



ST JOHN'S COLLEGE  
OXFORD

Report and Financial Statements

31 July 2006

**The accounts' index (if any), Responsibilities of the Governing Body, Statement of Principal Accounting Policies and Independent Auditors' Report have been omitted from this 150 dpi Akme scan.**

## ST JOHN'S COLLEGE

### Report of the Governing Body

The Governing Body of St John's College presents the annual report and financial statements for the year ended 31 July 2006.

#### Status

St John's College is an eleemosynary chartered charitable corporation aggregate. It was founded by Sir Thomas White under a Royal Patent of Foundation, dated 1 May 1555. The corporation comprises the President and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

#### Objectives

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research.

The College has various permanently endowed trust funds held for special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

#### Governance

The Governing Body of the College comprises the President and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, The Bishop of Winchester. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1555, and the Universities of Oxford and Cambridge Act 1923. The Governing Body is responsible for the direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the President and is advised by a range of committees, which include the Educational Policy, Finance, Estates, Equality and Risk Management Committees.

#### Scope of financial statements

The financial statements consolidate the accounts of St John's College and its subsidiary undertaking, The Lamb & Flag (Oxford) Ltd. The Lamb & Flag (Oxford) Ltd is the wholly-owned vehicle for the trading activities of the Lamb & Flag public house in St Giles. The College applies the profits from this public house towards the financing of graduate studentships.

#### Review of operations and finance

In the year under review the College is reporting a deficit on continuing operations of £476K against a deficit of £532K in 2005. In addition a surplus arose on the sale of tangible fixed assets of £1,594K. Income has increased in real terms; expenditure has increased by 7.0%. The College has been celebrating its 450th Anniversary, and as part of the Anniversary an appeal was launched during 2004-2005 to its alumni for the support for future students. At the year end £370K had been received and a further £200K had been pledged. The amount received during the year is included as new endowments.

The College in support of its academic objectives during the year has funded three research projects through the St John's College Research Centre at a cost of £121K. Support for both undergraduate and graduate members of the College has increased. This is the third year of the Sir Richard Southern awards, which cost £80.9K in 2005-6. Graduate support has increased by fully funding 6 graduate scholarships at a cost including fees of £93K. Profits from the Lamb & Flag of £18K have been contributed towards these costs. The College is committed to the purchase of a new organ for the Chapel at a cost of around £460K. An amount of £115k has been charged in these accounts.

The College Contributions scheme continues to have a major impact on the College resources. In 2006 the contribution is £894K (2005 £816K); this sum is payable in Hilary Term 2007. The College Contributions Committee has agreed that where the sum raised substantially exceeds the target of £3.4million a rebate would be made to the contributing Colleges. During the year the College had to pay £219K less than reported last year. (see note 5)

#### Investment performance

During the year the College's asset allocation has been maintained as in the previous years, but changes have been made within the sectors. The total return for the Cazenove managed portfolio was 11.8%. The UK equities provided the best asset class with a return of 21.2% which was 4.0% ahead of the FTSE All Share Index. The overseas equities produced a return of 18.0% against the FTSE World Index Ex UK which showed a return of 7.6%. The bond portfolio recorded a return of 3.3% for UK bonds and a negative return for overseas bonds of 0.7% which was 4.2% ahead of the JPM Global Government Bond Ex UK Index. The Egdewood and ACP managed portfolios both recorded increases in US \$ terms but the sterling equivalent shows a negative increase due to the depreciation of the US dollar.

#### Reserves

The balance on reserves at the year end amounted to £22.6M (note 14) net of pension reserve. After allowing for the amounts invested in fixed assets the College's general reserve was £0.5M. The Governing Body has reviewed the reserves of the College and has concluded that a general reserve at this level should be maintained to allow the College to be managed efficiently and to provide a buffer for uninterrupted services.

#### Risk management

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have

*Approved by the Governing Body on 8 November 2006*  
*Sir Michael Scholar - President*

ST JOHN'S COLLEGE  
Consolidated Income and Expenditure Account  
Year ended 31 July 2006

	Notes	2006 £	2005 £
<b>INCOME</b>			
Academic fees and tuition income	1	1,885,394	1,815,451
Other operating income	2	2,673,130	2,418,929
Endowment return and interest receivable	3	9,058,005	8,396,041
<b>Total income</b>		<u>13,616,529</u>	<u>12,630,421</u>
<b>EXPENDITURE</b>			
Staff costs	4&5	5,949,393	5,778,525
Depreciation	5&8	838,120	682,682
Other operating expenses	5	6,630,351	5,885,547
Contribution under Statute XV	5	674,274	816,396
<b>Total expenditure</b>	5	<u>14,092,138</u>	<u>13,163,150</u>
(Deficit) for the year on continuing operations before taxation and disposal of fixed assets		(475,609)	(532,729)
Surplus on disposal of fixed assets		1,594,902	0
Taxation	6	0	0
<b>Surplus/(Deficit) for the year after taxation</b>	7	<u>1,119,293</u>	<u>(532,729)</u>

**Consolidated statement of total recognised gains and losses**  
Year ended 31 July 2006

	Notes	2006 £	2005 <i>Restated</i> <i>(note 14)</i> £
<b>Reserves</b>			
(Deficit)/Surplus for the year		1,119,293	(532,729)
<b>Endowments</b>			
Income receivable from endowment asset investments	13	9,141,470	8,474,047
Endowment return transferred to income and expenditure account	13	(9,054,713)	(8,390,405)
Appreciation of endowment asset investments	13	21,061,206	48,403,553
New endowments received	13	250,237	237,415
Movement in surplus under FRS 17	19	393,000	432,000
<b>Other</b>			
Net additions to (deductions from) deferred capital			
<b>Total recognised gains relating to the year</b>		<u>22,910,493</u>	<u>48,623,861</u>
Prior year adjustment	14		1,632,000
Opening fund balances		280,940,262	230,584,381
<b>Closing fund balances</b>		<u>303,850,755</u>	<u>280,940,262</u>