

**ST CATHARINE'S COLLEGE, CAMBRIDGE**

**Charity Registration No: 01137463**

**RECOMMENDED CAMBRIDGE COLLEGE ACCOUNTS**

**ST CATHARINE'S COLLEGE, CAMBRIDGE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2016**

# ST CATHARINE'S COLLEGE, CAMBRIDGE

## GOVERNING BODY AND ADVISORS

---

### Governance

St Catharine's College is a College within the University of Cambridge and a Registered Charity. Its registered office is at Trumpington Street, Cambridge CB2 1RL. The Governing Body, which comprises the Master and Official and Professorial Fellows, is responsible for the governance of the College. Unless otherwise stated throughout this Trustees Annual Report the words 'Fellow or Fellows' are synonymous with a member or members of the Governing Body.

The objectives of the College are to advance education, religion, learning and research in the arts, social sciences and sciences.

Further information about the College can be found at [www.caths.cam.ac.uk](http://www.caths.cam.ac.uk).

### Trustees

The Governing Body has concluded that for purposes of charity law, the Fellows are the Trustees of the College. The Fellows who served during the year are listed below:

#### Governing Body

Master	Professor Dame Jean Thomas
President	Dr John Little
Senior Tutor:	Dr P N Hartle
Bursar:	Mr S P Summers

Professor R Martin  
Professor P Tyler  
Dr R B B Wardy  
Professor J A Pyle  
Dr P R Palmer  
Professor E V Ferran  
Professor H Van de Ven  
Dr P Oliver  
Dr I C Willis  
Professor C M Clark  
Dr G E Kantaris  
Mr M F Kitson  
Dr R A Melikan  
Dr M P F Sutcliffe  
Dr J H Xuereb  
Dr A Davenport  
Dr K J Dell  
Dr C J Gonda  
Dr N Berend  
Dr D C Aldridge

Dr R W Dance  
Dr P D Wothers  
Professor K J Dalton  
Professor M C Elliott  
Ms I Borzym  
Dr A S Brundin  
Dr S Iyer  
Dr M J Mason  
Dr S N Taraskin  
Dr J R Gair  
Dr D J Bainbridge  
Dr H Wydra  
Dr H Lees-Jeffries  
Dr E Wickham  
Dr G Carr  
Dr M Griffin  
Dr R Harrison  
Professor J Dalley  
Mrs D G Loveluck  
Dr I Scales

Professor W Sutherland  
Dr P Turner  
Professor S Althorpe  
Dr M DeJong  
Dr F Santos  
Dr J Neufeld  
Professor S Marciniak  
Dr M Hurley  
Dr H Kandil  
Professor N Morrell  
Rev'd D Neaum  
Dr S Layton  
Dr T Rogan  
Dr R Smith  
Dr J Gwynne  
Dr M Amior  
Dr C Psarras  
Dr A Hillier

## ST CATHARINE'S COLLEGE, CAMBRIDGE

### GOVERNING BODY AND ADVISORS (CONTINUED)

---

#### Finance Committee

Professor Dame Jean Thomas	Master
Mr S P Summers	Bursar
Dr P N Hartle	Senior Tutor
Dr D Bainbridge	(when Acting Financial Tutor)
Mrs D G Loveluck	Development Director
Professor J Pyle	
Professor R Martin	
Mr M Kitson	

Professor P Tyler  
Dr J Dalley  
Dr P Wothers  
Dr P Turner  
Professor H Van de Ven

Dr A Davenport  
Dr M Hurley  
Dr S Taraskin  
Dr M Amior

#### Investments Committee

Professor Dame Jean Tomas	Master
Mr S P Summers	Bursar
Professor R Martin	
Mr M Kitson	
Mr N R Haynes	
Mr T Adams	
Dr D Aldridge	
Dr S Iyer	
Professor W Sutherland	
Dr A Davenport	
Dr J Xuereb	

**Charity Registration Number** 01137463

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

**Solicitors** Ashton KCJ  
Chequers House  
77-81 Newmarket Road  
Cambridge  
CB5 8EU

**Chartered Surveyors** Bidwells Property Consultants  
Trumpington Road  
Cambridge  
CB2 2LD

**Bankers** Barclays Bank Plc  
Cambridge Business Centre  
Cambridge  
CB2 3PZ

<b>Investment Fund Managers</b>	Stanhope Capital 35 Portman Square London W1H 6LR	Cambridge University Endowment Fund 30 Station Road Daedalus House Station Road Cambridge CB1 2RE
---------------------------------	--	--

CONTENTS

---

	Page
Annual Report of the Trustees	4 -10
Statement of Responsibilities of the Governing Body	11
Independent auditors' report	12 -13
Statement of principal accounting policies	14 -19
Consolidated comprehensive income and expenditure	20
Consolidated statement of changes in reserves	21
Balance sheets	22
Consolidated cash flow statement	23
Notes to the accounts	24 - 41

**ANNUAL REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2016**

---

**OPERATING AND FINANCIAL REVIEW**

**Introduction**

This Review provides an explanation of the mission of the College, an overview of the achievements during the Academic Year 2015-16, of the financial performance for the twelve months ending June 30th 2016, and the financial condition of the College at that date.

**Aims and objectives of the College**

The Objectives of the College are to advance education, religion, learning and research in the arts, social sciences and sciences.

Further information about the College can be found at [www.caths.cam.ac.uk](http://www.caths.cam.ac.uk).

**Public benefit**

The College provides, in conjunction with the University of Cambridge, an education for over 600 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. In particular, the College provides:

- teaching facilities and individual or small-group undergraduate supervision, as well as pastoral, administrative and academic support through its tutorial system for all students;
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research through:

- providing Junior Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period as they prepare to undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from the UK and abroad;
- and encouraging the dissemination of research undertaken by members of the College through research seminars, supporting the publication of books and papers in academic journals, or other suitable means.

The College maintains an extensive Library, with a catalogue integrated into that of the University, so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely, external scholars and researchers, and the public through occasional exhibitions.

The College carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on religious faith and its implications for the individual and society. In particular, the College:

- Maintains and supports the Chapel as a place of religious worship and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and visitors.

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

- Supports, through the College Chaplain, the emotional, mental and spiritual well-being of all members of the College community.
- Maintains both a student choir, and a choir formed of girls from local schools, entry to which is by competitive singing test.

**Achievements of 2015-16**

**Academic**

The academic year 2015-2016 was marginally less successful than the previous year for the College. Our position in the academic league tables fell four places, being ranked seventeenth of all colleges. Notwithstanding this, in absolute terms our performance was in fact slightly stronger, with a reduced number of Lower Second Class and Third Class results (both below the University average), and although we achieved a fair proportion of First Class results (about 25%) with a good distribution across the years and subjects, this percentage was below the University average. Our First-year and Second-year students did fairly well, being ranked respectively fourteenth and eighth among the colleges, but the graduating year remained weak, ranked twenty-third. There were outstandingly strong results in English, Natural Sciences, Geography, and Asian and Middle Eastern Studies. A number of exceptional students topped the whole University Tripos, for example in the finals of both Chemistry and Physics.

The College invests much of its relatively modest endowment in educational support, especially in its Teaching Officers. This strategy has been rewarded this year with the strong showings in English, Geography and Natural Sciences. Many of those graduating in the past 2/3 years have succeeded in obtaining places on Masters and PhD courses, while others have taken up employment in highly competitive positions. The College has successfully supported the needs of young future academics and also young future high flyers in commerce and in industry.

The overwhelming majority of our postgraduate students obtained their degrees successfully, several with marks of Distinction on Masters' courses.

Meanwhile, often through the generosity of College members past and present, we continue to offer the fullest possible welfare and pastoral support to our students, including a growing number of Entrance Bursaries for financially disadvantaged students (both undergraduate and postgraduate) and Bursaries directed towards additional academic projects available to all students. We also continue to increase the number of academic enrichment activities offered, both to cohorts of students and, via the excellent St Catharine's Lecture Series (open to all), to the wider public.

**Sporting and Cultural**

The College has continued to provide excellent facilities in the sporting arenas to complement those routinely provided for the academic life of the College. The College has a recently renovated playing surface on the all-weather hockey pitch. This has been welcomed by all members, male and female, of the College hockey clubs and should enable the College to maintain its position as a leading hockey College for many years to come. This year both mens' and womens' teams reached the final stages of the University Hockey Cups.

The College athletes again turned out an excellent squad with 18 men and 14 women with the women winning their respective Cuppers competitions

Interest in rowing continues to be healthy and the College Boat Club fielded a good number of boats in the Lent and May Bumps. This past year saw many of the established oarsmen and women graduate and so there was little success, but those returning next year are expected to use the years' experience to challenge for honours.

There were notable successes for the College with University representation in fencing, sailing, football, rugby swimming and particularly athletics.

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016**

---

In all the College contributed enormously to University sport with many men and women Blues upholding St. Catharine's sporting traditions.

The College makes available to external institutions its cricket and football pitches and its popular all-weather hockey pitch.

St Catharine's is noted for its strong musical tradition, and in particular for the range and inclusiveness of its activities. The College supports two choirs - one for graduate and undergraduate students, the other for girls aged 7-15 - which in the past year have participated in BBC broadcasts, given concerts and made two CD recordings. The Girls' Choir is particularly note-worthy, not least for the fact that it is the only ensemble of its kind in the country, and is open to girls from all schools in the area. Participants benefit from a musical training of the highest quality, and most will continue their music-making into higher education and beyond. The choirs have in the past year contributed to a number of charity concerts; and the College has for four years now hosted the Cambridge Singing School course in all three vacations, each course attracting up to fifty children aged 8-13.

College music is the responsibility of the professional Director of College Music (financially supported wholly by the College), Dr Edward Wickham. In addition to its choral activities, the College also hosts a busy schedule of student and professional concerts, under the banner of the Kellaway Concert Series. These performances, which are free to students, have included world music, jazz and classical artists.

College musicians are routinely involved in outreach work, including schools and hospital visits. The relationship with Addenbrookes' geriatric ward continues, and this year the choir also made a visit to Fulbourn hospital.

**Scope of the financial statements**

The College's consolidated results, which are discussed in this section of the Report, are the net effect of the College's own business and that of the subsidiary companies which are described in Note 25 to the Accounts.

**Financial review**

*Format of accounts*

As highlighted elsewhere in these accounts, the format of presentation has been amended to comply with Financial Reporting Standard 102 ("FRS 102"). The standard new format is not especially informative for endowed charities, especially those like the College which are fortunate enough to benefit from significant gifts and legacies on a regular basis. Therefore, Colleges have provided a breakdown of 'Comprehensive Income and Expenditure' between transactions within the Endowment and those which would have previously been presented in an Income and Expenditure account. The latter are also divided between Restricted and Unrestricted activities. The prior year 2014-15 accounts have been restated into the new format for comparative purposes.

*Income & Expenditure*

Considering firstly the 'Total' columns, Income grew by 7.9% to £12.938 million, while both Educational and non-Educational Expenditure as defined grew by close to 5%, giving rise to an operating surplus of £1.982 million. Investment gains were somewhat reduced from the prior year while the effect of changing pension fund deficits was modest. The bottom line of 'Total Comprehensive Income' was a substantial surplus of £4.878 million, reduced from 2014-15's very strong £6.081 million.

Key points to note in the 'Unrestricted' comparison are a further 3% rise in Academic income on slightly higher graduate student numbers. Now that substantially all undergraduates are paying the £9,000 fee, the scope for further fee income growth is limited by regulation. Residential, catering and conference income grew by 2% with all of the growth arising from College members.

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

Unrestricted donations and in particular legacies grew substantially in the year, with the College benefitting from one sizeable legacy from a late Fellow, as was anticipated in last year's Review.

In the FRS 102 format, investment returns in the year are recognised both as Investment Income and as Gains on Investments. These total £4.2 million representing a total return of approximately 6%, a reduction from last year as discussed below.

The College has once again been very fortunate to have received substantial support for our teaching costs from Trinity College and the Newton Trust. In addition, the College has benefitted from external support from both the Newton Trust and the Cambridge Philosophical Society, enabling the continuation of two Junior Research Fellowships in the Social Sciences. We are most grateful for this assistance.

Staff costs, which are discussed in Note 7 to the accounts, grew by 2.5% which is faster than Academic fees and trading income, as investment continued in improved service and to grow our external activities. Other costs were generally well controlled although rising building maintenance costs and utility bills are a cause for concern.

*Pensions*

The College's share of the deficit in the CCFPS staff pension scheme, as measured under the terms of FRS 102, grew by 5.5% to reach £3.4 million. The College has in place an agreed 20-year deficit reduction programme.

This deficit is a sizeable one, and may yet be mitigated by future investment returns in the Scheme, but the impact will accrue over a number of financial years, and the College intends to ensure that it does not impact on the ability to support each successive cohort of our students. That scheme is no longer open to new members; instead the College offers a high-quality defined contribution pension scheme to all non-Academic staff.

The College is also a member of the nationwide defined benefit University Superannuation Scheme for Academic staff. That Scheme also has a sizeable deficit, the College's share of which is included in the balance sheet at £0.3m. This is only a nominal increase over the prior year, in which restated accounts the College's pro rata share of the USS deficit is quantified for the first time. The College and members are making increased contributions with effect from April 2016.

Both Schemes will experience triennial revaluations as at March 2017 and recent reductions in long term interest rates may result in increased deficits, though CCFPS has taken steps to hedge some of those risks.

*Donations and legacies*

During the year the College completed a £30 million appeal to enhance our buildings, to underwrite teaching posts, and to increase the general endowment, as well as to provide funds to assist students in financial difficulties. It is extremely grateful to all its donors, and also to those who have made arrangements to remember the College in their wills.

While the nature of donation and legacy income is that it is unpredictable as to both timing and amount, it is very gratifying to see that members continue to make new pledges for both restricted and unrestricted purposes, and we are confident of continuing support.

*Endowment and investment performance*

All investment income received is applied in pursuit of the charitable objectives of the College.

The value of the College Endowment rose by 5% to £62.2 million, thanks to a combination of donations and investment returns. As at the year end, the investment portfolio additionally contained assets corresponding to over £2 million of unspent borrowings.



**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

Total investment return on the portfolio in 2015-16 was approximately 6%, lower than in any of the three prior years. Returns from property (including investments in property funds) were once again lower this year, but still exceeded 6% while those from other securities investments improved somewhat to over 5%. Over a rolling five-year measurement period, total returns remained above 8% per annum which, given the persistently low levels of inflation, is significantly ahead of our real total return target. Property nominal total returns over that period were 10%pa and other assets returned an average of over 7%pa.

Few changes were made to the composition of the College investment portfolio during the year. Property remains approximately one-third of the portfolio. Cash balances are at slightly elevated levels, and the College continues to hold a securities portfolio comprising primarily equity funds, complimented by some corporate and government bonds of short duration.

In the longer term we must continue to invest wisely, if we are to generate at least the 4% per annum real return on which our financial forecasts are based, at acceptable levels of volatility.

Total borrowing is unchanged at £11 million, which remains a prudent level when compared with both the College's resources and its opportunities.

During Summer 2016, investment markets have been volatile but overall positive, though the College is aware that significant macro-economic risks remain.

**Principal risks and uncertainties**

The College operates in a very competitive market for the best academic talent and the most promising students. The macroeconomic climate impacts investment returns, external income and the rate of giving by our alumni. The College must guard against assuming that the recent long period of predominantly good investment performance is any guide to future returns, or that there has been any long-lasting reduction in market volatility. Indeed, the opposite could easily be the case, as evidenced in some recent time periods.

We are confident of our ability to continue to compete successfully, but are constrained by our financial resources, and are working constantly to build them.

The College also faces a range of operational risks in its daily affairs, and has an experienced and well-resourced management team in place to address them.

**Staff**

Once again the College's staff have worked hard to deliver a very high quality all-round experience to our students, and at the same time to preserve and enhance the quality of our buildings.

Jacob Taylor, a fine young chef, died from a previously undiagnosed heart condition in September 2016, and will be much missed by the whole College.

The Fellows, as the College's charity trustees, are very grateful to all the staff and students of the college for their contributions to this year's achievements.

**Overall Summary**

Both in terms of our academic mission and financially, 2015-16 was another successful year. We will continue to invest for the long term success of the College within the University of Cambridge.

Simon Summers



Bursar

On behalf of the Trustees

11<sup>th</sup> November 2016

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**Corporate Governance**

1. The following statement is provided by the Trustees 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 corporate body consisting of the Master, the Fellows and the Scholars. It is a registered charity (number 1137463) and subject to regulation by the Charity Commission for England and Wales. The Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Governing Body consists of the Master and Professorial and Official Fellows, and exercises control over all matters concerning the College.
4. The Governing Body is advised in carrying out its duties by a number of Committees, comprised mostly or entirely of Fellows appointed by the Governing Body. These include:
  - a. The Finance Committee, consisting of the Master, Bursar, Senior Tutor, Development Director and up to twelve other Fellows. It meets at least once each term and monitors income and expenditure against the Budget and reports to the Governing Body at the next College meeting thereafter.
  - b. The Audit Committee, comprising the Master and at least ten Fellows, which acts as the internal auditors to the accounts, as required by the Statutes of the College. The Audit Committee reports to the Governing Body annually on the financial statements, and also advises the Governing Body on the appointment of external auditors.
  - c. The Investments Committee, consisting of the Master, Bursar and at least five other Fellows. There are also two Members of the College who have offered their services as advisors to the Committee and attend its meetings which are held once each term. The Investments Committee oversees the management of the College's estates and investments and reports to the Governing Body.
  - d. The Buildings & Services Committee, consisting of the President, the Bursar, and several other Fellows and departmental heads. The Committee monitors the condition of the College's operational estate and recommends maintenance and improvement projects. It also reports to the Governing Body on Health & Safety and Environmental matters, and on aspects of the domestic services which the College provides to students and others.
  - e. The Fellowships Committee, consisting of the Master, the President, the Senior Tutor and at least eight other Fellows, makes recommendations for the recruitment of additional Fellows according to the teaching and other needs of the College, and has also made recommendations for the membership of College Committees. The latter activity will be assumed by a New Nominations Committee in 2016-17, chaired by the Master.
  - f. The Education Committee, consisting of the Master, the Senior Tutor and twelve other Fellows, reports to the Governing Body on many aspects of the Educational work of the College and its students.
  - g. The Strategic Policy Committee, which consists of the Master, President, Bursar, Senior Tutor, Development Director and at least five other Fellows.

A number of additional Committees support the work of the Governing Body in other areas.

5. Registers of Interests are maintained of all Trustees. Declarations of interest are made at all meetings of Committees and of the Governing Body.
6. The College's trustees are listed at the front of these Financial Statements.

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)**  
**RESPONSIBILITIES OF THE GOVERNING BODY**

---

**Statement of Internal Control**

1. The Governing Body 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 2016 and up to the date of approval of the financial statements.
4. The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - a. A comprehensive system of independent committees monitor and evaluate the College's performance against legal requirements and general good practice.
  - b. A rigorous set of internal financial controls are used to protect the College's assets, to identify and manage the risk of conflicts of interest, loss, waste, bribery, fraud etc.
  - c. Systems are in place to ensure that financial reporting is robust and of a high quality and to ensure that trustees comply with charity law and other regulations.
  - d. Where possible there is a segregation of duties so that no single individual has sole responsibility for any single transaction from authorisation to completion and review.
5. The Governing Body'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.

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)**  
**RESPONSIBILITIES OF GOVERNING BODY**

---

**Responsibilities of the Governing Body**

The Governing Body 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 Governing Body 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 Governing Body 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 Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF  
ST CATHARINE'S COLLEGE, CAMBRIDGE**

---

We have audited the financial statements of St Catharine's College for the year ended 30 June 2016 which comprise the consolidated statement of comprehensive income and expenditure, the consolidated statement of changes in reserves, the consolidated and College balance sheets and the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body, as a body, in accordance with College's Statutes, the Statutes of the University of Cambridge and with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's Governing Body those matters we are required to state to them in an 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Governing Body and auditors**

As explained more fully in the Statement of Responsibilities of the Governing Body set out on page 11, the Governing Body is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the College's affairs as at 30 June 2016 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and

**ST CATHARINE'S COLLEGE, CAMBRIDGE**

**INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF  
ST CATHARINE'S COLLEGE, CAMBRIDGE**

---

- 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.

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

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

- the information given in the annual report of the Trustees 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 and returns; or
- we have not received all the information and explanations we require for our audit.



**Peters Elworthy & Moore**

**Chartered Accountants and Statutory Auditors**

**CAMBRIDGE**

**18 November 2016**

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  
FOR THE YEAR ENDED 30 JUNE 2016**

---

**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 and certain fixed assets which are 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 to the extent that 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 (notes 16 & 17).

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.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**Statement of Principal Accounting Policies**

**Recognition of income (continued)**

*Donations and endowments (continued)*

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.

*Other income*

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

*Cambridge Bursary Scheme*

In 2015-16, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, Cambridge University reimbursed the SLC for the full amount and each College paid their portion (based on their own eligible students) to the University.

However, to remain consistent with previous years' presentation as well as the system agreed for 2016-17 (where the College pays Cambridge Bursary funds to eligible students, via the SLC, and receives a contribution from the University), for 2015-16 the College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges", although strictly speaking this was not a College transaction for this year.

The net payment of £98,000 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (included in note 1 as part of other income)	£222,000
Expenditure	£320,000

**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*

The main College buildings are stated at depreciated replacement cost, as determined by professional valuers. The valuation for accounts purposes was carried out by Gerald Eve, Surveyors as at 30 September 2003. An amount has been deducted from the replacement cost to reflect their accumulated obsolescence in use depending on the age of the property to give a sum for their depreciated replacement cost. All College buildings on the main sites are depreciated on a straight-line basis over 50 years. Freehold land is capitalised at its estimated market value and is not depreciated.



**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

Finance costs that are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to 30 June. 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.

*Maintenance of buildings*

The cost of routine maintenance is charged to the Income and Expenditure Account as it is incurred. 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.

*Furniture and equipment*

Furniture and equipment including books in the College's working library are not capitalised as they are deemed to be immaterial. Such expenditure is written off in the year of acquisition.

*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 1 July 2011 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 2011 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.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**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 if applicable.

**Taxation**

The College is a registered charity (number 01137463) 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.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**Pension costs**

The College participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the USS scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The College 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 and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution 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 the resulting expense in the income and expenditure account.

The College also contributes to the Cambridge Colleges Federated Pension Scheme (CCFPS), which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

Because of the mutual nature of the Church of England Funded Pension Scheme, the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period and expenses accrued in that year, plus any impact of deficit contributions. Since the College has entered into a 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 the result expense in the income and expenditure account in accordance with Section 28 of FRS 102.

The College also operates a defined contribution pension scheme and the pension charge represents the amounts payable by the College to the fund in respect of the year.

**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.

**Subsidiary companies**

The College has two wholly owned subsidiaries.

The College has consolidated St Catharine's College Development Limited and St Catharine's College Events Limited.

Investments in subsidiaries are carried in the College Balance Sheet at cost with a review for impairment undertaken every year.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2016**

---

**Transition to the 2015 RCCA (Recommended Cambridge College Accounts)**

The College is preparing its financial statements in accordance with 2015 RCCA for the first time, amended for the adoption of FRS 102, and consequently has applied the first time adoption requirements. An explanation of how the transition to the 2015 RCCA has affected the reported financial position, financial performance and cash flows of the consolidated results of the College is provided in note 23.

**Reserves**

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity.

Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

**Critical accounting judgements**

FRS 102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The Governing Body are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Unrestricted £000s	Restricted £000s	Endowment £000s	Total £000s		Unrestricted £000s	Restricted £000s	Endowment £000s	Total £000s
<b>Income</b>										
Academic fees and charges	1	2,629	283	-	2,912		2,551	319	-	2,870
Residences, catering and conferences	2	4,543	-	-	4,543		4,450	-	-	4,450
Investment income	3	-	-	1,295	1,295		-	-	1,213	1,213
Endowment return transferred	3	64	1,231	(1,295)	-		189	1,024	(1,213)	-
Other income		49	3		52		68	9	-	77
<b>Total income before donations and endowments</b>		<b>7,285</b>	<b>1,517</b>	<b>-</b>	<b>8,802</b>		<b>7,258</b>	<b>1,352</b>	<b>-</b>	<b>8,610</b>
Donations & Legacies		2,757	-	-	2,757		659	-	-	659
New endowments	16	-	-	1,261	1,261		-	-	2,536	2,536
Capital grant from Colleges Fund		-	-	-	-		-	-	-	-
Other capital grants for assets		-	118	-	118		-	185	-	185
<b>Total income</b>		<b>10,042</b>	<b>1,635</b>	<b>1,261</b>	<b>12,938</b>		<b>7,917</b>	<b>1,537</b>	<b>2,536</b>	<b>11,990</b>
<b>Expenditure</b>										
Education	4	3,861	1,257	-	5,118		3,840	1,038	-	4,878
Residences, catering and conferences	5	5,161	-	-	5,161		5,116	-	-	5,116
Other expenditure		666	-	-	666		501	-	-	501
Contribution under Statute G,II		11	-	-	11		9	-	-	9
<b>Total expenditure</b>	6	<b>9,699</b>	<b>1,257</b>	<b>-</b>	<b>10,956</b>		<b>9,466</b>	<b>1,038</b>	<b>-</b>	<b>10,504</b>
<b>Surplus/(deficit) before other gains and losses</b>		<b>343</b>	<b>378</b>	<b>1,261</b>	<b>1,982</b>		<b>(1,549)</b>	<b>499</b>	<b>2,536</b>	<b>1,486</b>
Gain/(loss) on disposal of fixed assets	8	-	-	-	-		-	-	-	-
Gain on investments	9	1,231	-	1,693	2,924		2,075	-	2,335	4,410
					-					-
<b>Surplus/(deficit) for the year</b>		<b>1,574</b>	<b>378</b>	<b>2,954</b>	<b>4,906</b>		<b>526</b>	<b>499</b>	<b>4,871</b>	<b>5,896</b>
<b>Other comprehensive income</b>										
Unrealised surplus on revaluation of fixed assets		-	-	-	-		-	-	-	-
Actuarial (loss)/gain in respect of pension schemes	15	(28)	-	-	(28)		185	-	-	185
<b>Total comprehensive income for the year</b>		<b>1,546</b>	<b>378</b>	<b>2,954</b>	<b>4,878</b>		<b>711</b>	<b>499</b>	<b>4,871</b>	<b>6,081</b>

ST CATHARINE'S COLLEGE, CAMBRIDGE

STATEMENT OF CHANGES IN RESERVES  
YEAR ENDED 30 JUNE 2016

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted £000s	Restricted £000s	Endowment £000s	£000s	£000s
<b>Balance at 1 July 2015</b>	<b>67,411</b>	<b>4,187</b>	<b>28,370</b>	<b>-</b>	<b>99,968</b>
Prior Year Adjustment: deferred capital opening balance	-	-	-	-	-
Surplus/(Deficit) from income and expenditure statement	1,574	378	2,954	-	4,906
Other comprehensive income	(28)	-	-	-	(28)
Release of restricted capital funds spent in the year	118	(118)	-	-	-
Transfers between Funds & Reserves	1	-	-	-	1
Other	-	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>69,076</b>	<b>4,447</b>	<b>31,324</b>	<b>-</b>	<b>104,847</b>

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted £000s	Restricted £000s	Endowment £000s	£000s	£000s
<b>Balance at 1 July 2014</b>	<b>59,669</b>	<b>3,848</b>	<b>23,491</b>	<b>-</b>	<b>87,008</b>
Prior Year Adjustment deferred capital opening balance	7,240	-	-	-	7,240
Other Prior Year Adjustment	(359)	-	-	-	(359)
Surplus/(Deficit) from income and expenditure statement	526	499	4,871	-	5,896
Other comprehensive income	185	-	-	-	185
Release of restricted capital funds spent in the year	160	(160)	-	-	-
Transfers between Funds & Reserves	(10)	-	8	-	(2)
Other	-	-	-	-	-
<b>Balance at 30 June 2015</b>	<b>67,411</b>	<b>4,187</b>	<b>28,370</b>	<b>-</b>	<b>99,968</b>

The Consolidated and College figures are not materially different, hence separate statements for each are not produced.

# ST CATHARINE'S COLLEGE, CAMBRIDGE

## CONSOLIDATED AND COLLEGE BALANCE SHEETS AS AT 30 JUNE 2016

		2016	2016	2015	2015
		Consolidated	College	Consolidated	College
	Note	£000s	£000s	£000s	£000s
<b>Non-current Assets</b>					
Fixed assets	8	49,854	49,854	49,077	49,134
Heritage assets	8	2,765	2,765	2,765	2,765
Investments	9	63,498	63,498	61,284	61,284
<b>Current assets</b>					
Stocks	10	245	245	264	264
Trade and other receivables	11	2,805	2,802	653	639
Investments	9	850	850	-	-
Cash and cash equivalents	12	2,551	2,330	2,648	2,515
<b>Creditors: amounts falling due within one year</b>	13	3,009	2,803	2,199	2,070
<b>Net current assets</b>		3,442	3,424	1,366	1,348
<b>Total Assets less current liabilities</b>		119,559	119,541	114,492	114,531
<b>Creditors: amounts falling due after more than one year</b>	14	11,000	11,000	11,000	11,000
<b>Provisions</b>					
Pension provisions	15	3,712	3,712	3,524	3,524
<b>Total net assets</b>		104,847	104,829	99,968	100,007
<b>Restricted reserves</b>					
Income and expenditure reserve – endowment reserve	16	31,324	31,324	28,370	28,370
Income and expenditure reserve – restricted reserve	17	4,447	4,447	4,187	4,187
<b>Unrestricted Reserves</b>					
Income and expenditure reserve – unrestricted		69,076	69,058	67,411	67,450
Revaluation reserve					
<b>Total Reserves</b>		104,847	104,829	99,968	100,007

The financial statements were approved by the Governing Body on 11 November 2016 and signed on its behalf by:



**Professor Sir M Welland**  
Master

**S P Summers**  
Bursar



The notes on pages 24 to 41 form part of these accounts

ST CATHARINE'S COLLEGE, CAMBRIDGE

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
	Note	£000s	£000s
Net cash inflow from operating activities	18	750	1,718
Cash flows from investing activities	19	(550)	(3,266)
Cash flows from financing activities	20	(297)	(303)
Increase/(decrease) in cash and cash equivalents in the year		(97)	(1,851)
Cash and cash equivalents at beginning of the year		2,648	4,499
Cash and cash equivalents at end of the year	12	2,551	2,648

The Consolidated and College figures are not materially different, hence separate statements for each are not produced.



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>1</b>	<b>Academic fees and charges</b>	<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
	Colleges fees:		
	Fee income received at the Regulated Undergraduate rate	1,843	1,923
	Fee income received at the Unregulated Undergraduate rate	321	247
	Fee income received at the Graduate rate	465	381
	Other income	283	319
	<b>Total</b>	<b>2,912</b>	<b>2,870</b>

<b>2</b>	<b>Income from residences, catering and conferences</b>	<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
	Accommodation:		
	College members	2,107	1,987
	Conferences	779	741
	Catering:		
	College members	1,045	1,032
	Conferences	612	690
	<b>Total</b>	<b>4,543</b>	<b>4,450</b>

<b>3</b>	<b>Endowment return and investment income</b>	<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
<b>3a</b>	<b>Analysis</b>		
	Income from:		
	Land and buildings	537	437
	Quoted securities	450	480
	Unit Trusts	224	279
	Income from short-term investments	84	17
	Other interest receivable		
	<b>Total</b>	<b>1,295</b>	<b>1,213</b>

<b>3b</b>	<b>Investment management costs</b>	<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
	Land and buildings	30	17
	Quoted securities - equities	182	189
	Fixed interest securities	-	-
	Other investments	4	6
	Cash		
	<b>Total</b>	<b>216</b>	<b>212</b>

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016

4	Education expenditure	2016 £000s	2015 £000s
	Teaching	2,462	2,291
	Tutorial	815	763
	Admissions	986	1,044
	Research	289	360
	Scholarships and awards	284	132
	Other educational facilities	282	288
	Total	5,118	4,878

5	Residences, catering and conferences expenditure	2016 £000s	2015 £000s
	Accommodation:		
	College members	2,539	2,557
	Conferences	658	633
	Catering:		
	College members	1,241	1,213
	Conferences	723	713
	Total	5,161	5,116

6a	Analysis of 2015/2016 expenditure by activity	Staff costs (note 7) £000s	Other operating expenses £000s	Depreciation £000s	Total £000s
	Education	2,112	2,719	287	5,118
	Residences, catering and conferences	2,472	1,951	738	5,161
	Other	162	504	-	666
	Totals	4,746	5,174	1,025	10,945
Expenditure includes fundraising costs of £496,000. This expenditure includes the costs of alumni relations.					

6b	Analysis of 2014/2015 expenditure by activity	Staff costs (note 7) £000s	Other operating expenses £000s	Depreciation £000s	Total £000s
	Education	2,054	2,547	277	4,878
	Residences, catering and conferences	2,422	1,982	712	5,116
	Other	153	348	-	501
	Totals	4,629	4,877	989	10,495
Expenditure includes fundraising costs of £430,000. This expenditure includes the costs of alumni relations.					

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>6c</b>	<b>Auditors' remuneration</b>	<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
	Other operating expenses include:		
	Audit fees payable to the College's external auditors	20	19
	Other fees payable to the College's external auditors	4	1
	Totals	24	20

<b>7</b>	<b>Staff costs</b>				<b>2016 Total</b>	<b>2015 Total</b>
	Consolidated	<b>College Fellows</b>	<b>Other academic</b>	<b>Non-academic</b>	<b>£000s</b>	<b>£000s</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	<b>Staff costs:</b>					
	Emoluments	1,167	0	2,695	3,862	3,669
	Social security costs	88	0	190	278	265
	Other pension costs	188	0	418	606	695
		1,443	0	3,303	4,746	4,629
	<b>Average staff numbers (full-time equivalents):</b>					
	Academic (numbers of stipendiary staff)	63		-	63	63
	Non-academic (full time equiv.)	3		114	117	111
	Total	66		114	180	174
	The Governing Body comprises 62 (2015: 63) Fellows, of which 59 (2015: 59) are stipendiary.					
	No officer or employee of the College, including Head of House, received emoluments of over £100,000 during this year or the previous year.					
	<b>Key management personnel</b>					
	Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. These are the Master, Senior Tutor, Senior Bursar, Development Director and Chaplain. This cost includes aggregated emoluments paid to key management personnel.					
	Aggregated emoluments consists of salary, taxable benefits and any employers' pension contributions.					
					<b>2016</b>	<b>2015</b>
					<b>Total</b>	<b>Total</b>
					<b>£000s</b>	<b>£000s</b>
	<b>Key management personnel</b>				329	316

During the year, emoluments paid to Trustees in their capacity as College Officers were as follows. The members of the Governing Body have been identified as Trustees of the College	<b>2016 Total</b>	<b>2015 Total</b>
	<b>£000s</b>	<b>£000s</b>
Aggregate Emoluments	1,429	1,300

The Trustees received no emoluments in their capacity as Trustees of the Charity.

# ST CATHARINE'S COLLEGE, CAMBRIDGE

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

8	Fixed assets					
	Consolidated	College buildings and Site	College houses and hostels	Assets Under Construction	2016 Total	2015 Total
		£000s	£000s	£000s	£000s	£000s
	<b>Cost or valuation</b>					
	At beginning of year	47,472	8,726	2,274	58,472	56,358
	Additions	63	457	1,282	1,802	2,125
	Transfers	724	-	(724)	-	(11)
	Disposals	-	-	-	-	-
	At end of year	48,259	9,183	2,832	60,274	58,472
	<b>Depreciation</b>					
	At beginning of year	7,855	1,540	-	9,395	8,406
	Charge for the year	849	176	-	1,025	989
	Eliminated on disposals	-	-	-	-	-
	Written back on revaluation	-	-	-	-	-
	At end of year	8,704	1,716	-	10,420	9,395
	<b>Net book value</b>					
	At end of year	39,555	7,467	2,832	49,854	49,077
	At beginning of year	39,617	7,186	2,274	49,077	47,952
	<b>College</b>					
	<b>Cost or valuation</b>					
	At beginning of year	47,472	8,783	2,274	58,529	56,415
	Additions	63	400	1,282	1,745	2,125
	Transfers	724	-	(724)	-	(11)
	Disposals	-	-	-	-	-
	At end of year	48,259	9,183	2,832	60,274	58,529
	<b>Depreciation</b>					
	At beginning of year	7,855	1,540	-	9,395	8,406
	Charge for the year	849	176	-	1,025	989
	Eliminated on disposals	-	-	-	-	-
	Written back on revaluation	-	-	-	-	-
	At end of year	8,704	1,716	-	10,420	9,395
	<b>Net book value</b>					
	At end of year	39,555	7,467	2,832	49,854	49,134
	At beginning of year	39,617	7,243	2,274	49,134	48,009
	The insured value of freehold land and buildings as at 30 June 2016 was £145,631,000 (2015: £142,227,000).					
	The cost to the group of freehold buildings and assets under construction consists of the costs incurred by the College less the surplus recorded in the accounts of St Catharine's College Development Limited, a subsidiary undertaking, and eliminated on consolidation.					

Included within College Buildings and Site is freehold land valued at £5 million which is not depreciated.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>8</b>	<b>Fixed assets (continued)</b>		
	<b>Heritage assets</b>		
	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 1 July 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. Assets of financial significance have not been received in the past two years.		
	Amounts for the current and previous year were as follows:		
		<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
	Acquisitions purchased with specific donations	-	-
	Acquisitions purchased with College funds	-	-
	Total cost of acquisitions purchased		
	Value of acquisitions by donation	2,765	2,765
	<b>Total acquisitions capitalised</b>	<b>2,765</b>	<b>2,765</b>

<b>9</b>	<b>Investments</b>	<b>Consolidated</b>	<b>College</b>	<b>Consolidated</b>	<b>College</b>
		<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	Balance at beginning of year	61,284	61,284	54,505	54,505
	Additions	5,611	5,611	12,571	12,571
	Disposals	(7,841)	(7,841)	(11,472)	(11,472)
	Gain/(loss)	3,386	3,386	4,024	4,024
	Increase/(decrease) in cash balances held at fund managers	1,908	1,908	1,656	1,656
	Balance at end of year	64,348	64,348	61,284	61,284
	Represented by:				
	Property	15,116	15,116	14,785	14,785
	Quoted securities – equities	30,772	30,772	30,053	30,053
	Fixed interest securities				
	Investments in subsidiary undertakings	-	-	-	-
	Cash in hand and at investment managers	4,877	4,877	2,969	2,969
	Other investments	13,583	13,583	13,477	13,477
	Total	64,348	64,348	61,284	61,284
	Analysed by:				
	Fixed Asset Investments	63,498	63,498	61,284	61,284
	Current Asset Investments	850	850	-	-

Freehold property was valued by Bidwells Property Consultants, Chartered Surveyors, at open market value at 30 June 2016.

The property at 22 London Street, Norwich (the current asset in the above table valued at £850,000) was sold on 18 August 2016.

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016

10	Stocks and work in progress				
		Consolidated	College	Consolidated	College
		2016	2016	2015	2015
		£000s	£000s	£000s	£000s
	Goods for resale	245	245	264	264
	Work in progress	-	-	-	-
	Other stocks	-	-	-	-
	Totals	245	245	264	264

11	Trade and other receivables				
		Consolidated	College	Consolidated	College
		2016	2016	2015	2015
		£000s	£000s	£000s	£000s
	Members of the College	105	105	9	9
	Amounts due from subsidiary undertakings	-	71	-	42
	Other receivables	499	463	317	282
	Prepayments and accrued income	2,201	2,163	327	306
	Totals	2,805	2,802	653	639

12	Cash and cash equivalents				
		Consolidated	College	Consolidated	College
		2016	2016	2015	2015
		£000s	£000s	£000s	£000s
	Short-term money market investments	-	-	-	-
	Bank deposits	490	490	1,392	1,392
	Current accounts	2,058	1,837	1,255	1,122
	Cash in hand	3	3	1	1
	Totals	2,551	2,330	2,648	2,515

13	Creditors: amounts falling due within one year				
		Consolidated	College	Consolidated	College
		2016	2016	2015	2015
		£000s	£000s	£000s	£000s
	Bank overdraft	-	-	-	-
	Trade creditors	234	234	182	182
	Members of the College	177	177	205	205
	Amounts due to subsidiary undertakings	-	-	-	-
	University fees	499	499	201	201
	Contribution to Colleges Fund	11	11	9	9
	Other creditors (e.g. VAT)	560	560	437	437
	Accruals and deferred income	1,528	1,322	1,165	1,036
	Totals	3,009	2,803	2,199	2,070

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>14</b>	<b>Creditors: amounts falling due after more than one year</b>				
		<b>Consolidated</b>	<b>College</b>	<b>Consolidated</b>	<b>College</b>
		<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	Bank loans	6,000	6,000	6,000	6,000
	Other Loans	5,000	5,000	5,000	5,000
	Totals	11,000	11,000	11,000	11,000

During 2014 the College borrowed from institutional investors, collectively with other colleges, the College's share being £5 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges.

In addition, the College has existing other unsecured borrowings of £6 million from a bank, repayable in 2048, at a fixed interest rate of 4.93%.

<b>15</b>	<b>Pension provisions</b>					
		<b>USS</b>	<b>CCFPS</b>	<b>CEFPS</b>	<b>Total</b>	<b>Total</b>
	<b>Consolidated &amp; College</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	Balance at beginning of year	271	3,222	31	3,524	3,348
	Movement in year:					
	Current service cost including life assurance	180	266	(1)	445	542
	Contributions	(172)	(238)	(3)	(413)	(320)
	Other finance cost	7	120	1	128	139
	Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	-	28	-	28	(185)
	Balance at end of year	286	3,398	28	3,712	3,524

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>16</b>	<b>Endowment funds</b>				
	Restricted net assets relating to endowments are as follows:				
	<b>Consolidated &amp; College</b>	<b>Restricted permanent endowments</b>	<b>Unrestricted permanent endowments</b>	<b>Total 2016</b>	<b>Total 2015</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	<b>Balance at beginning of year</b>				
	Capital	26,526	1,844	28,370	23,491
	New donations and endowments	1,081	180	1,261	2,536
	Increase/(decrease) in market value of investments	1,580	113	1,693	2,335
	Transfer between Funds	-	-	-	8
	<b>Balance at end of year</b>	<b>29,187</b>	<b>2,137</b>	<b>31,324</b>	<b>28,370</b>
	<b>Analysis by type of purpose</b>				
	Fellowship Funds	15,943	1,270	17,213	15,827
	Prizes	808	122	930	863
	Travel Awards	188	544	732	678
	Home Bursaries	3,967	-	3,967	3,687
	Graduate Bursaries	3,288	-	3,288	3,028
	Overseas Bursaries	3,536	-	3,536	3,318
	Grants	242	201	443	239
	Other	790	-	790	730
	General Endowment	425	-	425	-
	Group Total	29,187	2,137	31,324	28,370
	<b>Analysis by asset</b>				
	Property	6,824	501	7,325	6,868
	Investments	20,023	1,464	21,487	20,123
	Cash	2,340	172	2,512	1,379
	Group Total	29,187	2,137	31,324	28,370



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>17</b>	<b>Restricted Reserves</b>					
	Reserves with restrictions are as follows:					
	<b>Consolidated &amp; College</b>	<b>Capital grants unspent</b>	<b>Permanent unspent and other restricted income</b>	<b>Restricted expendable endowment</b>	<b>2016 Total</b>	<b>2015 Total</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	<b>Balance at beginning of year</b>					
	Capital	-	-	-	-	-
	Accumulated income	-	4,187	-	4,187	3,848
	New grants	118	-	-	118	185
	New donations	-	286	-	286	328
	Endowment return transferred	-	-	-	-	-
	Other investment income	-	1,231	-	1,231	1,024
	Increase/(decrease) in market value of investments				-	
	Expenditure	-	(1,257)	-	(1,257)	(1,038)
	Capital grants utilised	(118)	-	-	(118)	(160)
	Transfer between Funds	-	-	-	-	-
	<b>Balance at end of year</b>					
	Capital				-	
	Accumulated income	-	4,447	-	4,447	4,187
	<b>Analysis of other restricted funds/donations by type of purpose</b>					
	Fellowship Funds	-	1,674	-	1,674	1,624
	Prizes	-	310	-	310	291
	Travel Awards	-	219	-	219	184
	Home Bursaries	-	445	-	445	399
	Graduate Bursaries	-	424	-	424	372
	Overseas Bursaries	-	1,101	-	1,101	1,068
	Grants	-	55	-	55	47
	Other	-	219	-	219	202
	General Endowment	-	-	-	-	-
	Group Total	-	4,447	-	4,447	4,187

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>18</b>	<b>Reconciliation of consolidated surplus for the year to net cash inflow from operating activities</b>		
		<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
	Surplus for the year	4,906	5,896
	<b>Adjustment for non-cash items</b>		
	Depreciation	1,025	989
	Investment income	-	(4)
	Loss/(gain) on endowments, donations and investment property	(3,026)	(4,412)
	Decrease/(increase) in stocks	19	(35)
	Decrease/(increase) in trade and other receivables	(2,151)	123
	Increase/(decrease) in creditors	818	(176)
	Increase/(decrease) in provisions	-	-
	Pension costs less contributions payable	159	255
	<b>Adjustment for investing or financing activities</b>		
	Investment income	(1,295)	(1,213)
	Interest payable	295	295
	Loss/(Profit) on the sale of non-current assets	-	-
	<b>Net cash inflow from operating activities</b>	<b>750</b>	<b>1,718</b>

<b>19</b>	<b>Cash flows from investing activities</b>		
		<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
	Proceeds from sales of non-current fixed assets	-	8
	Non-current investment disposal	-	12
	Investment income	1,295	1,213
	Endowment funds invested	-	(2,374)
	Withdrawal of deposits	(100)	-
	Payments made to acquire non-current assets	(1,745)	(2,125)
	<b>Total cash flows from investing activities</b>	<b>(550)</b>	<b>(3,266)</b>

<b>20</b>	<b>Cash flows from financing activities</b>		
		<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
	Interest paid	(297)	(303)
	Interest element of finance lease rental payment	-	-
	New secured loans	-	-
	Repayments of amounts borrowed	-	-
	Capital element of finance lease rental payments	-	-
	<b>Total cash flows from financing activities</b>	<b>(297)</b>	<b>(303)</b>

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

<b>21</b>	<b>Analysis of cash and cash equivalents</b>			
		<b>At beginning of year</b>	<b>Cash flows</b>	<b>At end of year</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	Bank overdrafts & Other Loans	(11,000)	-	(11,000)
	Cash at bank and in hand	2,648	(97)	2,551
	Net Funds	(8,352)	(97)	(8,449)

<b>22</b>	<b>Capital commitments</b>		
		<b>2016</b>	<b>2015</b>
		<b>£000s</b>	<b>£000s</b>
	Capital commitments at 30 June 2016 are as follows:		
	Authorised and contracted:		
	Building works	486	584
	Collective investment with Cambridge University & other Cambridge Colleges	210	180
	Collective investment schemes through investment managers	500	550
	Authorised but not yet contracted for	-	-
	Commitments under finance leases entered into but not yet provided for in the financial statements	-	-

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

23	Transition to 2015 RCCA		
	As explained in the accounting policies, these are the College's first financial statements prepared in accordance with FRS 102 and the 2015 RCCA. The accounting policies set out in Note 1 have been applied in preparing the comparative information for the year ended 30th June 2015 and the opening financial position at 1st July 2014 resulting in a restatement of these figures.		
	In accordance with FRS 102 a reconciliation of opening balances is provided here		
			30 June 2015
			£000s
	Surplus/ (Deficit) for the year as previously stated		(1,252)
	Studentship Commitments		(2)
	Revised treatment of deferred capital		43
	Accrual of employee holiday compensation		(28)
	Adjustment for movement in pension deficit funding provision of USS		(100)
	Adjustment for movement in CCFPS pension funding		(111)
	Funds Adjustment		(57)
			(255)
	Adjustment for gains(losses) previously recognised in the Statement of Recognised Gains and losses:		
		Unspent Endowment fund income	372
		New endowments	2,621
		Capital Grant from Colleges Fund	-
		Other capital grants for fixed assets	-
		Appreciation of investment assets	4,410
		Actuarial profit (loss) in respect of pension schemes	185
			7,588
	Total Comprehensive Income/(expenditure) as restated		6,081
		01 July 2014	30 June 2015
		£000s	£000s
	Reconciliation of reserves and balances		
	Reserve balances as previously stated		87,009 93,232
	Revised treatment of deferred capital		7,240 7,281
	Accrual of employee holiday compensation		(92) (120)
	Pension deficit funding provision		(202) (301)
	Studentship Commitments		(65) (67)
	Funds Adjustment		- (57)
	Reserve balances restated		93,890 99,968

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

### 24 Pension schemes

In addition to the defined contribution scheme for assistant staff the College participates in three defined benefit schemes, the Universities Superannuation Scheme (USS), the Cambridge Colleges Federation Pension Scheme (CCFPS), and the Church of England Funded Pension Scheme (CEFPS). The total pension cost for the year ended 30 June was as follows:

	2016	2015
	£000	£000
USS: Contributions	187	267
CCFPS: Charged to income and expenditure account	327	361
Other pension schemes: Contributions	92	67
	606	695

#### University Superannuation Scheme

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.

Since the institution 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. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

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

	2016	2015
Discount rate	3.6%	3.3%
Pensionable salary growth	1.0%	3.5% in the first year & 4.0% thereafter
Pension increases (CPI)	2.2%	2.2%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality	98% of S1NA ["light"] YoB tables – No age rating
Female members' mortality	99% of S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	2016	2015
Males currently aged 65 (years)	24.3	24.2
Females currently aged 65 (years)	26.5	26.4
Males currently aged 45 (years)	26.4	26.3
Females currently aged 45 (years)	28.8	28.7

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**University Superannuation Scheme (Continued)**

	<b>2016</b>	<b>2015</b>
Scheme assets	£49.8bn	£49.1bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%

**Cambridge Colleges Federation Pension Scheme**

The College is also a member of a multi-employer defined benefits scheme, the Cambridge Colleges Federated Pension Scheme (CCFPS). The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, at 31 March 2014 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	<b>2016 % p.a.</b>	<b>2015 % p.a.</b>
Discount rate	2.8	3.7
Increase in salaries	2.4*	2.75**
Retail Price Index (RPI) assumption	2.9	3.25
Consumer Price Index (CPI) assumption	1.9	2.25
Pension increases in payment (RPI max 5% p.a.)	2.7	3.05
Pension increases in payment (CPI max 2.5%)	1.7	n/a

\* 1.5% in 2016; 2.4% thereafter

\*\* 1.5% in 2015 and 2016; 2.75% thereafter

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI\_2015 future improvement factors and a long-term rate of future improvement of 1% p.a. (2015: same base table with CMI\_2014 future improvement factors and a long term improvement rate of 1% p.a.). This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 21.9 years
- Female age 65 now has a life expectancy of 23.9 years
- Male age 45 now and retiring in 20 years would have a life expectancy of 23.2 years
- Female age 45 now and retiring in 20 years would have a life expectancy of 25.4 years

**Employee Benefit Obligations**

The amounts recognised in the balance sheet as at 30 June 2016 (with comparative figures as at 30 June 2015) are as follows:

	<b>2016 £000s</b>	<b>2015 £000s</b>
Market value of plan assets	7,261	6,218
Present value of plan liabilities	(10,659)	(9,440)
Net defined benefit asset/(liability)	(3,398)	(3,222)

The amounts recognised in the income and expenditure account for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016 £000s</b>	<b>2015 £000s</b>
Current service cost		
Interest on net defined benefit (asset)/liability	266	286
(Gain)/loss on plan changes	120	133
Curtailment (gain)/loss	-	-
<b>Total charge</b>	<b>386</b>	<b>419</b>

Changes in the present value of the plan liabilities for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	<b>2016 £000s</b>	<b>2015 £000s</b>
Present value of plan liabilities at beginning of period	9,440	8,812
Current service cost (including employee contributions)	290	312
Benefits paid	(287)	(407)
Interest on plan liabilities	349	368
Actuarial losses/(gains)	867	355
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
<b>Present value of Scheme liabilities at end of period</b>	<b>10,659</b>	<b>9,440</b>

Changes in the fair value of plan assets for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	<b>2016 £000s</b>	<b>2015 £000s</b>
Market value of plan assets at beginning of period	6,218	5,666
Contributions paid by the College	238	158
Employee contributions	24	26
Benefits paid	(287)	(407)
Interest on plan assets	229	235
Return on assets, less interest included in Profit and Loss	839	540
<b>Market value of Scheme assets at end of period</b>	<b>7,261</b>	<b>6,218</b>
<b>Actual return on plan assets</b>	<b>1,069</b>	<b>775</b>

The major categories of plan assets as a percentage of total Scheme assets at 30 June 2016 (with comparative figures at 30 June 2015) are as follows:

	<b>2016</b>	<b>2015</b>
Equities	59%	69%
Bonds & Cash	35%	25%
Properties	6%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The plan has no investments in property occupied by, assets used by or financial instruments issued by the College.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	<b>2016 £000s</b>	<b>2015 £000s</b>
Actuarial return less expected return on plan assets	840	540
Experience gains and losses arising on plan liabilities	80	17
Changes in assumptions underlying the present value of plan liabilities	(948)	(372)
Actuarial gain/(loss) recognised in OCI	(28)	185

Movements in the surplus/(deficit) during the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	<b>2016 £000s</b>	<b>2015 £000s</b>
Surplus/(deficit) in Scheme at beginning of year	(3,222)	(3,146)
Recognised in Profit and Loss	(386)	(419)
Contributions paid by the College	238	158
Actuarial gain/(loss) recognised in OCI	(28)	185
Surplus/(deficit) in plan at the end of the year	(3,398)	(3,222)

**Funding Policy**

Funding valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the funding valuation are different to those adopted under FRS102.

The last such valuation was as at 31 March 2014. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 3 June 2015 and are as follows:

- Annual contributions of not less than £59,387 p.a. payable for the period from 1 July 2015 to 31 March 2034.

These payments are subject to review following the next funding valuation, due as at 31 March 2017.

**Church of England Funded Pensions Scheme**

The college 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



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**Church of England Funded Pensions Scheme (Continued)**

contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOCIE 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 at 31 December 2012. Though work has commenced on the 31 December 2015 valuation, the final report and recovery plan is not expected to be finalised until late 2016 and is not formally required to be finalised until 31 March 2017. The 2012 valuation revealed a deficit of £293m, based on assets of £896m and a funding target of £1,189m, assessed using the following assumptions:

- An investment strategy of:
  - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 to 2/3 by 31 December 2029, with the balance in return-seeking assets; and
  - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement.
- Investment returns of 3.2% pa on gilts and 5.2% pa on equities;
- RPI inflation of 3.2% pa (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% pa; and
- Post-retirement mortality in accordance with 80% of the S1NFA and S1NMA tables, with allowance for future improvements in mortality rates from 2003 in line with the CMI 2012 core projections, with a long term annual rate of improvement of 1.5% for males and females.

Following the 31 December 2012 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 2014 to 31 December 2014	1 January 2015 to 31 December 2025
Accrual of future service benefits (including expenses)	25.8%	25.8%
Deficit repair contributions	12.4%	14.1%
Total contribution rate	38.2%	39.9%

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.

	<b>2015</b>	<b>2014</b>
	<b>£000s</b>	<b>£000s</b>
Balance sheet liability at 1 January	(31)	(36)
Deficit contribution paid	3	3
Interest cost (recognised in SOCIE)	(1)	(1)
Remaining change to the balance sheet liability (recognised in the SOCIE)	1	3
Balance sheet liability at 31 December	(28)	(31)

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

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**Church of England Funded Pensions Scheme (Continued)**

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 2015	December 2014	December 2013
Discount rate	2.5% pa	2.3% pa	3.5% pa
Price inflation	2.4% pa	2.7% pa	3.2% pa
Increase to total pensionable payroll	0.9% pa	1.2% pa	1.7% pa

**25 Principal subsidiary and associated undertakings and other significant investments**

The College holds more than 20% of the share capital of the following companies:

	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings:</b>			
St Catharine's College Development Ltd	UK	Ordinary	100
St Catharine's College Events Ltd	UK	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves	Result for the year
		2016	2016
	Principal activity	£000s	£000s
St Catharine's College Development Ltd	Development contractor	-	-
St Catharine's College Events Ltd	Functions and events	18	-

**26 Related Party Transactions**

Owing to the nature of the College's operations and the composition of its Governing Body it is inevitable that transactions will take place with organisations in which 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.

No disclosure of transactions with St Catharine's College Development Limited or St Catharine's College Events Limited has been made as those financial statements at 30 June 2016 have been consolidated.

Like some other Colleges, the College offers a shared equity housing assistance scheme to Fellows, in order to attract them to work in Cambridge, which is a high cost residential area. As at June 30th 2016 2 (2015: 2) fellows benefited from assistance and the College's contribution was £270,000 (2015: £270,000).