

Charity Registration No: 01137463

ST CATHARINE'S COLLEGE, CAMBRIDGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2015

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.

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	Dr R W Dance	Dr I Scales
Professor P Tyler	Dr P D Wothers	Professor W Sutherland
Dr R B B Wardy	Professor K J Dalton	Mr P Turner
Professor J A Pyle	Professor M C Elliott	Dr G Leon
Dr P R Palmer	Ms I Borzym	Professor S Althorpe
Professor E V Ferran	Dr A S Brundin	Dr M DeJong
Professor H Van de Ven	Dr S Iyer	Dr A Onatski
Dr P Oliver	Dr M J Mason	Dr F Santos
Dr I C Willis	Dr S N Taraskin	Dr J Neufeld
Professor C M Clark	Dr J R Gair	Dr S Marciniak
Dr G E Kantaris	Dr D J Bainbridge	Dr M Hurley
Mr M F Kitson	Dr H Wydra	Dr H Kandil
Dr R A Melikan	Dr H Lees-Jeffries	Professor N Morrell
Dr M P F Sutcliffe	Dr E Wickham	Rev'd D Neaum
Dr J H Xuereb	Dr G Carr	Dr S Layton
Dr A Davenport	Dr M Griffin	Dr T Rogan
Dr K J Dell	Dr R Harrison	Dr R Smith
Dr C J Gonda	Dr J Dalley	Dr J Gwynne
Dr N Berend	Dr S M Morris	Dr E Godfrey
Dr D C Aldridge	Mrs D G Loveluck	

ST CATHARINE'S COLLEGE, CAMBRIDGE

GOVERNING BODY AND ADVISORS (CONTINUED)

Finance Committee

Professor Dame Jean Thomas	Master
Mrs S P Summers	Bursar
Dr P N Hartle	Senior Tutor
Dr D Bainbridge	(when Acting Financial Tutor)
Mr D G Loveluck	Development Director
Professor J Pyle	
Professor R Martin	
Mr M Kitson	
Dr G Leon	
Dr A Onatski	
Dr J Dalley	
Dr P Wothers	
Dr P Turner	
Professor H Van de Ven	
Professor N Morrell	

Investments Committee

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

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 Pic
Cambridge Business Centre
Cambridge
CB2 3PZ

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

ST CATHARINE'S COLLEGE, CAMBRIDGE

CONTENTS

	Page
Annual Report of the Trustees	1 - 6
Statement of Responsibilities of the Governing Body	7
Independent auditors' report	8 - 9
Statement of principal accounting policies	10 - 12
Consolidated income and expenditure account	13
Consolidated statement of total recognised gains and losses	14
Balance sheets	15 - 16
Consolidated cash flow statement	17
Notes to the accounts	18 - 35

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 2014-15, of the financial performance for the twelve months ending June 30th 2015, 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.

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.
- Supports, through the College Chaplain, the emotional, mental and spiritual well-being of all members of the College community.

ST CATHARINE'S COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

- Maintains both a student choir, and a choir formed of girls from local schools, entry to which is by competitive singing test.

Achievements of 2014-15

Academic

The academic year 2014-2015 was markedly more successful than the previous year for the College. Our position in the academic league tables rose eight places, being ranked thirteenth of all colleges. We achieved a strong proportion of First-class results (about 25%) with a good distribution across the years and subjects, although our First-year students did particularly well, being ranked sixth among the colleges. There were outstandingly strong results in English, Natural Sciences, Chemical Engineering, and Asian and Middle Eastern Studies. A number of exceptional students topped the whole University Tripos, again in both Science and Humanities subjects.

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 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 Entrance Bursaries for financially disadvantaged students (both undergraduate and postgraduate) and Bursaries directed towards additional academic projects available to all students. We are especially proud to have introduced this year an annual fully-funded PhD Scholarship, whilst also enhancing the level of bursaries available to Masters' course students, from £5,000 to £10,000.

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 now 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.

The College athletes again turned out an excellent squad with 15 men and 12 women with the women winning their Cuppers competition.

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 year's experience to challenge for honours.

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

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, football and its popular all-weather hockey pitch.

ST CATHARINE'S COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

College music remains extremely strong, under the guidance of the professional Director of College Music (financially supported wholly by the College), Dr Edward Wickham - both in terms of the quality and diversity of activities, but also the high degree of participation from college members and the wider community. The College's Kellaway Concert series - which brings together professional and student musicians - showcased instrumental, choral and world music concerts, and the College Choirs recorded two CDs, due for release in the coming year. Music remains an important resource in providing outreach and community activities; the College's Girls' Choir draws for its membership on children aged 8-15 from over a dozen different state and independent schools in the area, giving them an opportunity to perform to the highest standards. The highlight of the year for the Girls' Choir was a live appearance on Radio 3 as part of International Womens' Day, in a performance alongside Sarah Connolly, one of the choir's distinguished patrons. The choirs also participated in a number of charity concerts. The College has for three years now hosted the Cambridge Singing School course in all three vacations, each course attracting up to fifty children aged 8-13. Dr Wickham continued an initiative, started in 2014, in collaboration with the acute dementia ward at Addenbrooke's hospital to explore the benefits that live singing can bring to dementia patients. This involved visits at Christmas and in the summer by Dr Wickham, and included the recording of a DVD of songs to be played to patients on the wards.

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 two subsidiary companies which are described in Note 10 to the Accounts.

Financial review

Income

While most income lines grew at satisfactory rates during 2014-15, continuing investment in the building stock, and recruitment of additional staff, gave rise to an increased operating deficit.

Academic income rose this year by less than 3%, and with most fees now effectively externally regulated this slow rate of growth is expected to continue. Room rents and catering income received from students grew by a further 5% this year, and our investments in both room refurbishments and the upgrading of catering services have received very positive reviews. Unrestricted donations continue to be received at a very encouraging level.

As was the case in the prior year, a high proportion of the total return on the investment portfolio was recognised as capital gains in the Statement of Recognised Gains and Losses, rather than as income in the Income and Expenditure Account. 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 Trust provided new financial support, enabling the appointment of an additional Junior Research Fellow in the Social Sciences.

Income from external conference and catering activity, which provides an invaluable supplement to our normal income from academic sources, grew healthily once again this year. This was a reflection of improved marketing and delivery in the external side of our business, and benefitted once more from the popularity of the McGrath Centre for both University and external events. The market in Cambridge is a competitive one, and we anticipate a slowing in the growth rate of external business.

Underlying operating expenses have been generally well controlled, although staff expenses continued to rise faster than pay inflation, both because of additional recruitment and because, for the first time in several years, the College was able to increase staff salaries in real terms. The College continued to provide a high level of Bursary and other financial support for students, in conjunction with the Newton Trust.

Pensions

The College's share of the deficit in the CCFPS staff pension scheme, as measured under the terms of Financial Reporting Standard ("FRS") 17, is broadly unchanged at £3.2 million.

ST CATHARINE'S COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

The 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 University Superannuation Scheme for Academic staff. That Scheme also has a sizeable deficit, the College's proportionate share of which will be reported in the Balance Sheet next year for the first time. A triennial revaluation has been completed and this has increased the College's cost of participation with effect from July 2015.

Donations and legacies

New unrestricted donations and legacies appear in the Income and Expenditure Account, while those whose use is restricted by the donor pass through the Statement of Total Recognised Gains and Losses ("STRGL"). In total the sums received during 2014-15 were significantly higher than in the previous year. The College has also been notified of a substantial unrestricted legacy, which is likely to be received in 2015-16. 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, and we are confident of continuing support.

Financial outcome

The net effect of the items discussed above was that the College and its subsidiary companies together recorded an operating deficit of £880,000, compared to last year's deficit of £676,000. Investment gains recorded in the STRGL amounted to £4,409,000, compared to £4,121,000 last year.

Endowment and investment performance

As already observed, significantly less income has accrued from the College's investments, while the total returns upon which we measure performance have continued to be satisfactory, and in excess of the College's long term targets, in strong but increasingly volatile market conditions. All investment income received is applied in pursuit of the charitable objectives of the College.

The value of the College Endowment rose by over 12% to £59.2 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.

Total investment return on the portfolio in 2014-15 was once again in excess of 10%. Returns from property (including investments in property funds) were lower this year than in 2013-14, but still exceeded 10% while those from other securities investments improved somewhat. Over the rolling three years which is our usual measurement period, total returns remained above 8% per annum which is significantly ahead of our real return target.

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 remain at low levels, and the College continues to hold a securities portfolio comprising primarily equity funds with some high quality 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 2015, investment markets have been very volatile and have trended downwards, which is not an encouraging start to the 2015-16 financial year.

ST CATHARINE'S COLLEGE, CAMBRIDGE

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015**

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 rather long period of good investment performance is any guide to future performance, indeed the opposite could easily be the case. 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.

Plans for the future

The College is in the final stages of the current St Catharine's College Campaign, which has a £30 million target to enhance our buildings, to underwrite teaching posts, to increase the general endowment, as well as to provide funds to assist students in financial difficulties. During 2014-15, the total raised by the Campaign increased to more than £27 million.


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. 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, 2014-15 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

Date: 5/11/15

Corporate Governance Statement

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 eight 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 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 five 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 eight other Fellows, makes recommendations for the recruitment of additional Fellows according to the teaching and other needs of the College, and also for the membership of College Committees
 - 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 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.

ST CATHARINE'S COLLEGE, CAMBRIDGE

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015
RESPONSIBILITIES OF THE 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.

ST CATHARINE'S COLLEGE, CAMBRIDGE

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 2015 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and College balance sheets, 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 7, 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 Auditing Practices Board's (APB'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 2014 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
- 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.

ST CATHARINE'S COLLEGE, CAMBRIDGE

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

Peters Elworthy & Moore

Chartered Accountants and Statutory Auditors

CAMBRIDGE

20 November 2015

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

ST CATHARINE'S COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2015

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP).

The income and expenditure account includes activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to the use of public funds. The analysis required by the SORP is set out in note 7.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investment and fixed assets.

Recognition of income

Income from the investment of trust and other restricted reserves is included in the Income and Expenditure Account to the extent of the expenditure incurred during the year. All income from short-term deposits and the investment of unrestricted College reserves is credited to the Income and Expenditure Account on a receivable basis. Unrestricted donations and benefactions are credited to the Income and Expenditure Account when received.

Income from permanent capital funds and short-term deposits is credited to the Income and Expenditure Account in the year in which it becomes receivable.

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

Donations and benefactions of an income nature are shown as income in the year in which they become receivable.

Benefactions and donations accepted on the condition that only the income may be spent are credited to the balance sheet as permanent capital funds. The income from the permanent capital funds is shown as income in the year that it is receivable. Income from the permanent capital funds that is not expended in the year in which it is receivable is, at the year-end, transferred from the income and expenditure account to a restricted or unrestricted expendable capital fund, as appropriate. When there is subsequent expenditure of accumulated income from a restricted capital fund, income is credited back to the income and expenditure account from the restricted capital fund to match the expenditure.

Pension schemes

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee administered fund. The College 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 FRS 17 'Retirement 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.

The College also contributes to the Cambridge Colleges Federated Pension Scheme, 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.

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.

Capital and reserves

The various types of funds are defined as follows:

a. Restricted

Restricted funds of the College, the income of which may only be used for a particular purpose, i.e. subject to a legally binding restriction such as a trust deed or will, or an implied trust.

b. Unrestricted

Unrestricted funds of the College, the income of which may be used for any purpose.

c. Permanent capital

Capital of the College which the Governing Body has no power to convert to income and apply as such.

Fixed assets

a. 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.

When land and buildings are acquired with the aid of specific bequests or donations, monies received are credited to a deferred capital grant account and income released to the Income and Expenditure Account over the same period as the land or building to which it relates is depreciated.

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.

b. Maintenance of buildings

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

c. 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.

d. Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. These are stated at their insurance value, which is reviewed annually. 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 depreciation would not be material.

ST CATHARINE'S COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

Investments

Investments are included in the balance sheet at market value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Investment properties are shown at open market value, being valued every year by a professional valuer, and shown on the balance sheet accordingly.

Stocks

Stocks are valued at the lower of cost and net realisable value.

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 benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Foreign currencies

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

Taxation

The College was an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 until registered as a Charity on 12 August 2010. It is 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 College may from time to time be eligible for such grants.

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.

ST CATHARINE'S COLLEGE, CAMBRIDGE

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 £000	2014 £000
Income			
Academic fees and charges	1	2,869	2,793
Residence, catering and conferences	2	4,450	4,243
Endowment income	3	1,213	1,124
Unrestricted donations	4	773	907
Other income		77	82
Total income		<u>9,382</u>	<u>9,149</u>
Expenditure			
Education	5	4,743	4,604
Residences, catering and conferences	6	5,012	4,720
Other expenditure		498	492
Total expenditure		<u>10,253</u>	<u>9,816</u>
Operating surplus/(deficit)		(871)	(667)
Contribution under Statute G II		(9)	(9)
		<u>(880)</u>	<u>(676)</u>
Surplus for the year transferred to accumulated income within endowment funds	18	(372)	(264)
Net surplus/(deficit)		<u>(1,252)</u>	<u>(940)</u>

All of the above results derive from continuing operations.

The accompanying notes are an integral part of this income and expenditure account.

ST CATHARINE'S COLLEGE, CAMBRIDGE

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Restricted Funds Collegiate Purposes £000	Unrestricted Funds £000	Total 2015 £000	Total 2014 £000
Appreciation of investment assets		2,212	2,197	4,409	4,121
Retained (deficit) for the year		-	(1,252)	(1,252)	(940)
Unspent endowment fund income	18	314	58	372	264
Transfers		26	(26)	-	-
New endowments	18	1,911	710	2,621	1,900
Actuarial gains/ (losses)	16	-	73	73	(654)
Total recognised gains for the year		<u>4,463</u>	<u>1,760</u>	<u>6,223</u>	<u>4,691</u>
Reconciliation					
Opening reserves and endowment		25,574	61,435	87,009	82,318
Total recognised gains in the year		<u>4,463</u>	<u>1,760</u>	<u>6,223</u>	<u>4,691</u>
Closing reserves and endowments		<u>30,037</u>	<u>63,195</u>	<u>93,232</u>	<u>87,009</u>

ST CATHARINE'S COLLEGE, CAMBRIDGE

BALANCE SHEETS AS AT 30 JUNE 2015

	Note	Group 2015 £000	College 2015 £000	Group 2014 £000	College 2014 £000
Fixed assets					
Tangible Assets	9	51,842	51,899	50,718	50,775
Investments	10	22,348	22,348	21,426	21,426
		<u>74,190</u>	<u>74,247</u>	<u>72,144</u>	<u>72,201</u>
Endowment Assets	11	38,936	38,936	33,079	33,079
Current assets					
Stock		264	264	229	229
Debtors	12	653	639	776	830
Cash	13	2,648	2,515	4,499	4,310
		<u>3,565</u>	<u>3,418</u>	<u>5,504</u>	<u>5,369</u>
Creditors: amounts falling due within one year	14	(1,954)	(1,825)	(2,332)	(2,215)
Net current assets		<u>1,611</u>	<u>1,593</u>	<u>3,172</u>	<u>3,154</u>
Total assets less current liabilities		114,737	114,776	108,395	108,434
Creditors: amounts falling due after more than one year	15	(11,000)	(11,000)	(11,000)	(11,000)
Net assets excluding pension liability		103,737	103,776	97,395	97,434
Pension liability	16	(3,223)	(3,223)	(3,146)	(3,146)
Net assets including pension liability		<u>100,514</u>	<u>100,553</u>	<u>94,249</u>	<u>94,288</u>

ST CATHARINE'S COLLEGE, CAMBRIDGE

BALANCE SHEETS AS AT 30 JUNE 2015 (CONTINUED)

Represented by

	Note	Restricted Funds £000	Unrestricted Funds £000	Group Total 2015 £000	College Total 2015 £000	Group Total 2014 £000	College Total 2014 £000
Deferred capital grants	17	6,835	447	7,282	7,282	7,240	7,240
Endowments							
Permanent endowments	18	30,037	8,899	38,936	38,936	33,079	33,079
Reserves							
Pension reserve		-	(3,223)	(3,223)	(3,223)	(3,146)	(3,146)
General reserves		-	57,519	57,519	57,558	57,076	57,115
	19	-	54,296	54,296	54,335	53,930	53,969
Total Reserves and Endowments		30,037	63,195	93,232	93,271	87,009	87,048
Total funds		36,872	63,642	100,514	100,553	94,249	94,288

The accompanying notes are an integral part of this balance sheet.

The accounts on pages 10 to 35 were approved by the Governing body on 8/11/15 and signed on their behalf by:



Professor Dame J Thomas
Master



S P Summers
Bursar

ST CATHARINE'S COLLEGE, CAMBRIDGE

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 £000	2014 £000
Operating Activities			
Operating (deficit)		(871)	(667)
Depreciation	9	990	955
Net investment income		(4)	10
Donation of shares		-	(16)
Deferred capital grants released	17	(142)	(139)
FRS 17 pension adjustment		149	131
(Increase) in stock		(35)	(19)
Decrease in debtors		123	398
(Decrease)/increase in creditors		(378)	694
Net cash inflow from operating activities		<u>(168)</u>	<u>1,347</u>
Contribution to Colleges Fund		(9)	(10)
Capital expenditure and financial investment			
Receipts from sale of investment assets		1,127	1,429
Donations and benefactions	18	2,621	1,900
Receipts from deferred capital accounts	17	184	282
Total capital receipts		<u>3,932</u>	<u>3,611</u>
Payments to acquire tangible fixed assets	9	(2,114)	(3,822)
Payments to acquire investment assets		(3,492)	(3,491)
Total capital expenditure		<u>(5,606)</u>	<u>(7,313)</u>
Net cash (outflow) from capital transactions		<u>(1,674)</u>	<u>(3,702)</u>
Cash (outflow) before financing		<u>(1,851)</u>	<u>(2,365)</u>
Financing			
Long term loan acquired	15	-	5,000
(Decrease)/Increase in cash		<u>(1,851)</u>	<u>2,635</u>
Reconciliation of net cash flow to movement in net debt			
(Decrease)/Increase in cash in period		(1,851)	2,635
Cash inflow from new loans		-	(5,000)
Net debt at 1 July 2014		<u>(6,501)</u>	<u>(4,136)</u>
Net debt at 30 June 2015	20	<u>(8,352)</u>	<u>(6,501)</u>

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. Academic fees and charges		
	2015	2014
	£000	£000
College Fees		
Fee income paid on behalf of undergraduates at the Publicity-funded Undergraduate rate (per capita fee £4,185-£4,500)	1,923	1,837
Privately-funded undergraduate fee income (per capita fee £7,600)	246	269
Fee income received at the Graduate fee rate (per capita fee £2,474)	381	321
Other income	71	123
Cambridge Bursary Scheme	248	243
Total	<u>2,869</u>	<u>2,793</u>
2. Residence, catering and conference income		
	2015	2014
	£000	£000
Accommodation		
College Members	1,986	1,926
Conferences	741	644
Catering		
College Members	1,033	968
Conferences	690	705
Total	<u>4,450</u>	<u>4,243</u>
3a. Endowment income and investment income		
	2015	2014
	£000	£000
Transfers from endowment income:		
Freehold land and buildings	437	419
Unit trusts	279	269
Quoted securities	480	419
Cash	17	17
Total	<u>1,213</u>	<u>1,124</u>
3b. Investment management costs:		
	2015	2014
	£000	£000
Freehold land and buildings	17	22
Unit Trusts	6	6
Quoted securities	190	200
Total	<u>213</u>	<u>228</u>

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015**

4. Donations	2015	2014
	£000	£000
Unrestricted donations	631	768
Released from Deferred Capital Grants	142	139
Total	<u>773</u>	<u>907</u>
5. Education expenditure	2015	2014
	£000	£000
Teaching	2,272	2,222
Tutorial	722	698
Admissions	334	330
Research	350	382
Scholarships and awards	778	700
Other educational facilities	287	272
Total	<u>4,743</u>	<u>4,604</u>
6. Residences, catering and conferences expenses	2015	2014
	£000	£000
Accommodation		
College members	2,505	2,320
Conferences	620	609
Catering		
College members	1,189	1,122
Conferences	698	669
Total	<u>5,012</u>	<u>4,720</u>

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

7a. Analysis of 2015 expenditure by activity

	Staff Costs £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education	1,916	2,549	278	4,743
Residences, catering and conferences	2,318	1,982	712	5,012
Other	151	347	-	498
	<u>4,385</u>	<u>4,878</u>	<u>990</u>	<u>10,253</u>

7b. Analysis of 2014 expenditure by activity

	Staff Costs £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education	1,911	2,425	268	4,604
Residences, catering and conferences	2,149	1,884	687	4,720
Other	138	354	-	492
	<u>4,198</u>	<u>4,663</u>	<u>955</u>	<u>9,816</u>

7c. Auditors' remuneration

	2015 £000	2014 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	17	17
Other fees payable to the College's external auditors	-	-
Total	<u>17</u>	<u>17</u>

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015**

8. Staff	College Fellows 2015 £000	Non Academic 2015 £000	Total 2015 £000	Total 2014 £000
Staff costs:				
Emoluments	1,067	2,578	3,645	3,518
Social Security costs	85	178	263	241
Other pension costs	158	319	477	439
	<u>1,310</u>	<u>3,075</u>	<u>4,385</u>	<u>4,198</u>
 Average number of staff (full time equivalent)				
Academic	60	-	60	60
Non academic	3	108	111	104
	<u>63</u>	<u>108</u>	<u>171</u>	<u>164</u>

The Governing Body consists of 63 (2014: 66) College Fellows, of which 59 (2014:66) are stipendary.

No officer or employee of the College, including the Head of House, received emoluments of over £100,000 during this year or the previous year.

During the year emoluments paid to trustees in their capacity as College Fellows was:

	2015 £000	2014 £000
Aggregate Emoluments	<u>1,326</u>	<u>1,400</u>

The trustees receive no emoluments in their role as trustees of the Charity.

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

9. Fixed assets Group	College Buildings and Site £000	College House and Hostels £000	Heritage Assets £000	Assets under construction £000	Total £000
Cost/valuation					
At 1 July 2014	44,877	8,726	2,765	2,755	59,123
Additions	231	-	-	1,883	2,114
Transfers	2,364	-	-	(2,364)	-
At 30 June 2015	47,472	8,726	2,765	2,274	61,237
Depreciation					
At 1 July 2014	7,041	1,364	-	-	8,405
Provided for the year	814	176	-	-	990
At 30 June 2015	7,855	1,540	-	-	9,395
Net book value					
At 30 June 2015	39,617	7,186	2,765	2,274	51,842
At 30 June 2014	37,836	7,362	2,765	2,755	50,718

The insured value of freehold land and buildings as at 30 June 2015 was £142,227,000 (2014: £141,241,000).

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.

College	College Buildings and Site £000	College House and Hostels £000	Heritage Assets £000	Assets under construction £000	Total £000
Cost/valuation					
At 1 July 2014	44,877	8,783	2,765	2,755	59,180
Additions	231	-	-	1,883	2,114
Transfers	2,364	-	-	(2,364)	-
At 30 June 2015	47,472	8,783	2,765	2,274	61,294
Depreciation					
At 1 July 2014	7,041	1,364	-	-	8,405
Provided for the year	814	176	-	-	990
At 30 June 2015	7,855	1,540	-	-	9,395
Net book value					
At 30 June 2015	39,617	7,243	2,765	2,274	51,899
At 30 June 2014	37,836	7,419	2,765	2,755	50,775

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015**

9. Fixed assets continued

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

Heritage assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. As stated in the statement of principal accounting policies heritage assets are stated at insurance value. The values of the acquisitions have been immaterial in the current and previous four years.

10. Fixed Asset Investments Consolidated and College

	2015	2014
	£000	£000
College Expendable Investments (note 11)	22,348	21,426
	<u>22,348</u>	<u>21,426</u>

Holdings of more than 20%

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

	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
St Catharine's College Development Limited	UK	Ordinary	100.00
St Catharine's College Events Limited	UK	Ordinary	100.00

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

	Principal activity	Capital and reserves	Profit/(loss) for the year
		2015	2015
		£000	£000
St Catharine's College Development Limited	Development contractor	-	-
St Catharine's College Events Limited	Functions and events	18	-

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

11. Endowment Assets Consolidated and College

	2015 £000	2014 £000
At 1 July	54,505	48,317
Additions	12,571	26,917
Disposals	(11,472)	(23,430)
Appreciation on revaluation	4,024	3,775
Increase/(Decrease) in cash balances held at fund managers	1,656	(1,074)
	<u>61,284</u>	<u>54,505</u>
Represented by:		
Freehold property	14,785	11,669
Charities property fund	3,104	3,764
Quoted securities	30,053	28,357
Property income trust	1,209	1,094
Unquoted securities	9,164	8,308
Cash held for investment	2,969	1,313
	<u>61,284</u>	<u>54,505</u>
College Expendable Investments (note 10)	(22,348)	(21,426)
	<u>38,936</u>	<u>33,079</u>

Freehold property was valued by Bidwells Property Consultants, Chartered Surveyors, at open market value at 30 June 2015.

12. Debtors

	Group 2015 £000	College 2015 £000	Group 2014 £000	College 2014 £000
Trade debtors	197	175	230	191
Amounts due from subsidiary undertakings	-	42	-	148
Taxation	79	66	129	112
Other debtors	50	50	107	107
Prepayments and accrued income	327	306	310	272
	<u>653</u>	<u>639</u>	<u>776</u>	<u>830</u>

13. Cash

	Group 2015 £000	College 2015 £000	Group 2014 £000	College 2014 £000
Short-term deposits	1,392	1,392	627	438
Current account	1,256	1,123	3,872	3,872
	<u>2,648</u>	<u>2,515</u>	<u>4,499</u>	<u>4,310</u>

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015**

14. Creditors: amounts falling due within one year

	Group 2015 £000	College 2015 £000	Group 2014 £000	College 2014 £000
Trade creditors	581	579	841	839
Amounts due to subsidiary undertakings	-	-	-	-
Taxation and Social Security	150	150	151	151
Income in advance	587	460	446	331
Other creditors	636	636	894	894
	<u>1,954</u>	<u>1,825</u>	<u>2,332</u>	<u>2,215</u>

15. Creditors: amounts falling due after more than one year

	Group 2015 £000	College 2015 £000	Group 2014 £000	College 2014 £000
Bank loan	6,000	6,000	6,000	6,000
Other loans	5,000	5,000	5,000	5,000
	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>

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%.

16. Pension liability Group and College

	2015 £000	2014 £000
Balance at beginning of year	3,146	2,362
Movement in the year:		
Current service cost including life insurance	286	305
Contributions	(158)	(199)
Other finance income	22	24
Actuarial loss	(73)	654
Balance at end of year	<u>3,223</u>	<u>3,146</u>

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

17. Deferred capital grants

Group and College

	Donations 2015 £000	Group Total 2015 £000	Donations 2014 £000	Group Total 2014 £000
Balancing at beginning of year:				
Buildings	7,240	7,240	7,097	7,097
	<u>7,240</u>	<u>7,240</u>	<u>7,097</u>	<u>7,097</u>
Grants and donations received:				
Buildings	184	184	282	282
	<u>184</u>	<u>184</u>	<u>282</u>	<u>282</u>
Released to income and expenditure accounts:				
Buildings	(142)	(142)	(139)	(139)
	<u>(142)</u>	<u>(142)</u>	<u>(139)</u>	<u>(139)</u>
Balances at end of year:				
Buildings	7,282	7,282	7,240	7,240
	<u>7,282</u>	<u>7,282</u>	<u>7,240</u>	<u>7,240</u>

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

18. Endowments	Unrestricted Permanent £000	Restricted Permanent £000	Total 2015 £000	Total 2014 £000
Group and college				
Balance at beginning of year:				
Capital and unspent income	7,505	25,574	33,079	28,389
New endowments received	710	1,911	2,621	1,900
	299	1,024	1,323	1,141
	(241)	(710)	(951)	(877)
Income receivable from endowment asset investments				
Expenditure	58	314	372	264
Net transfer from income and expenditure account				
Transfers	(29)	26	(3)	11
Increase in market value of investments	655	2,212	2,867	2,515
Balances at end of year	8,899	30,037	38,936	33,079
Comprising				
Capital and unspent income	8,899	30,037	38,936	33,079
Representing				
Fellowship Funds	7,201	15,726	22,927	19,739
Prize Funds	485	1,024	1,509	1,325
Travel Awards	778	366	1,144	975
Home Business	229	3,908	4,137	3,806
Graduate Bursaries	-	3,445	3,445	2,111
Overseas Bursaries	-	4,386	4,386	3,967
Grants	151	251	402	443
Other Funds	55	931	986	713
Group Total	8,899	30,037	38,936	33,079

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

19. Reserves

Group and College	2015 Total £000	2014 Total £000
Opening balance as previously stated	53,930	53,929
(Deficit) retained for the year	(1,252)	(940)
Actuarial gain/(loss)	73	(654)
Increase in market value of investments	1,542	1,606
Transfers	3	(11)
Balance at end of year	<u>54,296</u>	<u>53,930</u>

20. Analysis of changes in net debt

	At beginning of year £000	Cash flows £000	At end of year £000
Cash at bank and in hand	4,499	(1,851)	2,648
Debts falling due after more than one year	(11,000)	-	(11,000)
Net Debt	<u>(6,501)</u>	<u>(1,851)</u>	<u>(8,352)</u>

21. Policy on management of reserves

The College's reserves are invested in property, both direct property holdings and in property unit trusts, and in cash, equities and alternative instruments, according to a Statement of Investment Principles which is reviewed by the Investments Committee and the Governing Body from time to time. Cash balances are maintained at a level to fund recurring expenditure.

22. Capital commitments

Commitments contracted for at 30 June 2015.

The group has entered into contracts for work on the College buildings at an expected total cost of £584,406 (2014: £1,473,052).

The group is participating in a collective investment with the University of Cambridge and other Cambridge Colleges. The maximum level of participation will not exceed US \$1,000,000 (2014: \$1,000,000) of which US \$717,500 (2014: \$717,500) had already been paid at 30 June 2015.

The group has entered into other collective investment schemes through investment managers. The maximum level of participation will not exceed US \$3,500,000 (2014: \$3,250,000) and €97,218 (2014: €70,000), of which US \$2,635,750 (2013: \$2,329,625) and €70,700 (2014: €55,195) has already been paid.

23. Pension schemes

The College's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The College also offers staff not in CCFPS the opportunity to join the Cambridge Colleges Group Personal Pension Scheme, which is a defined contribution pension scheme. In addition the College contributes to the Church of England Funded Pension Scheme (CEFPS) on behalf of the College chaplain. The assets of the schemes are held in separate trustee administered funds. The total pension costs for the period were:

Group and College	2015 Total £000	2014 Total £000
Universities Superannuation Scheme	162	160
Cambridge Colleges Federation Pension Scheme	249	241
Other schemes	66	38
	<hr/>	<hr/>
Balance at end of year	477	439
	<hr/>	<hr/>

This includes £42,000 (2014: £42,000) outstanding contributions at the balance sheet date.

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The College is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the College's employees. In 2015, the percentage was 16% (2014: 16%). The College 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 FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the profit and loss account is £162,000 (2014: £160,000). This includes £18,000 (2014: £19,000) outstanding contributions at the balance sheet date. The disclosures below represent the position from the scheme's financial statements.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016.

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.

23. Pension schemes (continued)

FRS 17 liability numbers have been produced for the using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

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 S1NA ["light"] YoB tables – No age rating

Female members' mortality 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 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6

	2015	2014
Existing benefits		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%

23. Pension schemes (continued)

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College is a member of a multi-employer defined benefits scheme, the Cambridge Colleges' Federated Pension Scheme. A full valuation was undertaken as at 31 March 2014 and updated to 30 June 2015 by a qualified independent Actuary.

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

	2015 % p.a.	2014 % p.a.
Discount rate	3.7	4.2
Expected long-term rate of return on Scheme assets	3.7	6.2
Increase in salaries	2.75**	2.8*
Retail Prices Index (RPI) assumption	3.25	3.3
Consumer Prices Index (CPI) assumption	2.25	2.3
Pension increases (RPI linked)	3.25	3.3

* 1.5% in years 2014 to 2016; 2.8% thereafter

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

The underlying mortality assumption is based upon the standard table known as S2 mortality tables for average normal pensioners projected in line with the CMI 2013 projection and a target long-term improvement rate of 1.0% p.a. (2014: same base table and an allowance for improvements using the CMI_2013 projection table with a long term improvement rate of 1.0% p.a.). This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 22.3 year (previously 22.3 years)
- Female age 65 now has a life expectancy of 24.4 years (previously 24.3 years)
- Male age 45 now and retiring in 20 years would have a life expectancy then of 23.6 years (previously 23.6 years)
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.9 years (previously 25.8 years)

The major categories of scheme assets as a percentage of total Scheme assets are as follows:

	2015	2014
Equities and Hedge Funds	69%	70%
Cash and bonds	25%	23%
Property	6%	6%
Total	100%	100%

The expected long term rate of return on the Scheme assets has been set in line with the discount rate. i.e. 3.7%.

23. Pension schemes (continued)

The following results were measured in accordance with the requirements of FRS 17:

	2015 £000	2014 £000	2013 £000	2012 £000
Total value of assets	6,217	5,666	5,421	4,821
Present value of defined benefit obligation liabilities	(9,440)	(8,812)	(7,782)	(6,448)
Net pension liability	(3,223)	(3,146)	(2,361)	(1,627)

Changes in the present value of the defined benefit obligation are as follows:	2015 £000	2014 £000
Opening defined benefit obligation	8,812	7,782
Service cost (including Member contributions)	312	305
Interest cost	368	359
Actuarial losses	355	650
Benefits paid	(407)	(284)
Closing defined benefit obligation	9,440	8,812

Changes in the fair value of the Scheme assets are as follows:	2015 £000	2014 £000
Opening fair value of Scheme assets	5,666	5,421
Expected return	347	335
Actuarial gains	428	(4)
Contributions by employer	158	169
Contributions by members (including AVCs)	25	29
Benefits and expenses paid	(407)	(284)
Closing fair value of assets	6,217	5,666

The expected contributions to be paid by the College for the forthcoming year are;

- From 1 July 2015 to 31 March 2016 15.52% of Contribution Pay for non salary sacrifice members (24.52% of Contribution Pay for salary sacrifice members);
- From 1 April 2016 to 30 June 2016 13.58% of Contribution Pay for non salary sacrifice members (22.58% of Contribution pay for salary sacrifice members),

Plus Recovery Plan payments of £59,387; plus £16,210 to cover expenses.

The above rates exclude PHI and are subject to review at future actuarial valuations.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015
23. Pension schemes (continued)

	2015	2014
	£000	£000
The amounts recognised in the income and expenditure account are as follows:		
Current service cost (excluding Member contributions)	286	275
Interest on pension scheme liabilities	368	359
Expected return on pension scheme assets	(347)	(335)
Total	307	299
Actual return on Scheme assets	775	331
The amounts recognised in the statement of total recognised gains and losses are as follows:		
Actual return less expected return on scheme assets	428	(4)
Experience gains and losses arising on Scheme liabilities	17	(68)
Changes in assumptions underlying the present value of Scheme liabilities	(372)	(582)
Total	73	(654)
Cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses are as follows:		
	2015	2014
	£000	£000
Cumulative actuarial loss at beginning of period	(2,508)	(1,854)
Recognised during the period	73	(654)
Cumulative actuarial loss at end of period	(2,435)	(2,508)
The movement in deficit during the year are as follows:		
	2015	2014
	£000	£000
Deficit in Scheme at beginning of year	(3,146)	(2,361)
Service cost (employer only)	(286)	(275)
Contributions paid by the College	158	169
Finance cost	(22)	(25)
Actuarial gains/(losses)	73	(654)
Deficit in Scheme at the end of the year	(3,223)	(3,146)

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

23. Pension schemes (continued)

Amounts for the current and previous four periods are as follows	30 June 2015 £000	30 June 2014 £000	30 June 2013 £000	30 June 2012 £000	30 June 2011 £000
Defined benefit obligation	(9,440)	(8,812)	(7,782)	(6,448)	(5,900)
Plan Assets	6,217	5,666	5,421	4,821	5,292
Deficit	(3,223)	(3,146)	(2,361)	(1,627)	(608)
	30 June 2015 £000	30 June 2014 £000	30 June 2013 £000	30 June 2012 £000	30 June 2011 £000
Actual return less expected return on Scheme assets	428	(4)	304	(917)	346
Experience gain/(loss) arising on Scheme liabilities	17	(68)	53	(127)	2
Change in assumptions underlying present value of Scheme liabilities	(372)	(582)	(903)	(73)	650

Church of England Funded Pension Scheme

The College participates in the Church of England Funded Pensions Scheme and employs one member of the Scheme out of a total membership of approximately 8,500 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the College is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31 December 2012. This revealed a shortfall of £293m, with 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
 - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.
- 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 S1NMA and S1NFA tables, with allowance made for 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.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires the College to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

23. Pension schemes (continued)

Following the results of the 2012 valuation, the College's contribution rate is due to increase from 38.2% to 39.9% of pensionable stipends from 1 January 2015 (of which 14.1% will be in respect of the £293m shortfall in the Scheme and 25.8% is in respect of accrual of future benefits and the day-to-day expenses of running the Scheme).

Contributions rates will be reviewed at the next valuation of the Scheme, due as at 31 December 2015.

24. 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 2015 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 2 (2014: 1) fellows benefited from assistance and the College's contribution was £270,000 (2014: £150,000).

