

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 2017

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 (to 30.9.16) |
| Master | Professor Sir Mark Welland (from 1.10.16) |
| President | Dr John Little (to 30.9.16) |
| President | Professor P Tyler (from 1.10.16) |
| Senior Tutor: | Dr P N Hartle |
| Bursar: | Mr S P Summers |

Professor R Martin
Dr R 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 M C Elliott
Ms I Borzym
Dr A S Brundin
Dr S Iyer
Dr M J Mason
Dr S N Taraskin
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 Dr D Neaum
Dr T Rogan
Dr R Smith
Dr J Gwynne
Dr M Amior
Dr C Psarras
Dr A Hillier
Dr S Taylor
Dr M Kilkenny
Dr J Sidey

ST CATHARINE'S COLLEGE, CAMBRIDGE

GOVERNING BODY AND ADVISORS (CONTINUED)

Finance Committee

| | |
|----------------------------|-----------------------|
| Professor Dame Jean Thomas | Master (to 30.9.16) |
| Professor Sir Mark Welland | Master (from 1.10.16) |
| Mr S P Summers | Bursar |
| Dr P N Hartle | Senior Tutor |
| Mrs D G Loveluck | Development Director |
| Professor J Pyle | |
| Mr M Kitson | |
| Dr J Dalley | |
| Dr P Wothers | |
| Dr P Turner | |
| Professor H Van de Ven | |
| Dr H Wydra | |
| Dr A Davenport | |
| Dr M Hurley | |
| Dr S Taylor | |
| Dr S Taraskin | |
| Dr M Amior | |

Investments Committee

| | |
|----------------------------|-----------------------|
| Professor Dame Jean Thomas | Master (to 30.9.16) |
| Professor Sir Mark Welland | Master (from 1.10.16) |
| Mr S P Summers | Bursar |
| Professor P Tyler | |
| Professor R Martin | |
| Mr M Kitson | |
| Dr S Iyer | |
| Dr S Taylor | |
| Professor W Sutherland | |
| Dr A Davenport | |
| Dr J Xuereb | |
| Mr N R Haynes | |
| Mr T Adams | |

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

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

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**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2017**

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 2016-17, of the financial performance for the twelve months ending June 30th 2017, 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.

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

- 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 2016-2017

Academic

The academic year 2016-2017 was similarly successful to the previous year for the College. Our position in the academic league tables changed very little, being ranked eighteenth of all colleges. Notwithstanding this, in absolute terms our performance was in fact again slightly stronger, with a higher proportion of first-class results (over 100 in all), unfortunately offset by a slight increase in the number of Lower Second Class and Third Class results. Our First-year and Second-year students performed modestly, being ranked respectively sixteenth and nineteenth among the colleges, but the graduating year did better, ranked eleventh of 25. There were outstandingly strong results in English and Geography, with some exceptional year-cohorts in Modern and Medieval Languages, Engineering and Medicine. A number of outstanding students topped the whole University Tripos, for example in Theology and Geography.

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 Modern Languages. 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 provides excellent sporting facilities which are heavily used and appreciated by all members of the College (students, Fellows, and staff), and, through arrangement, by other teams outside the University. The facilities include extensive sports fields, an all-weather hockey pitch, squash and badminton courts, boathouse, and gym. All facilities are available to members of the college for no additional charge.

This year, the College has invested heavily in new equipment needed for the upkeep of the sports fields and hockey-pitch, and these are arguably in their best condition ever. External use of the hockey pitch has been at an all-time high this year. Similarly, the excellent erg facility at the boathouse is also used by a number of town clubs.

The different College clubs again enjoyed great success with many reaching the semi-finals in the Cuppers competition. Particularly noteworthy were the performances of the hockey teams, where St Catharine's has dominated the men's, women's and mixed competitions.

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Interest in rowing continues to be healthy and the College Boat Club fielded a good number of boats in the Lent and May Bumps. Amazingly, the women managed to enter four VIIIIs in the Michaelmas Term — this must surely have been a record number. Many of these continued to compete in the Lent and May Bumps.

One other sport that deserves a mention simply because of the huge numbers of participants is croquet. A staggering 80 students participated in the Cuppers competition — this represented almost half of all the entire field of competitors!

The College contributed enormously to University sport with an impressive 31 men and women achieving full Blues in 11 different sports. Sailing, and not surprisingly, hockey were particularly well represented with five and eight athletes respectively earning full Blues.

The College makes available to external institutions its cricket, football and its popular all-weather hockey pitch, and also some of the facilities at the boathouse for town clubs.

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 was until recently 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 five 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.

Music contributes significantly to the outreach ambitions of the College; for the past two years, Dr Wickham has managed the University's major choral outreach initiative – the Cambridge Choral Experience – involving over 100 children from non-fee-paying schools. He and the Girls' Choir are currently embarked on a Science/Music project – Stem in Song – which aims to encourage girls to engage with science through music.

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 26 to the Accounts.

Financial review

Format of accounts

As highlighted last year 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 within the 'Statement Of Comprehensive Income and Expenditure' ('SOCIE') 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.

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

Comprehensive Income & Expenditure

Considering firstly the 'Total' columns, Income before Donations and new Endowments grew by a satisfactory 9%. During the year, new Donations and Endowments were at very good levels but below the prior year, and as a result Total income dipped by 0.8% to £12.833 million. Both Educational and non-Educational Expenditure as defined grew by over 7%, in line with the related revenues. The largest increases in costs occurred through a series of improvements in our operating properties, especially student residences, and also because we rented more rooms for our additional students on the external market. The net effect of these factors resulted in an operating surplus as defined of £1.057 million, a reduction from the prior year's £1.982 million. Investment gains were significantly larger than in the prior year, but this was partially offset by the effect of another actuarial loss, of £0.685 million, on our pension funds recorded in the Comprehensive Statement. After these items, the bottom line of 'Total Comprehensive Income' was a substantial surplus of £6.7 million for the year, an increase on 2015-16's strong £4.9 million surplus. Because FRS 102 requires the College to report all investment returns in the SOCIE, this bottom line outcome should be expected to be a much more volatile number between years, and less helpful in understanding the underlying operating performance of the College, than the equivalent number in the Income and Expenditure account as reported under the previous accounting standard.

In the FRS102 format, investment returns in the year are recognised both as Investment Income and as Gains on Investments. These totalled over £7.5 million representing a total return of significantly over 11%, an increase over last year, which is further discussed below. These returns are exceptionally high, thanks to both further rises in global stock markets and individual events within the College's property portfolio, and will not be sustained at these levels in future years.

The College has moved to state its investment returns in the 'total return' format this year. The investment portfolio has been managed on that basis for a number of years. The effect of the change can be seen in the 'endowment return transferred' line of the SOCIE and is discussed in more detail in the Statement of Principal Accounting Policies and in note 3 of the accounts.

Key points to note in the 'Unrestricted' comparison are a further 7% rise in Academic income deriving once again from slightly higher graduate student numbers. With substantially all undergraduates paying the £9,000 fee last year, the scope for further fee income growth is limited by regulation. Residential, catering and conference income grew by over 12%, with growth arising from a combination of additional College members, both via accommodation charges and through greater internal catering sales to students, and most particularly from excellent growth in the external conference and catering activities.

Unrestricted donations declined from the exceptional levels of last year, but remain strong, and the College is grateful to all alumni who continue to support us through both donations and legacies.

The College has once again been very fortunate to have received support for our teaching costs from the Newton Trust. In addition, the College has benefitted once again 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 7.5%, as investment continued in improved service and to grow our external activities. The College rented more rooms externally than in the past, to accommodate the increased graduate numbers, offsetting the higher revenue noted above. Other costs were generally well controlled although rising building maintenance costs and utility bills are a cause for concern and continue to be closely monitored.

Pensions

The College's share of the deficits in two pension schemes rose by 22% in the year to £4.52 million. The share of the deficit in the CCFPS staff pension scheme grew by 23% to reach £4.18 million. The College has in place an agreed 20-year deficit reduction programme.

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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. The 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 accounting deficit does not reflect risk hedging by the Scheme, which is expected to result in a lower ultimate cost to the College than would otherwise be the case, if current low nominal and real interest rates were perpetuated.

The College is also a member of the defined benefit University Superannuation Scheme (USS) for academic staff. That Scheme also has a sizeable deficit, the College's share of which is accounted for in the balance sheet at £0.3 million. The methodologies which the College is required to use to calculate its share of these two pension deficits differ significantly, because of the nature of the Schemes, and the USS number quoted is not expected to reflect the true costs of paying the benefits accrued by members working for the College if present macroeconomic conditions persist. The College and members have been making increased contributions to USS since April 2016.

Both Schemes are currently undertaking triennial revaluations as at March 2017 and indications are that recent reductions in long term interest rates will result in increased deficits, though CCFPS has as described taken steps to hedge some of those risks. Contribution rates for the three-year period beginning in 2018 are likely to be higher than current levels.

Donations and legacies

Donations and legacies notified during the year amounted to the substantial sum of £3.1 million. The College 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, and therefore fluctuates significantly from year to year, 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 investment portfolio rose by 6% to £68.3 million, thanks to a combination of donations and investment returns, and after the transfer of properties from the Investment to the Operating portfolios as the College increases its stock of student accommodation. As at the year-end, the investment portfolio additionally continues to contain assets corresponding to £2.1 million of unspent borrowings. This sum is expected to be invested in developing additional student accommodation.

Total investment return on the portfolio in 2016-17 was well above the expected long-term average. Returns from property (including investments in property funds) were improved this year thanks to a number of successful initiatives, and exceeded 10% while those from all other securities investments together improved substantially to over 15%. The College once again held elevated levels of cash during the year for prudence and the nominal returns on those deposits depressed total returns. Over a rolling five year measurement period, total returns increased to over 10% 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 over 10%pa and securities investments returned an average of over 7%pa.

Apart from the transfer of properties mentioned above, few changes were made to the composition of the College investment portfolio during the year. Property represents approximately one quarter 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.

ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

I draw your attention to the following post balance sheet event: A material part of the College's property holdings was sold to a developer (included within "Property investment assets" in the table that forms note 9 to the accounts) on 3rd August 2017. This has been planned over the past several years.

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. In the short term, recent high returns and the condition of the global economy could easily result in poor or negative returns in future periods.

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

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. 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, 2016-17 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

10th November 2017

**STATEMENT OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2017**

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 nine 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 seven 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.

**STATEMENT OF INTERNAL CONTROLS
FOR THE YEAR ENDED 30 JUNE 2017**

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 2017 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.

**RESPONSIBILITIES OF GOVERNING BODY
FOR THE YEAR ENDED 30 JUNE 2017**

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**

Opinion

We have audited the financial statements of St Catharine's College (the 'College') for the year ended 30 June 2017 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report of the Trustees other than the financial statements and our auditor's report thereon. The Governing Body are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Governing Body

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Use of our report

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 the Charities Act 2011. Our work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.



PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 17 November 2017

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 2017**

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 26. 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 2017

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.

Transfers between Unrestricted and Restricted Income

Income from permanent endowments that is not expended in the year in which it is receivable is, at the year-end, transferred from unrestricted income to restricted income. When there is subsequent expenditure of accumulated income from a permanent endowment, income is credited back to unrestricted income from that fund to match the expenditure.

Total Return

In the current financial year, St Catharine's College adopted a Total Return investment accounting policy for the first time. The College allocates a proportion of the investment earnings, net of expenses, and capital appreciation, to the income and expenditure account each year. The allocation of income is determined by a spending rule, which the College has set at 4% of the average annual value of the College's investment portfolio over the three-year period up to the commencement of the relevant financial year. The purpose of the policy is to stabilise annual spending levels from the endowment investment portfolio, and the target long run outcome is to maintain the real value of the endowment. The figures for the prior year are unaffected.

Other income

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

Cambridge Bursary Scheme

In 2016-17, payment of Cambridge Bursaries by the College was made directly to the Student Loan Company (SLC), who then pay on the relevant amounts to eligible students. Subsequently, the College receives a contribution from Cambridge University. In both 2016-17 and 2015-16, the amount receivable from the University is shown within income and the amount payable to SLC is shown within expenditure.

In 2015-16, payment of the Cambridge Bursaries to eligible students was made directly by 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, for 2015-16 the College showed 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 that year.

The amounts shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

| | |
|---|---------------------------|
| Income (included in note 1 as part of other income) | £225,000 (2016: £222,000) |
| Expenditure | £333,000 (2016: £320,000) |

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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.

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 any routine maintenance costing less than £20,000 is charged to the Income and Expenditure Account as it is incurred. The cost of major refurbishment and maintenance costing more than £20,000 is capitalised and depreciated over the useful economic life of the asset concerned. The College may also set aside sums to meet future maintenance costs, these being disclosed within general reserves. 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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.

Freehold property was valued by Bidwells Property Consultants, Chartered Surveyors, at open market value at 30 June 2017.

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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

Contribution under Statute G, II

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

Pension costs

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

The College also operates a defined benefits plan for the College's employees of the Cambridge Colleges Federated Pension Scheme (CCFPS). 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.

There is also a third defined benefit plan, The Church of England Funded Pension Scheme (CCEFPS). However, because of the mutual nature of CCEFPS, 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 defined contribution pension schemes 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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.

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.

Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer 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 Universities Superannuation Scheme. 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 in income and expenditure in accordance with section 28 of FRS 102. The trustees are satisfied that the scheme provided by Universities Superannuation Scheme 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 2017**

The notes on pages 26 to 43 form part of these accounts.

| | Note | Unrestricted £000s | Restricted £000s | Endowment £000s | 2017 Total £000s | | Unrestricted £000s | Restricted £000s | Endowment £000s | 2016 Total £000s |
|--|------|-----------------------|---------------------|--------------------|------------------------|--|-----------------------|---------------------|--------------------|------------------------|
| Income | | | | | | | | | | |
| Academic fees and charges | 1 | 2,808 | 387 | - | 3,195 | | 2,629 | 283 | - | 2,912 |
| Residences, catering and conferences | 2 | 5,112 | - | - | 5,112 | | 4,543 | - | - | 4,543 |
| Investment income | 3 | - | - | 1,200 | 1,200 | | - | - | 1,295 | 1,295 |
| Endowment return transferred | 3 | 970 | 1,348 | (2,318) | - | | 64 | 1,231 | (1,295) | - |
| Other income | | 85 | 3 | - | 88 | | 49 | 3 | - | 52 |
| Total income before donations and endowments | | 8,975 | 1,738 | (1,118) | 9,595 | | 7,285 | 1,517 | - | 8,802 |
| Donations & Legacies | | 1,143 | 872 | - | 2,015 | | 2,757 | - | - | 2,757 |
| New endowments | 16 | - | - | 1,102 | 1,102 | | - | - | 1,261 | 1,261 |
| Capital grant from Colleges Fund | | - | - | - | - | | - | - | - | - |
| Other capital grants for assets | | - | 121 | - | 121 | | - | 118 | - | 118 |
| Total income | | 10,118 | 2,731 | (16) | 12,833 | | 10,042 | 1,635 | 1,261 | 12,938 |
| Expenditure | | | | | | | | | | |
| Education | 4 | 4,110 | 1,621 | - | 5,731 | | 3,861 | 1,257 | - | 5,118 |
| Residences, catering and conferences | 5 | 5,434 | - | - | 5,434 | | 5,161 | - | - | 5,161 |
| Other expenditure | | 299 | - | 302 | 601 | | 666 | - | - | 666 |
| Contribution under Statute G.II | | 10 | - | - | 10 | | 11 | - | - | 11 |
| Total expenditure | 6 | 9,853 | 1,621 | 302 | 11,776 | | 9,699 | 1,257 | - | 10,956 |
| Surplus/(deficit) before other gains and losses | | 265 | 1,110 | (318) | 1,057 | | 343 | 378 | 1,261 | 1,982 |
| Gain/(loss) on disposal of fixed assets | 8 | - | - | - | - | | - | - | - | - |
| Gain on investments | 9 | 2,071 | - | 4,264 | 6,335 | | 1,231 | - | 1,693 | 2,924 |
| Surplus/(deficit) for the year | | 2,336 | 1,110 | 3,946 | 7,392 | | 1,574 | 378 | 2,954 | 4,906 |
| Other comprehensive income | | | | | | | | | | |
| Unrealised surplus on revaluation of fixed assets | | - | - | - | - | | - | - | - | - |
| Actuarial (loss)/gain in respect of pension schemes | 15 | (685) | - | - | (685) | | (28) | - | - | (28) |
| Total comprehensive income for the year | | 1,651 | 1,110 | 3,946 | 6,707 | | 1,546 | 378 | 2,954 | 4,878 |

ST CATHARINE'S COLLEGE, CAMBRIDGE

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 30 JUNE 2017

| | Income and expenditure reserve | | | Revaluation reserve | Total |
|---|--------------------------------|---------------------|--------------------|---------------------|---------|
| | Unrestricted £000s | Restricted £000s | Endowment £000s | £000s | £000s |
| Balance at 1 July 2016 | 69,076 | 4,447 | 31,324 | - | 104,847 |
| Prior Year Adjustment: deferred capital opening balance | - | - | - | - | - |
| Surplus/(Deficit) from income and expenditure statement | 2,336 | 1,110 | 3,946 | - | 7,392 |
| Other comprehensive income | (685) | - | - | - | (685) |
| Release of restricted capital funds spent in the year | 121 | (121) | - | - | - |
| Transfers between Funds & Reserves | (32) | (25) | 57 | - | - |
| Other | - | - | - | - | - |
| Balance at 30 June 2017 | 70,816 | 5,411 | 35,327 | - | 111,554 |

| | Income and expenditure reserve | | | Revaluation reserve | Total |
|---|--------------------------------|---------------------|--------------------|---------------------|---------|
| | Unrestricted £000s | Restricted £000s | Endowment £000s | £000s | £000s |
| Balance at 1 July 2015 | 67,411 | 4,187 | 28,370 | - | 99,968 |
| 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 | - | - | - | - | - |
| Balance at 30 June 2016 | 69,076 | 4,447 | 31,324 | - | 104,847 |

The Consolidated and College figures are not materially different; hence, separate statements for each are not produced. The notes on pages 26 to 43 form part of these accounts.

ST CATHARINE'S COLLEGE, CAMBRIDGE

CONSOLIDATED AND COLLEGE BALANCE SHEETS AS AT 30 JUNE 2017

| | | 2017 | 2017 | 2016 | 2016 |
|--|------|----------------|----------------|----------------|----------------|
| | | Consolidated | College | Consolidated | College |
| | Note | £000s | £000s | £000s | £000s |
| Non-current Assets | | | | | |
| Fixed assets | 8 | 55,581 | 55,581 | 49,854 | 49,854 |
| Heritage assets | 8 | 2,784 | 2,784 | 2,765 | 2,765 |
| Investments | 9 | 68,307 | 68,307 | 63,498 | 63,498 |
| | | 126,672 | 126,672 | 116,117 | 116,117 |
| Current assets | | | | | |
| Stocks | 10 | 232 | 232 | 245 | 245 |
| Trade and other receivables | 11 | 1,496 | 1,579 | 2,805 | 2,802 |
| Investments | 9 | - | - | 850 | 850 |
| Cash and cash equivalents | 12 | 1,279 | 938 | 2,551 | 2,330 |
| | | 3,007 | 2,749 | 6,451 | 6,227 |
| Creditors: amounts falling due within one year | 13 | (2,604) | (2,364) | (3,009) | (2,803) |
| Net current assets | | 403 | 385 | 3,442 | 3,424 |
| Total Assets less current liabilities | | 127,075 | 127,057 | 119,559 | 119,541 |
| Creditors: amounts falling due after more than one year | 14 | (11,000) | (11,000) | (11,000) | (11,000) |
| Provisions | | | | | |
| Pension provisions | 15 | (4,521) | (4,521) | (3,712) | (3,712) |
| | | | | | |
| Total net assets | | 111,554 | 111,536 | 104,847 | 104,829 |
| Restricted reserves | | | | | |
| Income and expenditure reserve – endowment reserve | 16 | 35,327 | 35,327 | 31,324 | 31,324 |
| Income and expenditure reserve – restricted reserve | 17 | 5,411 | 5,411 | 4,447 | 4,447 |
| | | 40,738 | 40,738 | 35,771 | 35,771 |
| Unrestricted Reserves | | | | | |
| Income and expenditure reserve – unrestricted | | 70,816 | 70,798 | 69,076 | 69,058 |
| Revaluation reserve | | - | - | - | - |
| Total Reserves | | 111,554 | 111,536 | 104,847 | 104,829 |

The financial statements were approved by the Governing Body on 10 November 2017 and signed on its behalf by:


Professor Sir M Welland
Master


S P Summers
Bursar

The notes on pages 26 to 43 form part of these accounts.

ST CATHARINE'S COLLEGE, CAMBRIDGE

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

| | | 2017 | 2016 |
|---|-------------|----------------|--------------|
| | Note | £000s | £000s |
| Net cash inflow from operating activities | 19 | 1,347 | 750 |
| Cash flows from investing activities | 20 | (2,230) | (550) |
| Cash flows from financing activities | 21 | (389) | (297) |
| Increase/(decrease) in cash and cash equivalents in the year | | (1,272) | (97) |
| Cash and cash equivalents at beginning of the year | | 2,551 | 2,648 |
| Cash and cash equivalents at end of the year | 12 | 1,279 | 2,551 |

The Consolidated and College figures are not materially different; hence, separate statements for each are not produced. The notes on pages 26 to 43 form part of these accounts.

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

| | | | |
|----------|---|--------------|--------------|
| 1 | Academic fees and charges | 2017 | 2016 |
| | | £000s | £000s |
| | Colleges fees: | | |
| | Fee income received at the Regulated Undergraduate rate | 1,924 | 1,843 |
| | Fee income received at the Unregulated Undergraduate rate | 325 | 321 |
| | Fee income received at the Graduate rate | 559 | 465 |
| | Sub-total | 2,808 | 2,629 |
| | Other income | 387 | 283 |
| | Total | 3,195 | 2,912 |

| | | | |
|----------|---|--------------|--------------|
| 2 | Income from residences, catering and conferences | 2017 | 2016 |
| | | £000s | £000s |
| | Accommodation: | | |
| | College members | 2,334 | 2,107 |
| | Conferences | 929 | 779 |
| | Sub-total | 3,263 | 2,886 |
| | Catering: | | |
| | College members | 1,105 | 1,045 |
| | Conferences | 744 | 612 |
| | Sub-total | 1,849 | 1,657 |
| | Total | 5,112 | 4,543 |

| | | | |
|-----------|--|--------------|--------------|
| 3 | Endowment return and investment income | 2017 | 2016 |
| | | £000s | £000s |
| 3a | Analysis | | |
| | Total return contribution (see note 3b) | 2,318 | - |
| | Net income transferred to income and expenditure reserve (see note 3b) | - | 1,079 |
| | Total | 2,318 | 1,079 |

| | | | |
|-----------|--|--------------|--------------|
| 3b | Summary of total return | 2017 | 2016 |
| | | £000s | £000s |
| | Income from: | | |
| | Land and buildings | 375 | 537 |
| | Quoted securities | 572 | 450 |
| | Unit Trusts | 239 | 224 |
| | Income from short-term investments | 14 | 84 |
| | | 1,200 | 1,295 |
| | Gains/(losses) on endowment assets: | | |
| | Land and buildings | 815 | 546 |
| | Quoted and other securities and cash | 5,520 | 2,378 |
| | | 6,335 | 2,924 |
| | Investment management costs and loan interest (see note 3c) | (302) | (216) |
| | Total return for year | 7,233 | 4,003 |
| | Net income transferred to income and expenditure reserve (see note 3a) | | (1,079) |
| | Total return transferred to income and expenditure reserve (see note 3a) | (2,318) | - |
| | Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 18) | 4,915 | 2,924 |

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

| 3c | Investment management costs and loan interest | 2017 | 2016 |
|-----------|--|--------------|--------------|
| | | £000s | £000s |
| | Land and buildings | (10) | 30 |
| | Quoted securities - equities | 218 | 182 |
| | Other Investments | 1 | 4 |
| | Loan Interest | 93 | 0 |
| | Total | 302 | 216 |

| 4 | Education expenditure | 2017 | 2016 |
|----------|------------------------------|--------------|--------------|
| | | £000s | £000s |
| | Teaching | 2,921 | 2,462 |
| | Tutorial | 866 | 815 |
| | Admissions | 1,055 | 986 |
| | Research | 282 | 289 |
| | Scholarships and awards | 303 | 284 |
| | Other educational facilities | 304 | 282 |
| | Total | 5,731 | 5,118 |

| 5 | Residences, catering and conferences expenditure | 2017 | 2016 |
|----------|---|--------------|--------------|
| | | £000s | £000s |
| | Accommodation: | | |
| | College members | 2,546 | 2,539 |
| | Conferences | 681 | 658 |
| | Sub-total | 3,227 | 3,197 |
| | Catering: | | |
| | College members | 1,218 | 1,241 |
| | Conferences | 989 | 723 |
| | Sub-total | 2,207 | 1,964 |
| | Total | 5,434 | 5,161 |

| 6a | Analysis of 2016/2017 expenditure by activity | Staff costs (note 7) | Other operating expenses | Depreciation | Total |
|-----------|--|-----------------------------|---------------------------------|---------------------|---------------|
| | | £000s | £000s | £000s | £000s |
| | Education | 2,491 | 2,947 | 293 | 5,731 |
| | Residences, catering and conferences | 2,437 | 2,243 | 754 | 5,434 |
| | Other | 175 | 426 | - | 601 |
| | Statute G,II | - | 10 | - | 10 |
| | Totals | 5,103 | 5,626 | 1,047 | 11,776 |
| | Expenditure includes fundraising costs of £263,403. This expenditure excludes the costs of alumni relations. | | | | |

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

| 6b | Analysis of 2015/2016 expenditure by activity | | | | |
|----|--|-------------------------|--------------------------|--------------|--------|
| | | Staff costs (note 7) | Other operating expenses | Depreciation | Total |
| | | £000s | £000s | £000s | £000s |
| | Education | 2,112 | 2,719 | 287 | 5,118 |
| | Residences, catering and conferences | 2,472 | 1,951 | 738 | 5,161 |
| | Other | 162 | 504 | - | 666 |
| | Statute G,II | - | 11 | - | 11 |
| | Totals | 4,746 | 5,185 | 1,025 | 10,956 |
| | Expenditure includes fundraising costs of £218,812. This expenditure excludes the costs of alumni relations. | | | | |

| 6c | Auditors' remuneration | 2017 | 2016 |
|----|---|-------|-------|
| | | £000s | £000s |
| | Other operating expenses include: | | |
| | Audit fees payable to the College's external auditors | 19 | 20 |
| | Other fees payable to the College's external auditors | 1 | 4 |
| | Totals | 20 | 24 |

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2017

| | | | | | | |
|--|---|------------------------|-----------------------|---------------------|-------------------|-------------------|
| 7 | Staff costs | | | | | |
| | Consolidated | College Fellows | Other academic | Non-academic | 2017 Total | 2016 Total |
| | | £000s | £000s | £000s | £000s | £000s |
| | Staff costs: | | | | | |
| | Emoluments | 1,252 | - | 2,899 | 4,151 | 3,862 |
| | Social security costs | 118 | - | 223 | 341 | 278 |
| | Other pension costs | 224 | - | 387 | 611 | 606 |
| | | 1,594 | - | 3,509 | 5,103 | 4,746 |
| | Average staff numbers (full-time equivalents): | | | | | |
| | Academic (numbers of stipendiary staff) | 59 | - | - | 59 | 63 |
| | Non-academic (full time equiv.) | 3 | - | 118 | 121 | 117 |
| | Total | 62 | | 118 | 180 | 180 |
| The Governing Body comprises 62 (2016: 62) Fellows, of which 59 (2016: 59) are stipendiary. | | | | | | |
| No officer or employee of the College, including Head of House, received emoluments including reimbursement of expenses incurred, of over £100,000 during this year or the previous year. | | | | | | |
| Key management personnel | | | | | | |
| 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. | | | | | | |
| | | | | | 2017 | 2016 |
| | | | | | Total | Total |
| | | | | | £000s | £000s |
| | Key management personnel | | | | 330 | 329 |

| | | |
|---|-------------------|-------------------|
| 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 | 2017 Total | 2016 Total |
| | £000s | £000s |
| Aggregate Emoluments | 1,584 | 1,429 |

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 2017

| 8 | Fixed assets | | | | | |
|---|---|----------------------------|----------------------------|---------------------------|---------------|---------------|
| | Consolidated | College buildings and Site | College houses and hostels | Assets Under Construction | 2017 Total | 2016 Total |
| | | £000s | £000s | £000s | £000s | £000s |
| | Cost or valuation | | | | | |
| | At beginning of year | 48,259 | 9,183 | 2,832 | 60,274 | 58,472 |
| | Additions | 39 | 1,454 | 1,131 | 2,624 | 1,802 |
| | Transfers | 561 | 4,330 | (741) | 4,150 | - |
| | Disposals | - | - | - | - | - |
| | At end of year | 48,859 | 14,967 | 3,222 | 67,048 | 60,274 |
| | Depreciation | | | | | |
| | At beginning of year | 8,704 | 1,716 | - | 10,420 | 9,395 |
| | Charge for the year | 861 | 186 | - | 1,047 | 1,025 |
| | Eliminated on disposals | - | - | - | - | - |
| | Written back on revaluation | - | - | - | - | - |
| | At end of year | 9,565 | 1,902 | - | 11,467 | 10,420 |
| | Net book value | | | | | |
| | At end of year | 39,294 | 13,065 | 3,222 | 55,581 | 49,854 |
| | At beginning of year | 39,555 | 7,467 | 2,832 | 49,854 | 49,077 |
| | College | | | | | |
| | Cost or valuation | | | | | |
| | At beginning of year | 48,259 | 9,183 | 2,832 | 60,274 | 58,529 |
| | Additions | 39 | 1,454 | 1,131 | 2,624 | 1,745 |
| | Transfers | 561 | 4,330 | (741) | 4,150 | - |
| | Disposals | - | - | - | - | - |
| | At end of year | 48,859 | 14,967 | 3,222 | 67,048 | 60,274 |
| | Depreciation | | | | | |
| | At beginning of year | 8,704 | 1,716 | - | 10,420 | 9,395 |
| | Charge for the year | 861 | 186 | - | 1,047 | 1,025 |
| | Eliminated on disposals | - | - | - | - | - |
| | Written back on revaluation | - | - | - | - | - |
| | At end of year | 9,565 | 1,902 | - | 11,467 | 10,420 |
| | Net book value | | | | | |
| | At end of year | 39,294 | 13,065 | 3,222 | 55,581 | 49,854 |
| | At beginning of year | 39,555 | 7,467 | 2,832 | 49,854 | 49,134 |
| | The insured value of freehold land and buildings as at 30 June 2017 was £151,942,000 (2016: £145,631,000). | | | | | |
| | 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.

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

| | | | |
|----------|---|--------------|--------------|
| 8 | Fixed assets (continued) | | |
| | Heritage assets | | |
| | The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. | | |
| | As stated in the statement of principal accounting policies, heritage assets acquired since 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 years were as follows: | | |
| | | 2017 | 2016 |
| | | £000s | £000s |
| | Acquisitions purchased with specific donations | - | - |
| | Acquisitions purchased with College funds | 19 | - |
| | Total cost of acquisitions purchased | 19 | - |
| | Value of acquisitions by donation | - | - |
| | Total acquisitions capitalised | 2,784 | 2,765 |

| | | | | | |
|----------|--|---------------------|----------------|---------------------|----------------|
| 9 | Investments | | | | |
| | | Consolidated | College | Consolidated | College |
| | | 2017 | 2017 | 2016 | 2016 |
| | | £000s | £000s | £000s | £000s |
| | Balance at beginning of year | 64,348 | 64,348 | 61,284 | 61,284 |
| | Additions | 8,385 | 8,385 | 5,611 | 5,611 |
| | Disposals | (6,950) | (6,950) | (7,841) | (7,841) |
| | Transfer to Operational Buildings | (4,150) | (4,150) | - | - |
| | Gain/(loss) | 6,782 | 6,782 | 3,386 | 3,386 |
| | Increase/(decrease) in cash balances held at fund managers | (108) | (108) | 1,908 | 1,908 |
| | Balance at end of year | 68,307 | 68,307 | 64,348 | 64,348 |
| | Represented by: | | | | |
| | Property | 10,931 | 10,931 | 15,116 | 15,116 |
| | Quoted securities – equities | 37,032 | 37,032 | 30,772 | 30,772 |
| | Fixed interest securities | - | - | - | - |
| | Investments in subsidiary undertakings | - | - | - | - |
| | Cash in hand and at investment managers | 4,769 | 4,769 | 4,877 | 4,877 |
| | Other investments | 15,575 | 15,575 | 13,583 | 13,583 |
| | Total | 68,307 | 68,307 | 64,348 | 64,348 |
| | Analysed by: | | | | |
| | Fixed Asset Investments | 68,307 | 68,307 | 63,498 | 63,498 |
| | Current Asset Investments | - | - | 850 | 850 |
| | Total | 68,307 | 68,307 | 64,348 | 64,348 |

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

| 10 | Stocks and work in progress | | | | |
|----|-----------------------------|--------------|---------|--------------|---------|
| | | Consolidated | College | Consolidated | College |
| | | 2017 | 2017 | 2016 | 2016 |
| | | £000s | £000s | £000s | £000s |
| | Goods for resale | 232 | 232 | 245 | 245 |
| | Work in progress | - | - | - | - |
| | Other stocks | - | - | - | - |
| | Totals | 232 | 232 | 245 | 245 |

| 11 | Trade and other receivables | | | | |
|----|--|--------------|---------|--------------|---------|
| | | Consolidated | College | Consolidated | College |
| | | 2017 | 2017 | 2016 | 2016 |
| | | £000s | £000s | £000s | £000s |
| | Members of the College | 41 | 41 | 105 | 105 |
| | Amounts due from subsidiary undertakings | - | 163 | - | 71 |
| | Other receivables | 277 | 236 | 499 | 463 |
| | Prepayments and accrued income | 1,178 | 1,139 | 2,201 | 2,163 |
| | Totals | 1,496 | 1,579 | 2,805 | 2,802 |

| 12 | Cash and cash equivalents | | | | |
|----|-------------------------------------|--------------|---------|--------------|---------|
| | | Consolidated | College | Consolidated | College |
| | | 2017 | 2017 | 2016 | 2016 |
| | | £000s | £000s | £000s | £000s |
| | Short-term money market investments | - | - | - | - |
| | Bank deposits | 456 | 456 | 490 | 490 |
| | Current accounts | 820 | 479 | 2,058 | 1,837 |
| | Cash in hand | 3 | 3 | 3 | 3 |
| | Totals | 1,279 | 938 | 2,551 | 2,330 |

| 13 | Creditors: amounts falling due within one year | | | | |
|----|--|--------------|---------|--------------|---------|
| | | Consolidated | College | Consolidated | College |
| | | 2017 | 2017 | 2016 | 2016 |
| | | £000s | £000s | £000s | £000s |
| | Bank overdraft | - | - | - | - |
| | Trade creditors | 210 | 210 | 234 | 234 |
| | Members of the College | 207 | 207 | 177 | 177 |
| | Amounts due to subsidiary undertakings | - | - | - | - |
| | University fees | 318 | 318 | 499 | 499 |
| | Contribution to Colleges Fund | 10 | 10 | 11 | 11 |
| | Other creditors (e.g. VAT) | 360 | 360 | 560 | 560 |
| | Accruals and deferred income | 1,499 | 1,259 | 1,528 | 1,322 |
| | Totals | 2,604 | 2,364 | 3,009 | 2,803 |

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2017

| 14 | Creditors: amounts falling due after more than one year | | | | |
|----|---|--------------|---------|--------------|---------|
| | | Consolidated | College | Consolidated | College |
| | | 2017 | 2017 | 2016 | 2016 |
| | | £000s | £000s | £000s | £000s |
| | 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%.

| 15 | Pension provisions | | | | | |
|----|---|-------|-------|-------|-------|-------|
| | | | | | Total | Total |
| | Consolidated & College | USS | CCFPS | CEFPS | 2017 | 2016 |
| | | £000s | £000s | £000s | £000s | £000s |
| | Balance at beginning of year | 286 | 3,398 | 28 | 3,712 | 3,524 |
| | | | | | | |
| | Movement in year: | | | | | |
| | Current service cost including life assurance | 228 | 236 | (3) | 461 | 445 |
| | Contributions | (201) | (238) | (3) | (442) | (413) |
| | Other finance cost | 8 | 96 | 1 | 105 | 128 |
| | Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure | - | 685 | - | 685 | 28 |
| | | | | | | |
| | Balance at end of year | 321 | 4,177 | 23 | 4,521 | 3,712 |

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

| | | | | | |
|----|--|--|--|-------------------|-------------------|
| 16 | Endowment funds | | | | |
| | Restricted net assets relating to endowments are as follows: | | | | |
| | Consolidated & College | Restricted permanent endowments | Unrestricted permanent endowments | Total 2017 | Total 2016 |
| | | £000s | £000s | £000s | £000s |
| | Balance at beginning of year | | | | |
| | Capital | 29,187 | 2,137 | 31,324 | 28,370 |
| | | | | | |
| | New donations and endowments | 943 | 159 | 1,102 | 1,261 |
| | | | | | |
| | Increase/(decrease) in market value of investments | 2,653 | 191 | 2,844 | 1,693 |
| | | | | | |
| | Transfer between Funds | 13 | 44 | 57 | - |
| | | | | | |
| | Balance at end of year | 32,796 | 2,531 | 35,327 | 31,324 |
| | | | | | |
| | | | | | |
| | Analysis by type of purpose | | | | |
| | | | | | |
| | Fellowship Funds | 17,924 | 1,381 | 19,305 | 17,213 |
| | Prizes | 875 | 135 | 1,010 | 930 |
| | Travel Awards | 196 | 662 | 858 | 732 |
| | Home Bursaries | 4,446 | - | 4,446 | 3,967 |
| | Graduate Bursaries | 3,575 | - | 3,575 | 3,288 |
| | Overseas Bursaries | 3,827 | - | 3,827 | 3,536 |
| | Grants | 271 | 353 | 624 | 443 |
| | Other | 1,152 | - | 1,152 | 790 |
| | General Endowment | 530 | - | 530 | 425 |
| | Group Total | 32,796 | 2,531 | 35,327 | 31,324 |
| | | | | | |
| | Analysis by asset | | | | |
| | | | | | |
| | Property | 5,248 | 405 | 5,653 | 7,325 |
| | Investments | 25,258 | 1,949 | 27,207 | 21,487 |
| | Cash | 2,290 | 177 | 2,467 | 2,512 |
| | Group Total | 32,796 | 2,531 | 35,327 | 31,324 |

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

| | | | | | | |
|-----------|--|-------------------------------|--|--|-------------------|-------------------|
| 17 | Restricted Reserves | | | | | |
| | Reserves with restrictions are as follows: | | | | | |
| | Consolidated & College | Capital grants unspent | Permanent unspent and other restricted income | Restricted expendable endowment | 2017 Total | 2016 Total |
| | | £000s | £000s | £000s | £000s | £000s |
| | Balance at beginning of year | | | | | |
| | Capital | - | - | - | - | - |
| | Accumulated income | - | 4,447 | - | 4,447 | 4,187 |
| | New grants | 121 | - | - | 121 | 118 |
| | New donations | - | 462 | 800 | 1,262 | 286 |
| | Endowment return transferred | - | 1,348 | - | 1,348 | - |
| | Other investment income | - | - | - | - | 1,231 |
| | Increase/(decrease) in market value of investments | - | - | - | - | - |
| | Expenditure | - | (1,621) | - | (1,621) | (1,257) |
| | Capital grants utilised | (121) | - | - | (121) | (118) |
| | Transfer between Funds | - | (25) | - | (25) | - |
| | Balance at end of year | | | | | |
| | Capital | - | - | 800 | 800 | - |
| | Accumulated income | - | 4,611 | - | 4,611 | 4,447 |
| | Analysis of other restricted funds/donations by type of purpose | | | | | |
| | Fellowship Funds | - | 1,720 | 800 | 2,520 | 1,674 |
| | Prizes | - | 326 | - | 326 | 310 |
| | Travel Awards | - | 221 | - | 221 | 219 |
| | Home Bursaries | - | 455 | - | 455 | 445 |
| | Graduate Bursaries | - | 462 | - | 462 | 424 |
| | Overseas Bursaries | - | 1,140 | - | 1,140 | 1,101 |
| | Grants | - | 31 | - | 31 | 55 |
| | Other | - | 239 | - | 239 | 219 |
| | General Endowment | - | 17 | - | 17 | - |
| | Group Total | - | 4,611 | 800 | 5,411 | 4,447 |

| | | | |
|-----------|---|---------------|-------------|
| 18 | Memorandum of Unapplied Total Return | | |
| | Included within reserves the following amounts represent the Unapplied Total Return of the College: | | |
| | | 2017 | 2016 |
| | | £000s | £000s |
| | Unapplied Total Return at beginning of year | 16,568 | - |
| | Unapplied Total Return for year (see note 3b) | 4,915 | - |
| | Unapplied Total Return at end of year | 21,483 | - |

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

| 19 | Reconciliation of consolidated surplus for the year to net cash inflow from operating activities | 2017 | 2016 |
|-----------|---|--------------|--------------|
| | | £000s | £000s |
| | Surplus for the year | 7,392 | 4,906 |
| | Adjustment for non-cash items | | |
| | Depreciation | 1,047 | 1,025 |
| | Investment income | - | - |
| | Loss/(gain) on endowments, donations and investment property | (6,336) | (3,026) |
| | Decrease/(increase) in stocks | 14 | 19 |
| | Decrease/(increase) in trade and other receivables | 322 | (2,151) |
| | Increase/(decrease) in creditors | (405) | 818 |
| | Increase/(decrease) in provisions | - | - |
| | Pension costs less contributions payable | 124 | 159 |
| | Adjustment for investing or financing activities | | |
| | Investment income | (1,200) | (1,295) |
| | Interest payable | 389 | 295 |
| | Loss/(Profit) on the sale of non-current assets | - | - |
| | Net cash inflow from operating activities | 1,347 | 750 |

| 20 | Cash flows from investing activities | 2017 | 2016 |
|-----------|---|----------------|--------------|
| | | £000s | £000s |
| | Proceeds from sales of non-current fixed assets | - | - |
| | Non-current investment disposal | 106 | - |
| | Investment income | 1,192 | 1,295 |
| | Endowment funds invested | (886) | - |
| | Withdrawal of deposits | - | (100) |
| | Payments made to acquire non-current assets | (2,642) | (1,745) |
| | Total cash flows from investing activities | (2,230) | (550) |

| 21 | Cash flows from financing activities | 2017 | 2016 |
|-----------|---|--------------|--------------|
| | | £000s | £000s |
| | Interest paid | (389) | (297) |
| | Interest element of finance lease rental payment | - | - |
| | New secured loans | - | - |
| | Repayments of amounts borrowed | - | - |
| | Capital element of finance lease rental payments | - | - |
| | Total cash flows from financing activities | (389) | (297) |

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017

| 22 | Analysis of cash and cash equivalents | | | |
|----|---------------------------------------|-------------------------|------------|-------------------|
| | | At beginning of year | Cash flows | At end of year |
| | | £000s | £000s | £000s |
| | Bank overdrafts & Other Loans | (11,000) | - | (11,000) |
| | Cash at bank and in hand | 2,551 | (1,272) | 1,279 |
| | Net Funds | (8,449) | (1,272) | (9,721) |

| 23 | Capital commitments | | |
|----|--|-------|-------|
| | | 2017 | 2016 |
| | | £000s | £000s |
| | Capital commitments at 30 June 2017 are as follows: | | |
| | Authorised and contracted: | | |
| | Building works | 623 | 486 |
| | Collective investment with Cambridge University & other Cambridge Colleges | 217 | 210 |
| | Collective investment schemes through investment managers | 420 | 500 |
| | | 1,260 | 1,196 |
| | Authorised but not yet contracted for | - | - |
| | Commitments under finance leases entered into but not yet provided for in the financial statements | - | - |

| 24 | Lease obligations | | |
|----|---|-------|-------|
| | At 30 June 2017 the College had annual commitments under non-cancellable operating leases as follows: | | |
| | | 2017 | 2016 |
| | | £000s | £000s |
| | Land and buildings: | | |
| | Expiring within one year | 222 | 49 |
| | Expiring between two and five years | 43 | - |
| | Expiring in over five years | - | - |
| | | 265 | 49 |
| | Other | | |
| | Expiring within one year | 11 | 7 |
| | Expiring between two and five years | 24 | 30 |
| | Expiring in over five years | - | - |
| | | 35 | 37 |

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

25 Pension schemes

In addition to the defined contribution schemes 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:

| | 2017 | 2016 |
|--|-------------|-------------|
| | £000 | £000 |
| USS: Contributions | 236 | 187 |
| CCFPS: Charged to income and expenditure account | 332 | 327 |
| Other pension schemes: Contributions | 43 | 92 |
| | | |
| | 611 | 606 |

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. The valuation as at 31 March 2017 is underway.

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:

| | 2017 | 2016 |
|---------------------------|-------------|-------------|
| Discount rate | 2.57% | 3.6% |
| Pensionable salary growth | n/a | 1.0% |
| Pension increases (CPI) | 2.41% | 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:

| | 2017 | 2016 |
|-----------------------------------|-------------|-------------|
| Males currently aged 65 (years) | 24.4 | 24.3 |
| Females currently aged 65 (years) | 26.6 | 26.5 |
| Males currently aged 45 (years) | 26.5 | 26.4 |
| Females currently aged 45 (years) | 29.0 | 28.8 |

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**

University Superannuation Scheme (Continued)

| | 2017 | 2016 |
|------------------------------|-------------|-------------|
| Scheme assets | £60.0bn | £49.8bn |
| Total scheme liabilities | £77.5bn | £58.3bn |
| FRS 102 total scheme deficit | £17.5bn | £8.5bn |
| FRS 102 total funding level | 77% | 85% |

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 2017 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:

| | 2017 % p.a. | 2016 % p.a. |
|--|------------------------|------------------------|
| Discount rate | 2.6 | 2.8 |
| Increase in salaries | 2.85 | 2.4 |
| Retail Price Index (RPI) assumption | 3.35 | 2.9 |
| Consumer Price Index (CPI) assumption | 2.35 | 1.9 |
| Pension increases in payment (RPI max 5% p.a.) | 3.25 | 2.7 |
| Pension increases in payment (CPI max 2.5%) | 1.85 | 1.7 |

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2016 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2016: S2PA with CMI_2015 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 22.1 years (previously 21.9 years)
- Female age 65 now has a life expectancy of 23.9 years (previously 23.9 years)
- Male age 45 now and retiring in 20 years would have a life expectancy of 23.5 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years would have a life expectancy of 25.4 years (previously 25.4 years).

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2017 (with comparative figures as at 30 June 2016) are as follows:

| | 2017 £000s | 2016 £000s |
|---------------------------------------|-----------------------|-----------------------|
| Market value of plan assets | 8,233 | 7,261 |
| Present value of plan liabilities | (12,410) | (10,659) |
| Net defined benefit asset/(liability) | (4,177) | (3,398) |

The amounts recognised in the income and expenditure account for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2017

Cambridge Colleges Federation Pension Scheme (continued)

| | 2017 £000s | 2016 £000s |
|---|---------------|---------------|
| Current service cost | 219 | 250 |
| Administrative expenses | 16 | 16 |
| Interest on net defined benefit (asset)/liability | 96 | 120 |
| Total charge | 331 | 386 |

Changes in the present value of the plan liabilities for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

| | 2017 £000s | 2016 £000s |
|--|---------------|---------------|
| Present value of plan liabilities at beginning of period | 10,659 | 9,440 |
| Current service cost | 219 | 250 |
| Employee contributions | 25 | 24 |
| Benefits paid | (247) | (264) |
| Interest on plan liabilities | 298 | 349 |
| Actuarial losses/(gains) | 1,456 | 860 |
| (Gain)/loss on plan changes | - | - |
| Curtailment (gain)/loss | - | - |
| Present value of Scheme liabilities at end of period | 12,410 | 10,659 |

Changes in the fair value of plan assets for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

| | 2017 £000s | 2016 £000s |
|---|---------------|---------------|
| Market value of plan assets at beginning of period | 7,261 | 6,217 |
| Contributions paid by the College | 238 | 238 |
| Employee contributions | 26 | 24 |
| Benefits paid | (247) | (264) |
| Administrative expenses paid | (27) | (23) |
| Interest on plan assets | 203 | 229 |
| Return on assets, less interest included in Profit and Loss | 779 | 840 |
| Market value of Scheme assets at end of period | 8,233 | 7,261 |
| Actual return on plan assets | 982 | 1,069 |

The major categories of plan assets as a percentage of total Scheme assets at 30 June 2017 (with comparative figures at 30 June 2016) are as follows:

| | 2017 | 2016 |
|--------------|------|------|
| Equities | 67% | 59% |
| Bonds & Cash | 27% | 35% |
| Properties | 6% | 6% |
| Total | 100% | 100% |

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

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2017

Cambridge Colleges Federation Pension Scheme (continued)

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

| | 2017 £000s | 2016 £000s |
|---|---------------|---------------|
| Return on assets, less interest included in Income & Expenditure | 779 | 840 |
| Expected less actual plan expenses | (10) | (7) |
| Experience gains and losses arising on plan liabilities | (6) | 88 |
| Changes in assumptions underlying the present value of plan liabilities | (1,448) | (949) |
| Actuarial gain/(loss) recognised in OCI | (685) | (28) |

Movement in the net defined benefit asset/(liability) during the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

| | 2017 £000s | 2016 £000s |
|--|---------------|---------------|
| Surplus/(deficit) in Scheme at beginning of year | (3,398) | (3,222) |
| Recognised in Profit and Loss | (332) | (386) |
| Contributions paid by the College | 238 | 238 |
| Actuarial gain/(loss) recognised in OCI | (685) | (28) |
| Surplus/(deficit) in plan at the end of the year | (4,177) | (3,398) |

Funding Policy

Actuarial 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 actuarial valuation are different to those adopted under FRS102.

The last such actuarial 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 16 December 2016 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 2017**
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 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

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

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) are set out in the table below. Contributions since 2015 are shown for reference.

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

As at December 2014 and December 2015, the deficit repair contributions payable under the recovery plan in force were 14.1% of pensionable stipends until December 2025.

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

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

| | 2016 | 2015 |
|---|--------------|--------------|
| | £000s | £000s |
| Balance sheet liability at 1 January | (28) | (31) |
| Deficit contribution paid | 3 | 3 |
| Interest cost (recognised in SOCIE) | (1) | (1) |
| Remaining change to the balance sheet liability* (recognised in the SOCIE) | 3 | 1 |
| Balance sheet liability at 31 December | (23) | (28) |

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

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2017**
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 2016 | December 2015 | December 2014 |
|---------------------------------------|------------------|------------------|------------------|
| Discount rate | 1.5% pa | 2.5% pa | 2.3% pa |
| Price inflation | 3.1% pa | 2.4% pa | 2.7% pa |
| Increase to total pensionable payroll | 1.6% pa | 0.9% pa | 1.2% pa |

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

26 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 | % |
| Subsidiary undertakings: | | | |
| 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 |
|--|------------------------|-------------------------|------------------------|
| | | 2017 | 2017 |
| | Principal activity | £000s | £000s |
| St Catharine's College Development Ltd | Development contractor | - | - |
| St Catharine's College Events Ltd | Functions and events | 18 | - |

27 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 2017 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 2017 2 (2016: 2) fellows benefited from assistance and the College's contribution was £270,000 (2016: £270,000).