	College 2018 £	Consolidated 2017 £	College 2017 £
Members of the College	258,298	258,298	324,657	324,657
Amounts due from subsidiary undertakings	-	749,512	-	551,785
Other	481,652	394,600	1,084,238	925,430
Prepayments and accrued income	191,354	191,354	137,042	137,042
Total	<u>931,303</u>	<u>1,593,763</u>	<u>1,545,937</u>	<u>1,938,914</u>

12 CASH AND CASH EQUIVALENTS

	Consolidated 2018 £	College 2018 £	Consolidated 2017 £	College 2017 £
Current accounts	3,192,055	2,773,581	2,575,906	2,394,635
Cash in hand	7,400	7,400	5,247	5,247
Total	<u>3,199,454</u>	<u>2,780,980</u>	<u>2,581,153</u>	<u>2,399,882</u>

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated 2018 £	College 2018 £	Consolidated 2017 £	College 2017 £
Trade Creditors	-	-	-	-
Members of the College	443,012	443,012	259,527	259,527
Amounts due to Subsidiary Undertakings	-	-	-	34,915
University Fees	-	-	-	-
Contribution to Colleges Fund	81,000	81,000	89,000	89,000
Other creditors (e.g. VAT)	2,602,622	2,526,459	1,698,843	1,554,272
Accruals and Deferred Income	779,987	699,464	1,141,869	1,062,557
Bank loan due within one year	5,000,000	5,000,000	-	-
Total	<u>8,906,621</u>	<u>8,749,935</u>	<u>3,189,239</u>	<u>3,000,271</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated 2018 £	College 2018 £	Consolidated 2017 £	College 2017 £
Total Bank loans	26,750,000	26,750,000	26,750,000	26,750,000
Total	<u>26,750,000</u>	<u>26,750,000</u>	<u>26,750,000</u>	<u>26,750,000</u>

The bank loans are unsecured and comprise fixed rate loans of £20m payable in 2035, £5.15m in 2027 and £1.6m in 2021.

15 PENSION PROVISIONS

	USS 2018 £	JCCPS 2018 £	USS 2017 £	JCCPS 2017 £
Balance at the beginning of the year	(293,547)	672,000	(281,534)	660,000
Movement in the year:				
Current service cost including life assurance	222,112	(260,000)	185,116	(238,000)
Contributions	(211,356)	70,000	(180,845)	73,000
Other finance (income)/cost	(26,708)	16,000	(16,284)	23,000
Actuarial gain recognised in statement of Comprehensive Income and Expenditure	-	794,000	-	154,000
Balance at the end of the year	<u>(309,499)</u>	<u>1,292,000</u>	<u>(293,547)</u>	<u>672,000</u>
The total is comprised of the following:				
Universities Superannuation Scheme	(309,499)	(309,499)	(293,547)	(293,547)
Jesus College Cambridge Pension Scheme	1,292,000	1,292,000	672,000	672,000
	<u>982,501</u>	<u>982,501</u>	<u>378,453</u>	<u>378,453</u>

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

16 ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

Consolidated & College	Restricted Permanent 2018 £	Unrestricted Permanent 2018 £	Total 2018 £	Total 2017 £
Balance at the beginning of the year				
Capital	28,204,125	168,087,424	196,291,549	180,714,739
Unspent Income	-	-	-	-
	<u>28,204,125</u>	<u>168,087,424</u>	<u>196,291,549</u>	<u>180,714,739</u>
Increase/(decrease) in market value of investments	1,655,699	6,477,838	8,133,537	16,203,549
Total Return Transfer	(745,899)	(756,688)	(1,502,587)	(1,977,211)
New endowments received	536,174	107,263	643,437	1,350,472
Balance at the end of the year	<u>29,650,099</u>	<u>173,915,837</u>	<u>203,565,936</u>	<u>196,291,549</u>
Comprising:				
Capital	29,650,099	173,915,837	203,565,936	196,291,549
Balance at the end of the year	<u>29,650,099</u>	<u>173,915,837</u>	<u>203,565,936</u>	<u>196,291,549</u>
Representing:				
Fellowship Funds	4,629,299	-	4,629,299	3,806,080
Student Support	7,449,135	-	7,449,135	5,998,881
Bursary	5,684,197	-	5,684,197	4,711,914
Income for College	8,571,776	-	8,571,776	7,110,168
Prizes	349,854	-	349,854	293,525
Travel & Leisure	261,806	-	261,806	219,653
Other Funds	2,704,033	-	2,704,033	2,239,524
General Endowments	-	173,915,837	173,915,837	171,911,805
Total	<u>29,650,099</u>	<u>173,915,837</u>	<u>203,565,936</u>	<u>196,291,549</u>

17 RESTRICTED RESERVES

Reserves with restrictions are as follows:

Consolidated & College	Capital Grants Unspent 2018 £	Other Restricted funds/ donations 2018 £	Total 2018 £	Total 2017 £
Balance at the beginning of the year				
Capital	-	-	-	-
Unspent Income	-	231,430	231,430	172,353
	<u>-</u>	<u>231,430</u>	<u>231,430</u>	<u>172,353</u>
New donations	751,238	-	751,238	858,299
Income from Endowment Asset Investments	-	893,825	893,825	787,463
Expenditure	-	(882,925)	(882,925)	(728,386)
Capital grants utilised	(751,238)	-	(751,238)	(858,299)
Transfers	-	-	-	-
Balance at the end of the year	<u>-</u>	<u>242,330</u>	<u>242,330</u>	<u>231,430</u>
Comprising:				
Capital	-	-	-	-
Unspent Income	-	242,330	242,330	231,430
Balance at the end of the year	<u>-</u>	<u>242,330</u>	<u>242,330</u>	<u>231,430</u>
Representing:				
Fellowship Funds	-	2,692	2,692	2,692
Student Support	-	166,048	166,048	71,437
Bursary	-	32,113	32,113	14,270
Income for College	-	12,833	12,833	5,925
Prizes	-	(0)	(0)	306
Travel & Leisure	-	868	868	1,659
Other Funds	-	27,777	27,777	135,141
General Endowments	-	-	-	-
Total	<u>-</u>	<u>242,330</u>	<u>242,330</u>	<u>231,430</u>

In financial year 2010-11 the Maitland Memorial Fund was established. The capital value of the fund as at 30 June 2018 was £483,100 (2017: £460,294). The Fund's income in 2017/18 was £12,509.

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

18 MEMORANDUM OF UNAPPLIED TOTAL RETURN

Included within reserves the following amounts represent the Unapplied Total Return of the College.

	2018	2017
	£	£
Unapplied Total Return at beginning of year	84,072,793	69,846,455
Unapplied Total Return for year (see note 3b)	6,630,950	14,226,338
	<u>90,703,743</u>	<u>84,072,793</u>

19 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Surplus/(deficit) for the year	9,033,720	17,806,536
Adjustment for Non-Cash Items:		
Depreciation	2,227,166	2,027,223
Loss/(gain) on endowments, donations and investment property	(7,227,505)	(15,209,418)
Decrease/(Increase) in stocks	25,431	592,372
Decrease/(increase) in trade and other receivables	614,634	(442,972)
(Decrease)/increase in creditors excluding bank loans	717,382	(2,753,993)
Increase/(Decrease) in provisions	15,952	12,013
Pension costs less contributions payable	174,000	142,000
Adjustment for investing or financing activities		
Investment income	(4,983,993)	(4,197,356)
Interest payable	1,277,346	1,245,865
Loss/(Profit) on the sale of non-current assets	-	3,786
(Decrease)/Increase in short term loans	5,000,000	-
Net cash (outflow)/inflow from operating activities	<u>6,874,132</u>	<u>(773,945)</u>

20 CASH FLOWS FROM INVESTING ACTIVITIES

	2018	2017
	£	£
Proceeds from sales of non-current fixed assets	-	9,300
Non-Current Investment Disposal	60,238,893	21,356,154
Investment Income	4,983,993	4,197,356
Payments made to acquire non-current assets	(72,950,169)	(26,646,259)
Total Cash Flowed From Investing Activities	<u>(7,727,283)</u>	<u>(1,083,449)</u>

21 CASH FLOWS FROM FINANCING ACTIVITIES

	2018	2017
	£	£
Interest Paid	(1,277,346)	(1,245,865)
Total Cash Flowed From Financing Activities	<u>(1,277,346)</u>	<u>(1,245,865)</u>

Jesus College

Notes to the Accounts

Year Ended 30 June 2018

22 CAPITAL COMMITMENTS

	2018 £	2017 £
Capital commitments at 30 June 2018 were as follows:		
Authorised and contracted	3,450,000	385,000
Authorised but not yet contracted for	2,636,000	1,399,000

23 LEASE OBLIGATIONS

At 30 June the College had annual commitments under non-cancellable operating leases as follows:

	2018 £	2017 £
Other:		
Expiring within one year	-	-
Expiring between two and five years	24,960	24,960
Total	<u>24,960</u>	<u>24,960</u>

24 PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS AND OTHER SIGNIFICANT INVESTMENTS

	Country of Incorporation and Operation	Cost £	Class of shares
Jesus College Cambridge Conferences Limited	England	100	Ordinary
Jesus College Developments Limited	England	1	Ordinary
Jesus College (Station Road Investments) Limited	England	3,065,002	Ordinary
Jesus College Cambridge Properties Limited	England	2	Ordinary
Alcock Investments Limited	England	2	Ordinary

The principal activities of the above companies are detailed in the directors' report of the individual companies' financial statements and are all included in the consolidated financial statements.

Jesus College Cambridge Conferences Limited activity during the year was that of conference trading.
Jesus College Developments Limited activity during the year was building contract management.
Jesus College (Station Road Investments) Limited principal activity during the year was investing in property.

Companies that remained dormant throughout the year were:
Jesus College Cambridge Properties Limited
Alcock Investments Limited

25 RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of the Governing Body it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

Approved loans to College Fellows who served on the College Council during the year totalled zero (2017: £4,280).

26 CONTINGENT LIABILITIES

With effect from 16 March 2007, the Universities Superannuation Scheme (USS) positioned itself as a "last man standing" scheme so that in the event of an insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers.

27 PENSIONS

	2018 £	2017 £
The total pension cost was as follows:		
Universities Superannuation Scheme: Contributions	211,356	180,845
JCCPS: Charged to income and expenditure account	244,000	215,000
Defined Contribution Scheme: Contributions	97,902	79,751
Church of England Funded Pensions Scheme: Contributions	9,342	9,296
Total	<u>562,599</u>	<u>484,892</u>

28 POST BALANCE SHEET EVENT

In October 2018 the College entered into an agreement to borrow £40m through two private placement bonds. Each bond was for £20m: 'A' - drawdown immediately and repayable in 2058, in October 2018 and is repayable in 2058, 'B' - drawdown deferred until October 2020 and repayable in 2068.
The College repaid bank loans of £13.75m in October 2018, of which £11.75m was outstanding at 30 June 2018.

Notes to the Accounts

Year Ended 30 June 2018

29 Pension Schemes

Universities Superannuation Scheme

The College participates in Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the consolidated statement of comprehensive income and expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Pension Costs

The total cost charged to the profit and loss account is £211,356 (2016: £180,845) as shown in note 27.

The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway.

Since the College cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2018	2017
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.02%	2.41%

Notes to the Accounts

Year Ended 30 June 2018

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

Pre-Retirement:

Male members' mortality	71% of AMC00 (duration 0)
Female members' mortality	112% of AFC00 (duration 0)

Post retirement:

Male members' mortality	96.5% of SAPS S1NMA "light"
Female members' mortality	101.3% of RFV00

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0
	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72.0bn	£77.5bn
FRS 102 total scheme deficit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

Notes to the Accounts

Year Ended 30 June 2018

The Jesus College Cambridge Pension Scheme

The College operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. The scheme is closed to new entrants. As a consequence the current service cost calculated under the projected unit credit method can be expected to increase over time, as the average age of the membership increases. A full actuarial valuation was carried out at 30 June 2015 and updated to 30 June 2018 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

This most recent actuarial valuation showed a surplus of £1,651,000. In accordance with the actuarial valuation, the College has agreed with the trustees that no contributions towards deficit will be paid as the scheme is in surplus. In accordance with the actuarial valuation, the College has agreed with the trustees that it will pay 9.3% of pensionable earnings in respect of the cost of accruing benefits and will meet Pension Protection Fund levies, insurance premiums for death in service benefits and management and administration expenses (excluding those covered by the Phoenix Life Limited contract) as and when they are due. Member contributions are payable in addition at the rate of 6.0% of pensionable salaries.

Present values of scheme liabilities, fair value of assets and surplus (deficit)

	30 June 2018 £	30 June 2017 £	30 June 2016 £
Fair value of scheme assets	11,822,000	11,569,000	10,063,000
Present value of scheme liabilities	10,530,000	10,384,000	9,257,000
Surplus (deficit) in scheme	1,292,000	1,185,000	806,000
Unrecognised surplus	-	515,000	146,000
Defined benefit asset (liability) to be recognised	1,292,000	670,000	660,000

Reconciliation of opening and closing balances of the defined benefit obligation

	Year Ending 30 June 2018 £	Year Ending 30 June 2017 £
Scheme liabilities at start of period	10,384,000	9,257,000
Current service cost	260,000	238,000
Interest cost	281,000	299,000
Contributions by scheme participants	46,000	49,000
Actuarial losses (gains)	(168,000)	673,000
Benefits paid and death in service insurance premiums	(273,000)	(132,000)
Scheme liabilities at end of period	10,530,000	10,384,000

Notes to the Accounts

Year Ended 30 June 2018

Reconciliation of opening and closing balances of the fair value of scheme assets

	Year Ending 30 June 2018 £	Year Ending 30 June 2017 £
Fair value of scheme assets at start of period	11,569,000	10,063,000
Expected return on scheme assets	310,000	322,000
Actuarial gains (losses)	100,000	1,194,000
Contributions by the college	70,000	73,000
Contributions by scheme participants	46,000	49,000
Benefits paid and death in service insurance premiums	(273,000)	(132,000)
Fair value of scheme assets at end of year	11,822,000	11,569,000

The actuarial return on the scheme assets over the period ending 30 June 2018 was £410,000.

Defined Benefit costs recognised in profit or loss

	Year Ending 30 June 2018 £	Year Ending 30 June 2017 £
Current service cost	260,000	238,000
Net Interest cost	(18,000)	(21,000)
Total expense recognised in profit and loss account	242,000	217,000

Notes to the Accounts

Year Ended 30 June 2018

Defined Benefit Costs Recognised in Other Comprehensive Income

	Year Ending 30 June 2018 £	Year Ending 30 June 2017 £
Difference between expected and actual return on scheme assets - gain (loss)	189,000	175,000
Effects of changes in the demographic and financial assumptions underlying the present value of the assets - gain (loss)	(89,000)	1,019,000
Experience gains and losses arising on the scheme liabilities - gain (loss)	(12,000)	458,000
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities - gain (loss)	180,000	(1,131,000)
Effects of change in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	526,000	(367,000)
Total amount recognised in Consolidated Statement of Comprehensive Income and Expenditure	794,000	154,000

Assets

	30 June 2018 £	30 June 2017 £	30 June 2016 £
With Profit Contract	11,822,000	11,569,000	10,063,000
Total Assets	11,822,000	11,569,000	10,063,000

None of the fair values of the assets shown above include any direct investments in the College's own financial instruments or any property occupied by, or other assets used by the College.

Notes to the Accounts

Year Ended 30 June 2018

Assumptions

	30 June 2018	30 June 2017	30 June 2016
	% per annum	% per annum	% per annum
Discount rate	2.70	2.70	3.20
Inflation (RPI)	3.20	3.30	3.10
Inflation (CPI)	2.30	2.40	2.20
Salary Growth	4.70	4.80	4.60
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.30	2.40	2.20
Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less	2.30	2.40	2.20
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.10	3.10	3.00
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.00	2.00	1.90
Allowance for pension in payment increases of RPI or 2.5% p.a. if less	2.10	2.10	2.10
Allowance for commutation of pension for cash at retirement	None	None	None

The mortality assumptions adopted at 30 June 2018 imply the following future life expectancies at age 65:

Male retiring in 2018	21.9 years
Female retiring in 2018	23.8 years
Male retiring in 2038	23.3 years
Female retiring in 2038	25.4 years

The best estimate of contributions to be paid by the college to the scheme for the period commencing 1 July 2018 is £73,000.

Notes to the Accounts

Year Ended 30 June 2018

Church of England Funded Pensions Scheme

Jesus College (Cambridge) participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly from 70% by 31 December 2030; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns of 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets.
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S1NFA and S1NMA tables, with allowance for future improvements in mortality rates in line with the CMI 2015 core projections, with a long term annual rate of improvement of 1.5%.
- Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the contribution rates (as a percentage of pensionable stipends) were set as follows:

% of pensionable stipends	1 January 2015 to 31 December 2017	1 January 2018 to 31 December 2025
Deficit repair contributions	14.1%	11.9%

As at December 2017, the deficit recovery contributions payable under the recovery plan in force were 14.1% of pensionable stipends until December 2025.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

Notes to the Accounts

Year Ended 30 June 2018

	2017	2016
Balance sheet liability at 1 January	23,000	0
Deficit contribution paid	-3,000	-4,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	4,000	27,000
Balance sheet liability at 31 December	24,000	23,000

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2017	December 2016	December 2015
Discount rate	1.4% pa	1.5% pa	2.5% pa
Price inflation	3.0% pa	3.1% pa	2.4% pa
Increase to total pensionable payroll	1.5% pa	1.6% pa	0.9% pa

Notes to the Accounts

Year Ended 30 June 2018

Jesus College Defined Contribution Scheme

The College operates a defined contribution pension scheme for certain of its employees. The assets of the scheme are held separately from those of the College. The annual contributions payable are charged to the Income and Expenditure Account.

The pension cost charge represents contributions payable by the College and amounted to £97,902 (2017: £79,750).