



# Annual Report and Financial Statements

Year Ended 30 June 2016

**GIRTON COLLEGE**

Huntingdon Road  
Cambridge  
CB3 0JG

**Registered Charity No. 1137541**

## Index

*Page No.*

1	Members of the Augmented Council
2	College Advisors
3-12	Report of the Augmented Council
13	Corporate Governance
14	Statement of Internal Control
15	Responsibilities of the Augmented Council
16-17	Independent Auditors' Report to the Augmented Council
18-23	Statement of Principal Accounting Policies
24	Consolidated Statement of Comprehensive Income & Expenditure
25	Statement of Changes in reserves
26	Consolidated Balance Sheet
27	Consolidated Cash Flow statement
28-46	Notes to the financial statement

## Members of the Augmented Council

The members of the Augmented Council during the year 2015-16 were as follows:

Susan Jane Smith MA DPhil FBA	Clive Lawson MA PHD
Carlo Acerini BSC MBChB DCH MRCP MD MA FRCPCH FRCP	Ross Ian Lawther MA PHD
Harriet Dorothy Allen MA PHD MSC	Karen Lesley Lee MA
Matthew James Allen MA VETMB PHD	Alex Liu, MESC, DPhil
Crispin Henry William Barnes BSC PHD	Deborah Lowther MA
Kathleen Mary Veronica Bennett BSC PHD	Santa-Phani Gopal Madabhushi PHD
Edward John Briscoe BA MPHIL PHD	Simone Maghenzani BA, MA, PHD
Fiona Justine Cooke MA BM BCH MSC PHD	Kamiar Mohaddes BSC MPHIL PHD
Nik Cuniffe MA MSC MPHIL PHD	Stephanie Palmer SJD LLM
Stuart Davis BA PHD	Heidi Radke DRVETMED
Judith Ann Drinkwater MA	R. James Riley, PHD
Colm Durkan BA PHD FIET	Angela Charlotte Roberts PHD
Deborah Easlick	Jochen H Runde MPHIL PHD
Martin William Ennis MA PHD	Hannah Scott MA PHD
Shaun David Fitzgerald MA PHD FREng	Stuart Ashley Scott MA PHD
Christopher John Bristow Ford MA PHD	Sophia Marie Irmgard Shellard-von Weikersthal BSC PHD
Abigail Lesley Fowden MA PHD	Hugh Richard Shercliff MA PHD
Alexandra Mary Fulton BSC PHD	Stelios Tofaris MA PHD
Sinead Maria Garrigan Mattar BA DPHIL	Helen Anne Van Noorden BA MPHIL PHD
Benjamin John Griffin MA PHD	James Wade BA MA PHD
Maureen Jane Hackett BA MA	Carol Patricia Ward MA PHD
Katherine Hughes, PhD – BSC BVSC MRCVS PHD	Emma Jane Louise Weisblatt BA PHD
Arnold Conway Hunt MA PHD	Per-Olof Helge Wikstrom BA PHD FBA
Morag Ann Hunter BA PHD	Samantha Katherine Williams BA MSC PHD
Liliana Janik MPHIL PHD	Neil Wright PHD
Henrik Latter BA PHD	

## **College Advisors**

### **Auditors**

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

### **Bankers**

Barclays Bank plc  
9 – 11 Saint Andrews Street  
Cambridge CB2 3AA

### **Investment Manager**

Partners Capital LLP  
5 Young Street  
London  
W8 5EH

### **Solicitors**

Taylor Vinters  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

## Report of the Augmented Council

### Scope of the Financial Statements

The enclosed financial statements are the consolidated financial statements of Girton College and its subsidiary undertaking Girton College Property Services Limited for the year ended 30th June 2016. The activities of student societies have not been consolidated.

### Introduction

The "Body Politic and Corporate" established by Charter dated 1924 and Supplemental Charter and Statutes dated 1954 bears the name and style of "The Mistress Fellows and Scholars of Girton College" and is also known by the short name and style of Girton College.

The purposes and administration of the College are governed by its Charter, Supplemental Charter and Statutes dated 1954 and as variously amended from time to time.

### Trustees

The charity trustees of the College are the members of College Council, comprising, in accordance with the College Statutes, four members who serve ex officio, nine Fellows who are elected by the Governing Body of the College and five student members who are elected in accordance with the Ordinances of the College.

The members of the Council during the financial year 2015-16 were:

Prof S J Smith (The Mistress)	Mr T Day (JCR President) (from 1.4.15 to 31.3.16)
Ms K Lee (The Vice-Mistress)	Mr J Peters (JCR President) (from 1.4.16 to 31.3.17)
Ms D Lowther (The Bursar)	Ms K Wiggell (JCR Vice-President) (to 30.11.15)
Dr A M Fulton (The Senior Tutor)	Ms S Patelmater (JCR Vice-President) (from 1.12.15 to 30.11.16)
Prof G Madabhushi	Mr R Shah (JCR Treasurer) (to 31.12.15)
Dr S Davis	Ms M Grzesckiewicz (JCR Treasurer) (from 1.1.15 to 31.12.15)
Prof M Savill	Ms C Fairbairn (MCR President) (from 1.6.15 to 31.5.16)
Ms M Hackett	Mr A Stretton (MCR President) (from 1.6.16 to 31.5.17)
Dr S A Scott	Ms I Olan (MCR Vice-President) (from 1.6.15 to 3.12.15)
Dr C Acerini (from 1.10.15)	Ms T Ball (MCR Education Officer) (from 4.12.15 to 31.5.16)
Prof M Allen (from 1.10.15)	Mr M Guenther (MCR Vice-President) (from 1.6.16 to 31.5.17)
Dr L Janik (from 1.10.15)	
Dr A Piliavsky (from 1.1.16)	

### Trustee training

An induction and training session is held annually for all new and continuing members of the Council. This includes in particular the policy of the College on the management of conflicts of interest.

### Aims and objectives of the College

The objects of the College as defined in the Supplemental Charter are "the advancement of education, religion, learning and research and in particular the preparation of persons for taking examinations and proceeding to the degrees of the University of Cambridge."

The College provides teaching, pastoral care, library and information technology, social and sporting facilities, living accommodation and catering services for undergraduate and graduate students, Fellows and others from its two sites in Cambridge.

## Funding

College operations are funded by fees and charges paid by College members. Where necessary to maintain the standard of education and research, this may be supplemented from restricted donations, income from the investment of the College's permanent endowment and unrestricted reserves, and the contribution generated by conference and other commercial use of the College's facilities.

The College charges students for tuition as follows:

- a) *Undergraduates:*
  - i. Undergraduates entitled to Student Support are charged at externally regulated rates (such undergraduate fees being paid by grant or loan funding through arrangements approved by the Government). Tuition fee income paid by these students is shared with the University; and
  - ii. Overseas undergraduates and any Home/EU undergraduates not entitled to Student Support are charged at a rate determined by the College. University fees are charged in addition;
- b) *Graduate students:* the College receives a share of the overall fee income paid by graduate students in the University.

Students are charged for accommodation and meals at rates intended to cover the cost of provision, but not to make a surplus for the College.

The College's endowment assets and investments are professionally managed and invested in a diverse range of assets on a total return basis with a view to securing a consistent funding stream to support the College's activities in pursuit of its charitable objectives.

The College maintains an active and well-resourced alumni relations and development office with a view to securing a growing number and value of philanthropic gifts to the College for its own charitable purposes and to support individual members of the College in their pursuit of learning and research.

## Public benefit

The Council have complied with their duty regarding public benefit, having regard to the Charity Commission's guidance.

As part of the University of Cambridge, the College provides higher education for approximately 750 undergraduate and graduate students. Recognised internationally as being of the highest standard, a Cambridge education develops students academically and advances their leadership qualities and interpersonal skills, preparing them to play full and effective roles in society. In particular, the College provides:

- library and information technology systems ;
- individual or small-group supervision;
- academic, administrative and pastoral support through its tutorial systems;
- musical education for choral and instrumental exhibitioners and other members of the College choir; and
- social, cultural, musical, recreational and sporting facilities to enable each student to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances religion by:

- Maintaining and supporting a Chapel as a place of religious worship and holding a variety of religious services and ceremonies which are open to members and visitors;
- Maintaining through the College Choir an outstanding choral tradition in support of divine service;
- Supporting, through the College Chaplain, the emotional, mental and spiritual well-being of members of the College community of all faiths and none.

The College advances learning and research through:

- awarding Research Fellowships to outstanding academics in the early stages of their careers, which enables them to develop and focus on their research in the formative period before they undertake the full teaching and administrative duties of an academic post;
- the employment of College Teaching Officers who are contractually required to engage in research in their subject;
- 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;
- hosting visits from outstanding academics from other institutions; and
- encouraging the dissemination of research undertaken by members of the College through special lectures, talks, seminars and the publication of papers in academic journals.

The College maintains an extensive undergraduate library, together with Archival and Special Collections which are an important resource in the study of women's history, a small museum (the Lawrence Room), and a permanent home for the Royal Society of Portrait Painters' millennial exhibition, People's Portraits.

The primary beneficiaries of the charity are the resident members of the College, both students and academic staff, who are directly engaged in education, learning or research.

Beneficiaries also include: students and academic staff from other Colleges and the University of Cambridge community, visiting academics from other higher education institutions and visiting schoolchildren and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities. The general public are able to attend various educational activities in the College such as exhibitions and concerts. The Lawrence Room and the People's Portraits exhibition are also open to the general public.

Services in the College chapel are open to the public and may be attended by students and staff from elsewhere in the University as well as local residents and visitors to Cambridge.

The College aims to admit as students those with the highest potential for benefiting from the education provided by the College and the University, and aims to recruit as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background:

- there are no geographical restrictions and students and academic staff of the College are drawn from across the UK and internationally subject to UK laws on immigration;
- there are no age restrictions but students of the College are predominantly between 18 and 24 years old; and
- there are no religious restrictions and members of the College have a wide variety of faith traditions and none.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements.

There are no geographical, age or religious restrictions on who may attend Chapel in the College and in practice attendees are highly varied and include those who do not follow the Christian faith. The pastoral role of the Chaplain of the College is available to all members of the College of all faiths and none.

In order to assist undergraduates entitled to Student Support, the College provides, through the Cambridge Bursary Scheme, which is operated jointly by the University and the Colleges, bursary support for those of limited financial means. That scheme is approved by the Office for Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. For the academic year 2015-16, the number of awards made to Girton students was 88, out of a Home/EU undergraduate population of 457; 17 of the awards were at the maximum value of £3,500; and the average value of the awards was £2,920. The scheme is widely advertised via the University and College websites.

To assist graduate students, the College provides financial support by means of scholarships and studentships to fund fees and living costs.

Students may also be eligible for a variety of other grants, bursaries, scholarships and prizes offered by the College in support of their academic and other ambitions.

In addition, the College operates hardship schemes for both undergraduate and graduate students in financial hardship.

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to university, the College operates an extensive outreach programme. This includes an extensive programme of visits to schools, visits by schools to the College, open days, admissions symposia for teachers as well as guidance and information on the College website for prospective applicants.

No charges are made for attendance at services in the Chapel nor for the pastoral role played by the Chaplain of the College.

## Achievements and performance

During the financial year, the College continued to pursue its statutory and charitable objectives of education, religion, learning and research to the full extent of its resources.

As at 1st October 2015 the College had 40 Official Fellows, 1 Senior research Fellow, 8 Research Fellows, 9 Professorial Fellows, 2 Supernumerary Fellows, 3 Non-Stipendiary Fellows, 39 Life Fellows, 17 Bye-Fellows, and 2 Visiting Fellow Commoner, 457 undergraduates, 35 postgraduates and 239 research students in residence in Cambridge. Of these, 2 Official Fellows, 5 Research Fellows, 2 Visiting Fellow Commoner, 421 undergraduates, and 95 postgraduate and research students were living in College-owned accommodation.

The College was responsible for providing a Director of Studies for each undergraduate, and for providing small-group teaching in addition to the teaching provided by the University. The College employed 39 College Lecturers in all the main subjects offered by the University to undergraduates, of whom 28 were also employed by the University or other institutions and 11 were employed solely by the College or under a share arrangement with another College.

Of the 426 undergraduates entered for Tripos examinations, 73 obtained Firsts, 233 2:1s, 14 Class 2 (undivided), 60 2:2s, 15 Thirds and 31 other results. 2 students intermitted during the year. 49 postgraduate students graduated with Masters level degrees, 4 with an MRes and 33 research students were awarded their PhDs. 1 GDip, 1 MEd, 5 LLM, 2 PGCE, 5 MAST, 6 MBA/MFin degrees were also awarded.

The College provided a Tutor for each student and access to other forms of pastoral care including a chaplain, nurses and counsellors. The College also made grants to its official student bodies, the Junior Combination Room (JCR) and the Middle Combination Room (MCR) to enable them to provide social support to their members and to College clubs and



societies. The College provided a cafeteria service on each of its sites, both of which were available to all of its members throughout the year.

In its capacity as trustee of restricted permanent endowment funds totalling £39m as at 30 June 2016, the College *inter alia* contributed to the cost of the 102 Cambridge bursaries awarded to Girton students. The College also awarded 17 bursaries which covered most of College charges (the grants were of max £3,500 per year)

The College also hosted 410 conferences and events (see below).

As a full college of the University of Cambridge, the College is bound by and committed to delivery of the targets included in the University's agreement with OFFA.

The College aims to increase the number and quality of first choice applicants to Girton to ensure that it can comfortably meet these targets and the strategy for achieving this continues to evolve.

## Financial review

The College operates a devolved budgeting system under which individual budget holders are responsible for managing income and expenditure within their own areas of operation, and for bringing forward budget proposals through an annual budgeting process. Students, Fellows and members of staff are encouraged to participate in the process through their membership of the College's various committees. The Budget Sub-Committee of the Financial Planning Committee is responsible for turning the proposals into a coherent and transparent budget proposal which is part of a sustainable ten year financial plan. The full budget proposal is considered in detail by the College Council before it is approved, to ensure that it is consistent with the College's strategic aims and objectives.

The proper use of finances and resources, in a manner which not only satisfies the requirements of internal control expected of a college, but also fulfils any legal or financial obligations as laid down by the Statutes and Ordinances, HMRC, the University of Cambridge, the Charity Commission and other authorities, is ensured by the College's Financial Regulations, which are approved by the College Council on the advice of the Bursar.

The effectiveness of the College's financial, governance and risk management arrangements are overseen by the Audit and Scrutiny Committee, which from 2016-17 has a majority of external members.

## Statement of Comprehensive Income

The income and expenditure associated with the College's operating activities has been well controlled in line with the budget for 2015-16. Unrestricted expenditure has decreased by 2.2% between 2014-15 and 2015-16 (some of it due to the USS restated costs), while the associated income streams have increased by 0.5%. The unrestricted deficit before gains and losses thus decreased by 11.7% from £2.54m to £2.27m.

Volatility in global investment markets and in the flow of donations and bequests, in addition to charitable, restricted fund expenditure which in some cases is matched to income from other years, make the overall financial outcome less easy to manage in accordance with a budget, hence the College's statement of comprehensive income for 2015-16 showed an overall loss of £837k (2014-15: surplus of £6,153k), after a depreciation charge for the year of £1,687k (2014-15: £1,672k).

The College is liable for the payment of University Contribution under Statute G,II of £4k for 2015-16 (2014-15: Nil). No grant was received from the Colleges Fund during the year (2014-15: NIL).

## Cash flow

As demonstrated by the cash flow statement, the College's cash balances have decreased by £975k during the financial year (2014-15 - £1.4m decrease).

The cash absorbed by the College's operating and charitable activities is normally provided by returns from the investment portfolio, which is managed on a total return basis. There is an agreed spending rule which determines the amount of cash which is available each year to support these activities. In recent years it has been necessary in addition to draw on unrestricted reserves in order to maintain continuity of operations while restructuring takes place to bring annual income and cash expenditure back into balance.

Cash donations to the College's permanent endowment funds are normally transferred to the investment portfolio on an annual basis.

During the year, the College repaid further instalments of £141k of long term loans as they fell due.

## Balance Sheet and Statement of Changes in Reserves

As set out in the statement of changes in reserves, the College's net assets decreased slightly by 0.6% from £140m to £139m. This was the result of the combination of the deficits on operating and charitable activities and the actuarial losses on the College's assets and liabilities in the Cambridge Colleges Federated Pension Scheme (CCFPS) and the College's share in the Universities Superannuation Scheme (USS), which were only partially offset by investment gains of £1.4m.

### Maintenance of buildings

The College's operational estate is valued in its balance sheet on a depreciated replacement cost basis at £86m (2014-15 £87m, as re-stated after revaluation of assets). The College budgets to spend on average approximately 1.5% of this amount annually on routine maintenance. The costs are incurred in supporting an in-house maintenance team with a broad range of skills, together with the materials they require, and supplemented by a number of regular and occasional specialist contractors.

### Conferences and events

The College utilises surplus accommodation and catering capacity in support of its charitable objectives by hosting a variety of paying conferences and other events throughout the year. Conference and events turnover during the year was £751k (2014-15 - £833k). The contribution to fixed costs generated by this activity was c. £123k, vs. £170k the previous year.

### Staff costs and pensions

Staff costs remained static compared to 2014-15. The College continues to offer membership of the USS to eligible academic staff. The Girton section of the CCFPS scheme was closed to new members in April 2014 and replaced with a Workplace Pension scheme. The CCFPS valuation for the purposes of these accounts has once again substantially increased the pension scheme liability in the balance sheet, which stands at £4,992k as at 30th June 2016 (2015: £4,450k). The USS pension scheme liability has been brought on to the balance sheet for the first time in these accounts, with 2014-15 comparatives as restated. This has resulted in the establishment of a liability of £473k in 2014-15 with a slight decrease to £454k in 2015-16. Overall, the liability on defined benefit pension schemes amounted to £5,446k (2014-15: £4,923k).

### Capital expenditure

Improvements to the estate in the form of capital projects for new buildings or refurbishments of existing ones cannot normally be funded from annual income and expenditure, and so require a combination of free reserves, proceeds of sale of other assets, borrowing against future revenue and fundraising to enable them to proceed. During the year 2015-16, the College capitalised expenditure of £141k (2014-15: £198k).

## Endowment and investment performance

The College's combined investment portfolio (which includes both endowment assets and other long term investments) is managed to balance the College's aims of maximizing long-term total return while seeking to control the volatility of returns and reduce the risk of declines in its value.

In accordance with this, long-term spending from the portfolio is constrained to an amount which is expected to be sustainable over the long term. The target asset allocation seeks to maximise that amount without excessive risk. The College's Investments Committee seeks to ensure that the management of the portfolio both overall and within each asset class is carried out efficiently in accordance with the overall strategy, and that the results obtained are consistent with appropriate benchmarks in each asset class.

In order to achieve both reasonable stability in budgeting and a balance between current and long-term spending needs, the Investments Committee has adopted a long-term spending rule, that the spending budget in any given financial year shall be limited to 4% of the three year rolling average portfolio value as at 1 January in the previous year. This overall portfolio spending rule also forms the basis for designing the return objective for the portfolio managed by Partners' Capital.

It is assumed that any gifts of capital to the endowment will be used to grow the portfolio assets and therefore are not relied upon to preserve the purchasing power of the asset base. The purchasing power of the asset base is thus preserved as long as total investment returns replace the effects of net expenditure and inflation.

The total return net of interest for the year ended 30 June 2016 on the College's investment portfolio net of debt was 2.7% (2014-15: 10.9%).

At the end of the year, the College was in discussion with a potential buyer to sell the last remaining commercial property outside Cambridge. The sale was concluded in September 2016 and the value of the property in the accounts as at 30 June 2016 reflects the sale value.

## Ethical investment policy

The College wishes its investment practice to reflect its values and reputation as a charitable educational establishment of long standing. While these values do not require the automatic avoidance of any particular corporation or sector, they do require that all fund managers behave with integrity and are fully compliant with all regulatory requirements and relevant codes of practice.

The College has a diversified financial portfolio, with no one corporation representing over 1% of its total value. As the College does not 'pick stocks', and avoids investment managers who specialize in sensitive sectors, it does not routinely confront issues of social responsibility with the selection of its financial investments. It does, however, pick its investment managers carefully. The College insists that these managers demonstrate a very high standard of integrity towards their clients, their staff and the relevant regulatory authorities. Where any breaches of integrity are detected, the assets under management may be moved to another fund manager.

The College also routinely monitors the proportion of its portfolio invested in sensitive sectors and compares it with both a global equities index (MSCI AC World index) and a standard 60:40 global equity:debt portfolio. As at 30 June 2016, the College's estimated exposure to sensitive sectors was 3.5%, while that of the index was 10.9% and the 60:40 portfolio 6.2%.

## Fundraising

Unrestricted donations and bequests totalling £813k and restricted donations and bequests totalling £1,095k (2014-15: £958k and £2,864k respectively) were received during the year and added to the College's permanent endowment. Other unrestricted donation income of £138k (2014-15: £288k) has been used either to fund expenditure on the general educational purposes of the College or invested for the long term in accordance with College policy. Further, £11k

(2014-15: £16k) has been received to contribute towards the running costs of capital projects. The purposes for which restricted endowments and income have been received include scholarship, bursary and hardship funds, teaching fellowships, student prizes, the refurbishment of student accommodation, and new sports facilities.

The net costs of the alumni relations and development office during the year were £338k (2014-15 £321k). This represents a significant investment in a future income stream of philanthropic donations without which the College will be unable to maintain the standard of its educational facilities for the long term.

All donations to the College made or pledged since the launch of *A Great Campaign* have been, and for the remainder of the Campaign will be, treated as additions to capital unless the donor has expressed a wish for them to be spendable. The Augmented Council believes that fundraising for permanent endowment is the best way to secure maximum benefit from donors' and benefactors' support for the College over the longer term.

In 2014-15 the College reported a major legacy, the largest it has ever received, for "teaching and research in the Arts (as opposed to the Sciences)". The total legacy was c.£2m, of which £1,450k was received during the course of the 2015-16 financial year, leaving £550k accrued as at 30 June 2016. This has provided a major boost to the College's restricted permanent endowment funds for Fellowships.

### Reserves policy

The College is a permanent institution and holds substantial charitable funds on trust for a variety of purposes. The Council regards only part of the unrestricted income and expenditure reserves of the College as "free reserves", because the Council does not regard the operational estate of the College as part of its reserves. To the extent that free reserves are invested in the College's investment portfolio, they are treated as quasi unrestricted permanent endowment capital, generating unrestricted income for the general educational purposes of the College.

There are no designated reserves as such within free reserves, but the Council is mindful that the College's free reserves have arisen largely from the accumulation of spendable donations and the sale of freehold property, and as such should be used only sparingly to fund operating expenditure and only where necessary in order to maintain continuity of operations and equity between generations of College members. Free reserves might also be used to provide funding for capital investment projects where necessary to supplement other sources of funding such as gifts and loans.

The Council also recognises the need to retain reserves in case of unexpected expenditure, and maintains a risk register in order to identify and quantify potential claims on reserves. The Council would ideally wish to maintain at least a year's unrestricted expenditure in free reserves.

The Council monitors the relationship between free reserves and the unrestricted funds net deficit before investment gains and losses in the Statement of Comprehensive income, together with a number of measures of the underlying income and expenditure which it regards as important for the future financial sustainability of the College, including the ratio of reserves to the net deficit before depreciation and donations, which it regards as a prudent measure of cash absorbed by operations.

In addition to these measures, the College maintains an income reserve within its Amalgamated Trust Funds (ATF) scheme which it uses, in conjunction with a three year rolling average smoothing of capital valuations for the purposes of its total return spending rule, to maintain a consistent level of expenditure on the various restricted charitable purposes of the ATF.

As at 30 June 2016 the College had free reserves, calculated as set out above, of £12.87m (2015 - £14.75m). Of these, £7.6m was derived from unrestricted donations to *A Great Campaign* and the proceeds of sale of operational property since 2010. The ratio of free reserves to the unrestricted funds net deficit before investment gains and losses for 2015-16 was 4.5 years (2014-15 - 5.4 years). The ratio of free reserves to the unrestricted funds net deficit before investment gains and losses for 2015-16 was 5.7 years (2014-15 - also 5.7 years). The ratio of reserves to the net deficit before depreciation and donations as at 30 June 2016 was 17.9 years (2015 - 11.4 years as re-stated). The level of free reserves as at 30 June 2016 represented 1.5 years' unrestricted expenditure before depreciation (2015 - 1.6). After

deducting the £7.6m identified above, the net free reserves as at 30 June 2016 represented only 7 months' unrestricted expenditure (2015 – 8 months').

In the light of this, the Council does not regard the present level of annual deficits as sustainable, and is taking steps to address the issue. The strategy under consideration involves a re-balancing of the relationship between the operational estate and the investment portfolio by the disposal or transfer of a significant operational property asset. The proceeds of any outright disposal would become a designated reserve within free reserves which the College would plan to invest as quasi unrestricted permanent capital to generate unrestricted income for the general educational purposes of the College.

It is expected that the income thus generated would substantially mitigate the annual deficit. Other medium and longer term opportunities exist for bringing income and expenditure further into balance, including the successful completion of *A Great Campaign*, with the ultimate objective being the generation of small annual surpluses, and the ability to maintain at least a year's expenditure in free reserves.

## Principal risks and uncertainties

The Council has considered the major risks to which the College is exposed and have satisfied themselves that systems are in place in order to manage those risks. The main categories of operational risk for the College are:

- 1) Health & Safety
- 2) Fire
- 3) Employment
- 4) Property maintenance and management
- 5) Investment
- 6) Funding and higher education policy
- 7) Financial and accounting
- 8) Admissions
- 9) Student experience
- 10) Reputation
- 11) Governance
- 12) Compliance

The slow economic recovery since the financial crisis of 2008, the volatility of investment markets and the government's austerity measures, which have included *not* raising the £9,000 cap on tuition fees in line with inflation, have presented a persistent challenge to the College's financial position, which is heavily dependent on student fees and charges, the performance of its investment portfolio, demand for the use of facilities by conference and other events, and the ability and willingness of donors and benefactors to support the College through good times and bad. That generosity has been maintained in the recent difficult period and it is hoped that, in combination with sound financial management and budgetary control, this will enable the College to maintain continuity of provision for successive future generations of fellows and students.

## Plans for the future

The College's aims and objectives include:

- 1) Widening the pool of suitably qualified applicants for places to study;
- 2) Increasing the value added to the educational experience of students at Girton;
- 3) Supporting and strengthening the Fellowship in their teaching and research;
- 4) Supporting the all-round personal development of all members of the Girton community;
- 5) Enhancing communication within the community and with the world beyond;
- 6) Achieving financial sustainability.

Detailed plans for achieving these continue to evolve. The main components of the College's strategic plans for the rest of the decade are as follows:

- a. Short-term financial plan: continuing to implement a package of strategies for increasing income and cutting costs with a view to returning the College operating account to a cash-neutral position as soon as possible. The College's ability to implement such measures quickly is constrained by on-going commitments to overlapping cohorts of students, and the College Council has accepted that its operating activities will continue to need to be supported by withdrawals from reserves in the short term;
- b. Re-organisation of the operational estate: in 2013 the completion of the construction of Ash Court enabled 50 undergraduate rooms at Wolfson Court to be converted to graduate use and off-site houses containing a commensurate number of graduate rooms to be sold. The College has developed and been granted outline planning permission for a master plan for its main site which will allow for further consolidation in due course. The College is also planning to enter into an agreement with the University of Cambridge for a lease of 325 new student rooms at Swirles Court on the prestigious North West Cambridge site, which will facilitate the planned re-balancing of operational and investment assets noted above. Swirles Court will be a high quality addition to the College's stock of student rooms and will provide a new base for the College's graduate community close to the main site with its extensive social, academic, sporting and leisure facilities. It will create in addition the opportunity for further growth in the size of the Girton graduate community, adding substantially to the University's capacity for growth in a global market
- c. Continuing implementation of the strategic academic plan;
- d. *A Great Campaign*; in 2011-12 the College launched an ambitious fundraising campaign aimed at:
  - i. Building the endowment to a level which would enable the College to break even after depreciation (i.e. to ensure its long term financial sustainability as a permanent institution);
  - ii. Securing sufficient endowment for teaching to meet the gap between the funding provided by the College fee and existing accumulated endowment funding, and the actual cost of teaching posts;
  - iii. Supplementing borrowed funds and the proceeds of sale of the graduate hostels to facilitate the reorganisation of the operational estate.

The Campaign has now reached its halfway target and will be re-launched in 2017.

- e. Celebrating the 150th anniversary of the founding of the College in 2019.

On behalf of the Augmented Council



Deborah Lowther  
Bursar  
29 November 2016

## Corporate Governance

1. The following statement is provided by the Augmented Council to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137541) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Council is advised in carrying out its duties by a number of Committees, the main ones meeting in 2015-16 being:
  - a. Investments Committee
  - b. Financial Planning Committee
  - c. Buildings Committee
  - d. Personnel Committee
  - e. Academic Policy Committee
  - f. Health and Safety Committee
  - g. Development Strategy Committee
  - h. Audit and Scrutiny Committee
4. The principal officers of the College are the statutory officers:

The Mistress	The Senior Tutor
The Vice-Mistress	The Bursar
5. It is the duty of the Audit and Scrutiny Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Council on the appointment of external auditors; to consider reports submitted by the auditors, to monitor the implementation of recommendations made by the auditors; to make an annual report to the Council. The membership of the Audit and Scrutiny Committee for 2015-16 was:

Mr Paul Cook	Prof John Hendry (Life Fellow)
Ms Rosamund Sykes	Dr Julia Riley (Life Fellow)
6. There is a Register of Interests of members of Council. Declarations of interest are made systematically at meetings.
7. The College's Trustees (members of Council) during the year ended 30 June 2016 are set out on page 1.

### Statement of Internal Control

1. The Council are 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 systems of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2016 and up to the date of approval of the financial statements.
4. The Council are responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - a. The Council receives an annual report from the Audit and Scrutiny Committee;
  - b. The Augmented Council receives the annual Key Issues Memorandum from the external auditors and refers any matters of concern to Council;
  - c. The Council undertakes an annual review of the College's Financial Regulations.
5. The Council's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.



### **Responsibilities of the Augmented Council**

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Augmented Council 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 Trustees are 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 Augmented Council is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Augmented Council 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 Augmented Council of Girton College****Year Ended 30 June 2016**

---

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

This report is made solely to the College's Augmented Council, as a body, in accordance with the College's Statutes and the Statutes of the University of Cambridge and with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's Augmented Council those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the College's Augmented Council and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Augmented Council are responsible for the preparation of financial statements which give a true and fair view.

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

**Scope of the audit of financial statements**

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

**Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the College's affairs as at 30 June 2016 and of the group's income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Charities Act 2011 the College's Statutes and the Statutes of the University of Cambridge;
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge.


**Independent Auditors' Report to the Augmented Council of Girton College**

Year Ended 30 June 2016

Matters on which we are required to report by exception

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

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



**PETERS ELWORTHY & MOORE**

Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
CAMBRIDGE CB1 2LA

Date: 13 December 2016

## Statement of Principal Accounting Policies

### Basis of preparation

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

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

### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and certain operational properties which are included at valuation.

### Basis of consolidation

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

### Recognition of income

#### *Academic fees*

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

#### *Grant income*

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

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

#### *Donations and endowments*

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

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

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

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

**Statement of Principal Accounting Policies (continued)****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.

*Total return*

The College invests its endowment portfolio and allocated the related earnings for expenditure in accordance with the total return concept. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the endowment portfolio over time. The College spending rule permits the transfer for the academic year of no more than 4 per cent of the 3 year rolling average of the balance of the fund as at 1st of January. The College operates a unitised Amalgamated Trust Fund (ATF) scheme for the collective investment of endowment funds, under which the transfer is permitted by the spending rule is converted into a pro-rata distribution of the funds. The funds within the ATF scheme include an income reserve fund, to which part of the transfer may be added, if in excess of the total distribution needed to maintain the spending capacity of the funds. In years in which the transfer is inadequate to maintain the spending of the funds, the income reserve fund may be drawn on to supplement the distribution of the funds.

*Other income*

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

*Cambridge Bursary Scheme*

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

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

The net payment of £80,728 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£240,420
Expenditure	£321,148

**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.

**Statement of Principal Accounting Policies (continued)****Fixed assets***Land and buildings*

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Operational property assets that had been revalued to fair value on 30 June 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

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

Buildings	63-99 years	Fit-Outs	5-34 years
Sports Facilities	67-99 years	M&E services	10-40 years
Outbuildings/workshops	10-46 years		

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

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

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

The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £5k per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	20% per annum
Equipment	20% per annum

*Leased assets*

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

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

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

*Heritage assets*

Rare books, silver, works of art and other assets not related to education are valued at the insured value. Assets deemed to be inalienable are not included in the balance sheet. Items of antique furniture and silver have been valued by Cheffins, Auctioneers and Valuers.

## **Statement of Principal Accounting Policies (continued)**

### **Investments**

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

### **Stocks**

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

### **Provisions**

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

### **Contingent liabilities and assets**

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

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

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

### **Taxation**

The College is a registered charity (number 1137541) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

### **Contribution under Statute G, II**

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

**Statement of Principal Accounting Policies (continued)****Pension costs**

The College participates in the Universities Superannuation Scheme (USS). Throughout the current and preceding periods, the Scheme was a defined benefit only pension scheme until 31 March 2016, which was contracted out of the State Second Pension (S2P). The assets of the Scheme are held in a separate trustee-administered fund. Because of the mutual nature of the Scheme, the Scheme's assets are not hypothecated to individual institutions and a Scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS102 "Employee benefits", accounts for the Scheme as if it were a defined contribution scheme. As a result the amount charged to income and expenditure represents the contributions payable to the Scheme in respect of the accounting period. 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 the resulting expense is included in income and expenditure.

The College also participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the Scheme are held in a separate trustee administered fund. The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the schemes. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The College also offers membership of NOW: Pensions, a defined contribution pension scheme, for non-academic staff and the pension charge represents the amounts payable by the College to the scheme in respect of the employees' service during 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.

**Transition to the 2015 RCCA**

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

Application of first time adoption grants certain exemptions from the full requirements of 2015 RCCA in the transition period. The following exemptions have been taken into these financial statements:

Fair value or revaluation as deemed cost – at 30 June 2014, fair value has been used for deemed cost for properties measured at fair value.

**Reserves**

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

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



### **Critical accounting judgements**

FRS102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The Council and Governing Body are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

# Consolidated Statement of Comprehensive Income and Expenditure For the Year ended 30 June 2016

Statement of Comprehensive Income Year Ended 30th June 2016		2016		2016		2016		2016	
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£'000	£000s	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>									
Academic fees and charges	1	2,987			3,227	2,852			3,151
Residence, catering and conferences	2	4,149	240		4,149	4,176	299		4,176
Investment Income	3	-		671	671	-		956	956
Endowment return transferred	3	803	925	(1,728)	-	716	728	(1,444)	-
Other Income					-				-
Total Income before Donations & Endowments		7,939	1,166	(1,057)	8,047	7,744	1,027	(488)	8,283
Donations		138			138	288			288
New endowments	15-16		144	1,764	1,908		202	3,618	3,821
Capital Grant from Colleges Fund				-	-			-	-
Other capital grants for assets	16		11		11		16		16
Total		138	155	1,764	2,057	288	219	3,618	4,125
Total Income for the year		8,077	1,321	707	10,104	8,032	1,245	3,130	12,408
<b>Expenditure:</b>									
Education	4	3,660	1,030		4,691	3,719	1,067		4,786
Residence, catering and conferences	5	6,681			6,681	6,855			6,855
Investment Management & Other Investment Costs	3	-		851	851	-		1,037	1,037
Other Expenditure					-				-
Contribution under Statute G, II		4	-	-	4	-			-
Total Expenditure for the year	6	10,345	1,030	851	12,226	10,574	1,067	1,037	12,678
Surplus/(Deficit) before investment gains/(losses)		(2,268)	291	(144)	(2,121)	(2,542)	178	2,094	(270)
Net gains/(losses) on investments	3	(271)	(4)	1,651	1,377	2,461	25	3,658	6,144
Net gains/(losses) on disposal of fixed assets		-			-	-			-
Surplus/(Deficit) after gains and losses		(2,539)	287	1,507	(745)	(81)	203	5,752	5,874
Other comprehensive Income/(Losses)									
Gains/(losses) on revaluation of fixed assets		197			197	55			55
Actuarial Gain/(loss) in respect of pension schemes	14	(289)			(289)	224			224
Total comprehensive Income/(deficit) for the year		(2,631)	287	1,507	(837)	198	203	5,752	6,153

The notes on pages 28 to 46 form part of these accounts

**Statement of Changes in Reserves**  
**Year ended 30 June 2016**

Statement of Changes in Reserves	Year Ended 30th June 2016					
	Income and expenditure reserve		Revaluation reserve		Total Reserves	
	Unrestricted	Restricted	Endowment			
Balance at 1 July 2015	£'000	£'000	£'000	£'000	£'000	£'000
Deferred capital opening balance	101,482	1,196	37,494			140,172
Prior year adjustments	--	--	--			--
Balance at 1 July Restated	101,482	1,196	37,494	--		140,172
Surplus/(Deficit) from Income & Expenditure Statement	(2,539)	287	1,507			(745)
Other comprehensive Income/Expenditure	(92)	--	--			(92)
Revaluation Fixed Assets	(127)			127		--
Movement between funds	11	(11)	--			--
	98,735	1,471	39,001	127		139,335

Year Ended 30th June 2015					
Income and expenditure reserve		Revaluation reserve		Total Reserves	
Unrestricted	Restricted	Endowment			
£'000	£'000	£'000	£'000	£'000	£'000
80,697	1,010	31,741			113,447
5,605	--	--			5,605
14,965					14,965
101,267	1,010	31,741	--		134,018
(81)	203	5,752			5,874
279	--	--			279
--	(16)	--			--
16					--
101,482	1,196	37,493	--		140,172

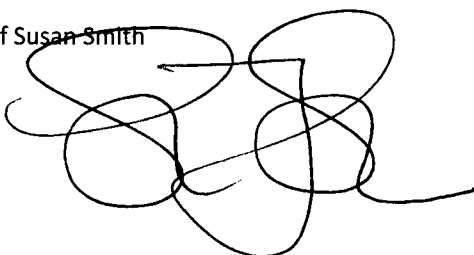
The notes on pages 28 to 46 form part of these accounts

## Consolidated Balance Sheet as at 30 June 2016

	Note	2016 £'000	2015 £'000
<b>Non Current Assets</b>			
Fixed assets	8	85,877	87,296
Heritage Assets	8	5,941	5,872
Investments	9	68,518	65,235
<i>Total Non Current Assets</i>		<u>160,336</u>	<u>158,403</u>
<b>Current Assets:</b>			
Stocks		57	55
Trade & Other receivables	10	1,561	2,779
Cash & Cash equivalent	11	2,104	3,079
<i>Total current assets</i>		<u>3,722</u>	<u>5,913</u>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	12	(1,444)	(1,300)
<i>Net current assets</i>		<u>2,278</u>	<u>4,613</u>
<i>Total Assets less current liabilities</i>		<u>162,614</u>	<u>163,016</u>
Creditors: amounts falling due after more than one year - Loans	13	(17,268)	(17,413)
Creditors: amounts falling due after more than one year - Others	13	(564)	(507)
<i>Net assets excluding pension liability</i>		<u>144,782</u>	<u>145,096</u>
<b>Provisions</b>			
Pension Provisions	14	(5,446)	(4,923)
<i>Total net assets</i>		<u>139,336</u>	<u>140,173</u>
<b>The funds of the charity:</b>			
<b>Restricted Reserves</b>			
Income & Expenditure Reserves - Endowment	15	39,001	37,496
Income & Expenditure Reserves - Restricted	16	1,471	1,193
<i>Total Restricted funds</i>		<u>40,473</u>	<u>38,689</u>
<b>Unrestricted Reserves</b>			
Income & Expenditure Reserves - Unrestricted		98,736	101,483
Income & Expenditure Reserves - Revaluation Reserve		127	
<i>Total Unrestricted funds</i>		<u>98,863</u>	<u>101,483</u>
<b>Total Reserves</b>		<u>139,336</u>	<u>140,173</u>

The financial statements were approved by the Augmented Council on 29 November 2016 and signed on its behalf by:

Prof Susan Smith



Deborah Lowther



The notes on pages 28 to 46 form part of these accounts

**Consolidated Cash Flow Statement**  
**For the year ended 30 June 2016**

	<b>Note</b>	<b>2016 £'000</b>	<b>2015 £'000</b>
Net Cash Inflow from Operating Activities	18	1,383	(238)
Cash Flows from Investing activities	19a	(576)	(358)
Cash Flows from Capital Transactions	19b	(1,641)	(685)
Cash Flows from Financing Activities	20	(141)	(145)
Increase/(Decrease) in cash and cash equivalent in the year		<u>(975)</u>	<u>(1,426)</u>
Cash and cash equivalent at the beginning of the year		3,079	4,506
Cash and cash equivalent at the end of the year	11	2,104	3,079
<b>Reconciliation of net cash flow to movement in net liquid assets</b>			
Increase/(Decrease) in Cash in the Year		(975)	(1,426)
Movement in Long Term Loans		141	145
Net change in Cash		(834)	(1,281)
Net Cash/Borrowing brought forward		(14,476)	(13,195)
<b>Net cash/borrowing carried forward</b>	<b>21</b>	<u><b>(15,310)</b></u>	<u><b>(14,476)</b></u>

The notes on pages 28 to 46 form part of these accounts

**Notes to the Accounts**  
**For the year ended 30 June 2016**

1. Academic Fees and Charges	2015-16 £'000	2014-15 £'000
College Fees		
Fee Income received at the regulated undergraduate rate	1,974	1,961
Fee Income received at the Unregulated undergraduate rate	300	270
Fee Income received at the graduate rate	468	426
		--
Total Fees	2,741	2,657
Cambridge Bursaries income	240	299
Other academic income	245	195
Total	3,227	3,151

2. Residence, Catering & Conference income	2015-16 £'000	2014-15 £'000
Accommodation		
College members	2,444	2,353
Conferences	394	408
	2,839	2,761
Catering		
College members	954	990
Conferences	357	425
	1,311	1,415
Total	4,149	4,176

**Notes to the Accounts**  
**For the year ended 30 June 2016**

3. Endowment & Investment income	2015-16 £'000	2014-15 £'000
3.a Analysis		
Total return recognised in Income & Expenditure account (3b)	1,728	1,444
3.b Summary of Total Return		
<i>Income from:</i>		
Land & Buildings	114	423
Quoted securities and cash	557	533
<i>Total Income from Investments</i>	<u>671</u>	<u>956</u>
<i>Gains/(losses) from endowment assets</i>		
Lands & Buildings	20	580
Quoted securities & cash	1,357	5,564
Loan interest payable	(673)	(680)
Investment management costs	(178)	(356)
Total return for the year	<u>1,197</u>	<u>6,063</u>
Total return transferred to Income & Expenditure account (see note 3a)	<u>(1,728)</u>	<u>(1,444)</u>
Unapplied total return for the year included within Income & expenditure	<u>(531)</u>	<u>4,579</u>
3.c Investment management costs		
Land & building	27	100
Quoted & other securities & cash	151	256
<i>Total Investment management costs</i>	<u>178</u>	<u>356</u>

**Notes to the Accounts**  
**For the year ended 30 June 2016**

4. Education Expenditure	2015-16 £'000	2014-15 £'000
Teaching	2,319	2,377
Tutorial	558	458
Admissions	427	426
Research	724	789
Scholarships & Awards	457	524
Other educational Facilities	207	212
<b>Total</b>	<b>4,691</b>	<b>4,786</b>

5. Residence, Catering & Conferences Expenditure	2015-16 £'000	2014-15 £'000
Accommodation	3,277	3,395
Conferences	1,535	1,590
	4,811	4,985
Catering	1,402	1,403
Conferences	467	468
	1,869	1,870
<b>Total</b>	<b>6,681</b>	<b>6,855</b>

6. Analysis Expenditure by Activity	Staff Costs (Note 7)	Other Operating Expenses	Depreciation	Total
6.a Analysis of 2015-16 Expenditure	£'000	£'000	£'000	£'000
Education (Note 4)	2,444	1,958	288	4,691
Residence Catering & Conferences (Note 5)	2,563	2,718	1,399	6,681
Investment management Costs		851		851
Contribution under Statute G, II		4		4
<b>Totals</b>	<b>5,008</b>	<b>5,531</b>	<b>1,687</b>	<b>12,226</b>
6.b Analysis of 2014-15 Expenditure	£'000	£'000	£'000	£'000
Education (Note 4)	2,523	1,978	285	4,786
Residence Catering & Conferences (Note 5)	2,521	2,947	1,387	6,855
Investment management Costs		1,037		1,037
Contribution under Statute G, II		--		--
<b>Totals</b>	<b>5,044</b>	<b>5,962</b>	<b>1,672</b>	<b>12,678</b>

Expenditure includes fundraising costs of £338k (2014-15: £321k). This expenditure includes the costs of alumni relations.



**Notes to the Accounts**  
**For the year ended 30 June 2016**

6.c Auditors remuneration included in Other Operating Expenses	2015-16 £'000	2014-15 £'000
Audit fees payable to the College's External Auditors - Current year	16	15
Other Fees payable to the College's External Auditors	3	3
	<u>19</u>	<u>18</u>

7. Staff costs	College fellows 2016 £'000	College Staff 2016 £'000	Total 2016 £'000	Total 2015 £'000
Emoluments	1,185	2,964	4,150	4,100
Social security costs	91	212	303	290
Other Pension costs (see note 24)	181	374	555	655
Total	<u>1,458</u>	<u>3,550</u>	<u>5,008</u>	<u>5,044</u>
<i>Staff Number</i>				
Academic	71	--	71	74
Non Academic (FTE)	5	106	111	116
Total	<u>75</u>	<u>106</u>	<u>181</u>	<u>190</u>

	2016	2015
<i>No officer or employee of the College, including the Head of House, received emoluments over £100,000</i>		
During the year, emoluments paid to Trustees in their capacity as College Officers were:	370	419

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. These are deemed to be reserved Council members. The note above includes aggregated emoluments paid to key management personnel. Aggregated emoluments consists of salary and taxable benefits but excludes any employer's pension contribution.

The Augmented Council comprises 52 Fellows, of which 45 of the declared above are stipendiary. No trustee of the college received emoluments in their role as trustee of the charity.

**Notes to the Accounts**  
**For the year ended 30 June 2016**

<b>8 Fixed Assets</b>							
	Assets in Construction	Freehold Land	Freehold Building	Long Leasehold Land & Building	Furniture Fittings & Equipment	Software	Total
<i>Original Costs</i>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 01-Jul-15		27,960	60,583	308	370	60	89,281
Additions		--	125	--	16	--	141
Transfers							--
Disposals		--	--	--			--
Transfer to heritage Asstes							--
Revaluation		88	39				127
							--
As at 30-Jun-16	--	28,048	60,747	308	386	60	89,549
<b>Accumulated Depreciation</b>							
As at 01-Jul-15	--	--	1,645	25	295	20	1,985
Charge for the year		--	1,650	6	18	12	1,687
Disposal in year		--	--				--
Written back on revaluation							--
							--
As at 30-Jun-16	--	--	3,295	31	314	32	3,672
<b>Net Book Value</b>							
As at 30-Jun-16	--	28,048	57,452	278	72	28	85,877
As at 30-Jun-15	--	27,960	58,939	284	74	40	87,296

Freehold land and Buildings were revalued by Gerald Eve Associates as of 30 June 2014. The properties are valued at depreciated replacement cost.

The insured value of the freehold buildings at 30 June 2016 was £106,292k (2014-15: £98,976k)

<b>8 Heritage Assets</b>		
	2016 £'000	2015 £'000
Balance as at 1 July	5,872	5,816
Transfer from Tangible fixed asstes		
Appreciation on revaluation	70	56
Balance as at 30 June	5,941	5,872

<i>Amounts for the Current and previous four years were as follows:</i>					
	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Acquisitions purchased with specific donations/funding	--	--	51	--	--
Acquisitions purchased with College funds	--	--	--	13	--
Total cost of acquisitions	--	--	51	13	--
Value of acquisitions by donations	--	--	--	--	--
Total acquisitions capitalised	--	--	51	13	--

**Notes to the Accounts**  
**For the year ended 30 June 2016**

9. Investments	2015-16	2014-15
	£'000	£'000
Balance at the beginning of the year	65,235	58,383
Additions	7,292	17,145
Disposals	(5,689)	(17,605)
Appreciation/(Depreciation) on revaluation	2,522	6,366
Increase/(Decrease) in cash balance held by Fund Managers	(844)	947
Balance at the end of the year	68,516	65,235
<i>Represented by</i>		
Freehold Land & Buildings	1,260	1,240
Quoted Securities - Equities	29	29
Other shares	14	14
Alternative investments	66,201	62,091
Cash held for reinvestment	1,012	1,861
Investments total	68,516	65,235

The College is also the joint beneficiary with another organisation of a trust which owns a number of properties in Ealing, West London. Rental income less expenses is divided equally between the beneficiaries. When tenants vacate the properties, they are sold and the proceeds of the sales (less expenses) are divided equally between the beneficiaries. During the course of 2015-16, one property was sold and the College's share of the sale was £324k, included in Endowment income.

At 30 June 2016, the College's share in the two remaining properties is estimated to be about £500k (gross); this amount is not included within Investment assets.

**Notes to the Accounts**  
**For the year ended 30 June 2016**

	2015-16 £'000	2014-15 £'000
<b>10. Trade and other receivables</b>		
Members of the College	239	82
Other debtors	471	145
Accrued Donations	673	2,332
Prepayment & Accrued Income	178	220
<b>Total</b>	<b>1,561</b>	<b>2,779</b>
<b>11. Cash and cash equivalent</b>		
Bank Deposits	1,821	248
Current Account	280	2,829
Cash in hand	2	2
<b>Total</b>	<b>2,104</b>	<b>3,079</b>
<b>12. Creditors: amounts falling due within one year</b>		
Long term Loans	145	141
Student prepayments	50	63
Other Creditors	1,248	1,096
<b>Total</b>	<b>1,444</b>	<b>1,300</b>
<b>13. Creditors: amounts falling due after more than one year</b>		
Other loans	10,244	10,390
Bank Loans	7,024	7,024
Student prepayments	564	507
<b>Total</b>	<b>17,832</b>	<b>17,921</b>

One of the bank loans is due for repayment in 2049 at a fixed interest rate of 5.54%. The other bank loans are repayable over a period of 14 to 15 years at fixed interest rates of between 5.20% and 5.40%.

The original other loan is repayable over a period of 15 years at a fixed interest rate of 6%.

During 2014, the College borrowed £10m from institutional investors in a private placement done collectively with other colleges. Although the College's loan is separate from those of the others. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.40%.

**Notes to the Accounts**  
**For the year ended 30 June 2016**

<b>14. Pension Provision</b>				
	CCFPS £'000	USS £'000	Total £'000	2014-15 £'000
Balance at beginning of year	4,450	473	4,923	4,556
<i>Movements in year</i>				
Current service costs including Life insurance	392	193	585	837
Contributions	(306)	(225)	(530)	(436)
Other finance costs	166	13	179	189
Actuarial loss/(gain)	289		289	(224)
Balance at end of year	4,992	454	5,446	4,923

**Notes to the Accounts**  
**For the year ended 30 June 2016**

<b>15. Endowment Funds</b>				
Restricted net assets relating to endowments are as follows:	Restricted Permanent Endowment £'000	Unrestricted Permanent Endowment £'000	Total 2015-16 £'000	Totals 2014-15 £'000
<b>Balance at beginning of year</b>				
Capital	26,462	11,032	37,494	31,743
Unspent Income	-	-	-	-
	26,462	11,032	37,494	31,743
 New donations and endowments	 951	 813	 1,764	 3,618
 Increase/(Decrease) in market value of investment	 (181)	 (75)	 (256)	 2,135
 <b>Balance at end of year</b>	 27,232	 11,769	 39,001	 37,496
<b>Represented by:</b>				
Fellowship Funds	15,382	2,068	17,449	17,294
Scholarship Funds	5,336	83	5,419	5,202
Prize Funds	685	160	845	833
Hardship Funds	870	115	986	975
Bursary Funds	3,013	90	3,103	3,042
Travel Grant Funds	305	18	323	318
Other Funds	1,585	2,702	4,287	3,652
General Endowments	56	6,533	6,589	6,181
 <b>Total</b>	 27,232	 11,769	 39,001	 37,496
<b>Analysis by asset</b>				
Property	-	-	-	-
Investments	27,232	11,769	39,001	37,496

**Notes to the Accounts**  
**For the year ended 30 June 2016**

<b>16. Restricted reserves</b>					
Reserves with restrictions are as follows:					
	Permanent unspent and other restricted income £'000	Restricted expendable endowment £'000	Capital Grants unspent £'000	Total 2015- 16 £'000	Totals 2014-15 £'000
<b>Balance at beginning of year</b>					
Capital	389	--	--	389	--
Accumulated income	664	143	--	807	1,007
	1,053	143	--	1,196	1,007
 New grants	--	--	11	11	16
New donations	81	63	--	144	202
Cambridge Bursary Scheme	240	--	--	240	299
Endowment return transferred	925	--	--	925	728
Other investment income	--	--	--	--	--
Increase/(Decrease) in market value of investment	(4)	--	--	(4)	25
 Expenditure	(998)	(33)	--	(1,030)	(1,067)
Capital grants utilised	--	--	(11)	(11)	(16)
	--	--	--	--	--
<b>Balance at end of year</b>					
Capital	576	--	--	576	389
Accumulated income	722	143	--	865	805
<b>Total</b>	<b>1,298</b>	<b>174</b>	<b>--</b>	<b>1,471</b>	<b>1,193</b>
 <b>Represented by:</b>	--	--	--	--	--
Fellowship Funds	587	--	--	587	407
Scholarship Funds	189	--	--	189	141
Prize Funds	28	1	--	29	40
Hardship Funds	75	--	--	75	57
Bursary Funds	260	--	--	260	209
Travel Grant Funds	3	--	--	3	3
Other Funds	147	172	--	319	330
General Endowments	8	--	--	8	6
 <b>Total</b>	<b>1,298</b>	<b>174</b>	<b>--</b>	<b>1,471</b>	<b>1,193</b>
 <b>Analysis by asset</b>					
Property	--	--	--	--	--
Investments	1,298	174	--	1,471	1,193
Cash	--	--	--	--	--

**Notes to the Accounts**  
**For the year ended 30 June 2016**

17. Memorandum of Unapplied Total Return	2015-16	2014-15
	£'000	£'000
Unapplied total return at beginning of year	15,199	10,620
Unapplied total return in the year (note 3b)	(531)	4,579
Unapplied total return at end of year	14,668	15,199

**Consolidated Cash-flow:**

18. Reconciliation of consolidated deficit for the year to net cashflow from operating activities	2015-16	2014-15
	£'000	£'000
<b>Operating Activities</b>		
Operating Surplus/(Deficit)	(2,121)	(299)
Depreciations	1,687	1,571
Pension costs less contributions payable	234	388
Decrease/(Increase) in Stocks	(2)	(2)
(Increase)/Decrease in Debtors	1,216	(2,305)
Increase/(Decrease) in Creditors	190	331
Contribution to College Fund		(3)
<b>Adjustment for Investing or Financing Activities</b>		
Investment Income	(671)	(956)
Investment Costs	178	356
Interests Payable	673	680
Net Cash Inflow/(Outflow) from Operating Activities	1,383	(238)

	2015-16	2014-15
	£'000	£'000
19a. Cash Flow from Investing Activities		
Investment Property Income	114	423
Other Investment Income		
Investment charges	(18)	(100)
Interests paid	(673)	(680)
Net Cash Inflow from Investing Activities	(576)	(358)
19b. Cash Inflow/(Outflow) from Capital Transactions		
Payment to acquire Tangible Fixed Assets	(141)	(198)
Payment to acquire Investment Assets	(1,500)	(6,117)
Payment to acquire Investment Assets (shares)	-	-
Disposals of Investment Assets	-	5,630
	(1,641)	(685)



**Notes to the Accounts**  
**For the year ended 30 June 2016**

	2015-16	2014-15
	£'000	£'000
20. Cash flow from financing activities		
Long Term loans contracted	-	-
Long Term Loans repaid	(141)	(145)
Net Cash Outflow from Financing activities	(141)	(145)

	As at 1 July 2015	Cash Flows	As at 30 June 2016
	£'000	£'000	£'000
21. Analysis of cash and cash equivalents			
Cash at bank and in hand	3,079	(975)	2,104
Long Term Loans	(17,555)	141	(17,414)
Net funds	(14,476)	(834)	(15,310)

22. Capital Commitments	2016	2015
	£'000	£'000
Commitments contracted for at 30 June 2016	157	157

**Notes to the Accounts**  
**For the year ended 30 June 2016**

**23. Transition to 2015 RCCA**

As explained in the accounting policies, these are the College's first financial statements prepared in accordance with FRS 102 and the 2015 RCCA. The accounting policies set out in Note 1 have been applied in preparing the comparative information for the year ended 30<sup>th</sup> June 2015 and the opening financial position at 1st July 2014 resulting in a restatement of these figures.

In accordance with FRS 102 a reconciliation of opening balances is provided here:

	<b>30-Jun-15</b>
	<b>£'000</b>
<b>Surplus (Deficit) for the year as previously stated</b>	(1,984)
Revised treatment of deferred capital	(126)
Depreciation on revalued assets	(101)
Adjustment for movement in pension deficit funding provision of USS	(202)
<i>Adjustment for gains(losses) previously recognised in the Statement of Recognised Gains and losses</i>	
Unapplied total return transferred to Endowment	(1,444)
New endowments	3,821
Capital Grant from Colleges Fund	--
Other capital grants for fixed assets	16
Unrealised surplus on revaluation of fixed assets	55
Actuarial profit (loss) in respect of pension schemes	54
Investment net Income	(81)
Increase in market Value of investments	6,144
<b>Total Comprehensive Income (expenditure) as restated</b>	<b>6,153</b>

	<b>30-Jun-14</b>	<b>30-Jun-15</b>
	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of reserves and balances</b>		
<b>Reserve balances as previously stated</b>	113,447	120,015
Revised treatment of deferred capital	5,605	5,496
Accrual of employee holiday compensation	(86)	(86)
Depreciation on revalued Assets	--	(101)
Pension deficit funding provision	(270)	(473)
Revaluation of fixed assets to fair value on transition	15,320	15,320
<b>Reserve balances restated</b>	<b>134,017</b>	<b>140,172</b>

**Notes to the Accounts**  
**For the year ended 30 June 2016**

**24 Pension schemes**

The college participates in three defined benefit schemes and one defined contribution scheme. The defined benefit schemes are the University Superannuation Scheme (USS), the Cambridge Colleges Federated Pension Scheme and the Church of England Funded Pension Scheme (CEFPS). The defined contribution scheme is NOW: Pensions.

The costs recognised in the Income & Expenditure account for the year were:

Scheme	2015-16 £'000	2014-15 £'000
USS	193	431
CCFPS	320	210
NOW: Pensions	37	7
CEFPS	5	7
<b>Total</b>	<b>555</b>	<b>655</b>

**University Superannuation Scheme**

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The College is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the College's employees. In 2015, the percentage was 16% (2014:16%). The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 1027 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

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

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

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

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

**Notes to the Accounts****For the year ended 30 June 2016**

	<b>2016</b>	<b>2015</b>
Discount rate	3.60%	3.30%
Pensionable salary growth	n/a	3.5% in the first year and 4.0% thereafter
Pension increases (CPI)	2.20%	2.20%

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:

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

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

**Cambridge Colleges Federation Pension Scheme**

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme.

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

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

**Notes to the Accounts**  
**For the year ended 30 June 2016**

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

\*1.5% in 2016, 2.4% thereafter

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

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

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

**Employee Benefit Obligations**

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

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Present value of plan liabilities	(16,143,026)	(14,032,715)
Market value of plan assets	11,150,925	9,582,277
<b>Net defined benefit asset/(liability)</b>	<b>(4,992,101)</b>	<b>(4,450,438)</b>

The amounts to be recognised in Profit and Loss for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows.

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Current service cost	392,333	406,189
Interest on net defined benefit (asset)/liability	165,798	181,204
(Gain)/loss on plan changes	0	0
Curtailment (gain)/loss	0	0
<b>Total</b>	<b>558,131</b>	<b>587,393</b>

**Notes to the Accounts****For the year ended 30 June 2016**

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

	<b>2016 £</b>	<b>2015 £</b>
Present value of plan liabilities at beginning of period	14,032,715	12,744,563
Current service cost (including Employee contributions)	512,099	528,394
Benefits paid	(508,562)	(362,198)
Interest on plan liabilities	519,396	538,991
Actuarial (gains)/losses	1,587,378	582,965
(Gain)/loss on plan changes	0	0
Curtailment (gain)/loss	0	0
<b>Present value of plan liabilities at end of period</b>	<b>16,143,026</b>	<b>14,032,715</b>

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

	<b>2016 £</b>	<b>2015 £</b>
Market value of plan assets at beginning of period	9,582,277	8,458,520
Contributions paid by the College	305,508	199,139
Employee contributions	119,766	122,205
Benefits paid	(508,562)	(362,198)
Interest on plan assets	353,598	357,787
Return on assets, less interest included in Profit & Loss	1,298,338	806,824
<b>Market value of plan assets at end of period</b>	<b>11,150,925</b>	<b>9,582,277</b>

Actual return on plan assets	1,651,936	1,164,611
------------------------------	-----------	-----------

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

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

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

**Notes to the Accounts****For the year ended 30 June 2016**

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

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Actual return less expected return on plan assets	1,298,338	806,824
Experience gains and losses arising on plan liabilities	(137,379)	7,756
Changes in assumptions underlying the present value of plan liabilities	(1,449,999)	(590,721)
<b>Actuarial gain/(loss) recognised in OCI</b>	<b>(289,040)</b>	<b>223,859</b>

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

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Surplus/(deficit) in plan at beginning of year	(4,450,438)	(4,286,043)
Recognised in Profit and Loss	(558,131)	(587,393)
Contributions paid by the College	305,508	199,139
Actuarial gain/(loss) recognised in OCI	(289,040)	223,859
<b>Surplus/(deficit) in plan at the end of the year</b>	<b>(4,992,101)</b>	<b>(4,450,438)</b>

**Funding Policy**

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

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

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

- Annual contributions of not less than £69,976 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.

**Notes to the Accounts****For the year ended 30 June 2016****Defined Contribution Pension Scheme: NOW:Pensions**

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £36,536 (2014-15: £7,194), of which £7,092 (2014-15 £3,133) was outstanding at the year end.

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

As at 30 June 2016, Girton College held an investment in the following company:

Subsidiary Undertaking	Holding	Proportion of Voting Rights	Country of Incorporation	Nature of Business
Girton College Property Services Limited	100%	100%	England	Property Services

**26 Contingent Liabilities**

As disclosed in Note 24, with effect from 16 March 2007, the University Superannuation Scheme (USS) positioned itself as a "last man standing" scheme, so that in the event of an insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers.

**27 Related Party Transactions**

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