

Annual Report and Financial Statements

Year Ended 30 June 2017

GIRTON COLLEGE

Huntingdon Road

Cambridge

CB3 0JG

Registered Charity No. 1137541

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Members of the Augmented Council

The members of the Augmented Council during the year 2016-17 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, MA MESC, DPhil
Anna Barford, MA PHD	Deborah Lowther MA
Crispin Henry William Barnes BSC PHD	Santa-Phani Gopal Madabhushi PHD
Kathleen Mary Veronica Bennett BSC PHD	Simone Maghenzani BA, MA, PHD
Edward John Briscoe BA MPHIL PHD	Kamiar Mohaddes BSC MPHIL PHD
Fiona Justine Cooke MA BM BCH MSC PHD	Stephanie Palmer SJD LLM
Nik Cunniffe MA MSC MPHIL PHD	Heidi Radke DRVETMED
Stuart Davis BA PHD	R. James E Riley, BA MA PHD
Judith Ann Drinkwater MA	Angela Charlotte Roberts PHD
Colm Durkan BA PHD FIET	Jochen H Runde MPHIL PHD
Deborah Easlick	Stuart Ashley Scott MA PHD
Martin William Ennis MA PHD	Sophia Marie Irmgard Shellard-von Weikersthal BSC PHD
Shaun David Fitzgerald MA PHD FEng	Hugh Richard Shercliff MA PHD
Christopher John Bristow Ford MA PHD	Stelios Tofaris MA PHD
Abigail Lesley Fowden MA PHD	Helen Anne Van Noorden BA MPHIL PHD
Alexandra Mary Fulton BSC PHD	James Wade BA MA PHD
Sinead Maria Garrigan Mattar BA DPHIL	Carol Patricia Ward MA PHD
Benjamin John Griffin MA PHD	Emma Jane Louise Weisblatt BA PHD
Maureen Jane Hackett BA MA	Per-Olof Helge Wikstrom BA PHD FBA
Katherine Hughes, BSC BVSC MRCVS PHD	Samantha Katherine Williams BA MSC PHD
Arnold Conway Hunt MA PHD	Neil Wright PHD
Morag Ann Hunter BA PHD	
Liliana Janik MPHIL 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 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 2017. 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 2016-17 were:

Prof S J Smith (The Mistress)	Dr H Shercliff (from 1.10.16)
Ms K Lee (The Vice-Mistress)	Mr J Peters (JCR President) (to 31.3.17)
Ms D Lowther (The Bursar)	Mr B Sadler (JCR President) (from 1.4.17)
Dr A M Fulton (The Senior Tutor)	Ms S Patelmaster (JCR Vice-President) (to 30.11.16)
Prof G Madabhushi (to 30.9.16)	Mr K Patel (JCR Vice-President) (from 1.12.16)
Prof M Savill (to 30.9.16)	Ms M Grzesckiewicz (JCR Treasurer) (from 1.1.15 to 31.12.16)
Ms M Hackett	Mr R Jenkinson (JCR Treasurer from 1.1.17)
Dr S A Scott	Mr A Stretton (MCR President) (to 31.5.17)
Dr C Acerini	Ms T Skyrme (MCR President) (from 1.6.17)
Prof M Allen	Mr M Guenther (MCR Vice-President) (to 31.5.17)
Dr L Janik	Mr YY Liu (MCR Vice-President) (from 1.6.17)
Dr A Piliavsky (to 30.9.16)	
Prof C Ford (from 1.10.16)	
Dr RJE Riley (from 1.10.16)	

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 operational property in Cambridge.

Funding

College operations are funded by fees and charges paid by College members. Where necessary to maintain an appropriate 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. The responsibility for providing this education is shared between the Departments of the University and the Colleges. In particular, the College for its part 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 Chapel 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 2016-17, the number of awards made to Girton students was 129, out of a Home/EU undergraduate population of 455; 46 of the awards were at the maximum value of £3,500; and the average value of the awards was £1,351. 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 2016 the College had 41 Official Fellows, 2 Senior Research Fellows, 4 Research Fellows, 9 Professorial Fellows, 3 Supernumerary Fellows, 3 Non-Stipendiary Fellows, 38 Life Fellows, 16 Bye-Fellows, and 2 Visiting Fellow Commoners, 455 undergraduates, 88 postgraduates and 233 research students in residence in Cambridge. Of these, 2 Official Fellows, 3 Research Fellows, 2 Visiting Fellow Commoners, 423 undergraduates, and 100 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 38 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 10 were employed solely by the College or under a share arrangement with another College.

Of the 436 undergraduates entered for Tripos examinations, 83 obtained Firsts, 227 2:1s, 16 Class 2 (undivided), 60 2:2s, 11 Thirds and 33 other results. 4 students intermitted during the year. 33 postgraduate students graduated with Masters level degrees, 2 with an MRes and 23 research students were awarded their PhDs., 1 MEd, 5 LLM, 2 PGCE, 2 MAST, 2 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 two 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 £45m as at 30 June 2017, the College *inter alia* contributed to the cost of the 129 Cambridge bursaries awarded to Girton students. The College also awarded 16 bursaries which covered most of College charges (the grants were of max £3,500 per year).

The College also hosted 395 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 long term financial plan. The 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 2016-17. Unrestricted expenditure has increased by 10% between 2015-16 and 2016-17 (food costs increased by 12.2%, and the college spent £1.5m (2015-16: £819k) on maintenance, as part of a comprehensive planned maintenance programme), while the associated income streams have increased by 8.9%. The unrestricted deficit before gains and losses thus increased by 13.2% from £2.27m to £2.57m.

The unpredictability of a large flow of donations and bequests, in addition to charitable, restricted fund expenditure which in some cases is matched to income from other years, and the volatility of the stock market make the overall financial outcome challenging to manage in accordance with a budget. For 2016-17, the College benefited from a strong financial market performance; its statement of comprehensive income for 2016-17 showed an overall surplus of £5,116k (2015-16: Loss of £837k), after a depreciation charge for the year of £1,695k (2015-16: £1,687k).

The College was not liable for the payment of University Contribution under Statute G,II for 2016-17 (2015-16: £4k). No grant was received from the Colleges Fund during the year (2015-16: NIL).

Cash flow

As demonstrated by the cash flow statement, the College's cash balances have decreased by £339k during the financial year (2015-16 - £834k 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 £145k 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 increased by £5,115k from £139m to £144m. This was the net result of the combination of deficits on operating and charitable activities and 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), offset by investment gains of £8m.

Maintenance of buildings

The College's operational estate is valued in its balance sheet on a depreciated replacement cost basis at £85m (2015-16: £86m). The College budgets to spend on average approximately 1.5% of this amount annually on routine maintenance. These 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 £703k (2015-16 - £751k). The contribution to fixed costs generated by this activity was c. £126k, vs. £123k the previous year.

Staff costs and pensions

After taking into account the annual pay award, staff costs remained static compared to 2015-16. The College continues to offer membership of the USS to eligible academic staff. The Girton section of the Cambridge Colleges Federated Pension Scheme (CCFPS) remains open for future service of existing members, but 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 £6,334k as at 30th June 2017 (2016: £4,992k). The USS pension scheme liability was £454k in 2015-16 with a slight decrease to £431k in 2016-17. Overall, the liability on defined benefit pension schemes amounted to £6,765k (2015-16: £5,446k).

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 2016-17, the College capitalised expenditure of £1,043k (2015-16: £141k), including £392k in respect of a project to

improve the public spaces on the main site. The budget for this project is approximately £3m and the work is expected to be started during 2017/18 and completed during 2018/19.

Endowment and investment performance

The College's combined investment portfolio (which includes both endowment assets and other long term investments) is managed to achieve 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 they 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 2017 on the College's investment portfolio net of debt was 12.8% (2015-16: 2.7%).

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 2017, the College's estimated exposure to sensitive sectors was 3.3%, while that of the index was 10.1% and the 60:40 portfolio 6.1%.

Fundraising

Unrestricted donations and bequests totalling £945k and restricted donations and bequests totalling £1,581k (2015-16: £813k and £1,095k respectively) were received during the year and added to the College's permanent endowment. Other unrestricted donation income of £191k (2015-16: £138k) 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, £29k

(2015-16: £11k) 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 £453k (2015-16 £338k). 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 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 Arts subjects. The total legacy was confirmed at c.£2.324k, of which £1,450k was received during the course of the 2015-16 financial year, leaving £874k accrued as at 30 June 2017. The balance was received in late September 2017.

Reserves policy

- (1) The College is a permanent institution and holds substantial charitable funds on trust for a variety of purposes. The Council monitors the College's "free reserves", calculated as total unrestricted funds less fixed assets, since it does not regard the operational estate as available reserves. Nevertheless, there are functional assets within the operational property portfolio which might at some stage be sold or otherwise removed from the operational estate, and it is likely that one such property will be sold during 2017/18 and the proceeds invested to produce unrestricted income for the College.
- (2) The College requires free reserves: to underwrite the continuity of its operations; to maintain equity between generations of members; to fund capital expenditure; to be able to respond to any urgent need for unplanned expenditure; to fund any future increases in pension reserves; and to provide for winding up costs in the event of a cessation of business.
- (3) The Council regards accumulated free reserves which have arisen from unrestricted spendable donations in the quiet period of *A Great Campaign* and from the proceeds of sales of property as quasi- unrestricted permanent endowment, invested alongside other permanent funds to provide an income for the College. Free reserves designated as quasi- unrestricted permanent endowment will be used only sparingly and if absolutely necessary to maintain continuity of operations and equity between generations. The proceeds of sale of property, however, are also regarded as available for capital purposes such as further investment in the College's operational estate.
- (4) The College aims to fund its capital expenditure requirements from a combination of free reserves, donations and long term loans.
- (5) The Council aims to retain a minimum of one year's unrestricted expenditure before depreciation as free reserves.
- (6) 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.
- (7) 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.
- (8) As at 30 June 2017 the College's free reserves were £13.2m (2016: £12.9m) and during the year 2016-17 annual unrestricted expenditure before depreciation was £9.7m. The ratio of free reserves to unrestricted funds net deficit before investment gains and losses was 5.14 (2016: 5.67) and the ratio of reserves to the unrestricted deficit before depreciation and donations was 11.52 (2016: 14.91).

- (9) The Council has budgeted for capital expenditure totalling £5m and operating deficits totalling £6m over the next five years while it implements its estates strategy. During this period, asset sales are expected to replenish free reserves, so that free reserves will remain comfortably above the benchmark of one year's expenditure throughout the period.
- (10) The Council aims to begin generating cash surpluses by the end of the five year budget period.

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 allowing tuition fees to rise fully 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. Their 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) Continuing to widen 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 financial plan for the rest of the decade are as follows:

- a. Five year rolling operational budgets: continuing to implement a package of strategies for improving cost recovery and enhancing value for money 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. On 25 August 2017, the College completed a lease from the University of Cambridge of a new development of 325 student rooms in prestigious the new district of Eddington, known as Swirles Court, which will facilitate the planned re-balancing of operational and investment assets noted above. Swirles Court is a high quality addition to the College's stock of student rooms and provides, in addition to an increase in the College's stock of undergraduate rooms which enables fourth year undergraduates to be guaranteed accommodation for the first time, 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. Commercial activity: development of new opportunities for the exploitation of surplus residential and catering capacity. This included in the summer of 2017 a pilot programme of short courses for international students.

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 was re-launched in 2017 and has now achieved beyond its halfway target.

The College is also making plans to celebrate the 150th anniversary of the founding of the College in 2019.

On behalf of the Council



Deborah Lowther
Bursar
28 November 2017

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 2016-17 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 2016-17 was:

Mr Paul Cook	Prof John Hendry (Life Fellow)
Ms Rosamund Sykes	Dr Julia Riley (Life Fellow)
Ms Karen Knight (15-07-16)	

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 2017 are set out on page 3.

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 Council is responsible, in accordance with the College's Statutes.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.
3. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2017 and up to the date of approval of the financial statements.
4. The 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 Augmented Council 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 2017

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Independent Auditors' Report to the Augmented Council of Girton College

Year Ended 30 June 2017

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Augmented Council

As explained more fully in the responsibilities of the Augmented Council statement set out on page 15, the Augmented Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Augmented Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the College's Augmented Council as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the Augmented Council those matters we are required to state to them in an auditor's report and for no other

Independent Auditors' Report to the Augmented Council of Girton College

Year Ended 30 June 2017

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 Augmented Council as a body, for our audit work, for this report, or for the opinions we have formed.

PEM

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 12 December 2017

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

Statement of Principal Accounting Policies

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.

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

The College also 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.

Reserves

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

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

Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that the scheme provided by Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

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 2017

Statement of Comprehensive Income Year Ended 30th June 2017	Note	2017 Unrestricted Funds £'000	2017 Restricted Funds £000s	2017 Endowment Funds £'000	2017 Total Funds £'000
Income					
Academic fees and charges	1	3,216	193		3,409
Residence, catering and conferences	2	4,462			4,462
Investment Income	3	--		924	924
Endowment return transferred	3	936	1,084	(2,020)	--
Other Income					--
Total Income before Donations & Endowments		8,614	1,277	(1,096)	8,795
Donations		191			191
New endowments	15-16		81	2,445	2,526
Capital Grant from Colleges Fund				--	--
Other capital grants for assets	16		29		29
Total		191	110	2,445	2,745
Total Income for the year		8,805	1,387	1,349	11,541
Expenditure:					
Education	4	3,954	1,084		5,038
Residence, catering and conferences	5	7,418			7,418
Investment Management & Other investment Costs	3	--		1,007	1,007
Other Expenditure		--	--	--	--
Contribution under Statute G, II		--	--	--	--
Total Expenditure for the year	6	11,372	1,084	1,007	13,463
Surplus/(Deficit) before investment gains/(losses)		(2,567)	303	342	(1,922)
Net gains/(losses) on investments		2,472	84	5,593	8,149
Net gains/(losses) on disposal of fixed assets	3	11			11
Surplus/(Deficit) after gains and losses		(84)	387	5,935	6,238
Other comprehensive Income/(Losses)					
Gains/(losses) on revaluation of fixed assets		12			12
Actuarial Gain/(loss) in respect of pension schemes	14	(1,134)			(1,134)
Total comprehensive income/(deficit) for the year		(1,206)	387	5,935	5,116

	2016 Unrestricted Funds £'000	2016 Restricted Funds £000s	2016 Endowment Funds £'000	2016 Total Funds £'000
	2,987	240		3,227
	4,149			4,149
	--		671	671
	803	925	(1,728)	--
				--
	7,939	1,166	(1,057)	8,047
	138			138
		144	1,764	1,908
	--		--	--
	11			11
	138	155	1,764	2,057
	8,077	1,321	707	10,104
	3,660	1,030		4,691
	6,681			6,681
	--		851	851
	4	--	--	4
	10,345	1,030	851	12,226
	(2,268)	291	(144)	(2,121)
	(271)	(4)	1,651	1,377
	--			--
	(2,539)	287	1,507	(745)
	197			197
	(289)			(289)
	(2,631)	287	1,507	(837)

The notes on pages 29 to 45 form part of these accounts

Statement of Changes in Reserves
Year ended 30 June 2017

Statement of Changes in Reserves	Year Ended 30th June 2017					Year Ended 30th June 2016				
	Income and expenditure reserve	Restricted	Endowment	Revaluation reserve	Total Reserves	Income and expenditure reserve	Restricted	Endowment	Revaluation reserve	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2016	98,736	1,471	39,001	127	139,335	101,482	1,196	37,494	127	140,172
Surplus/(Deficit) from Income & Expenditure Statement	(84)	386	5,935		6,237	(2,539)	287	1,507		(745)
Other comprehensive Income/Expenditure	(1,122)	--	--		(1,122)	(92)	--	--		(92)
Revaluation Fixed Assets	--			--	--	(127)			127	--
Movement between Funds	421	(19)	(275)	(127)	--	11	(11)	--		--
	97,951	1,838	44,662	--	144,451	98,736	1,471	39,001	127	139,335

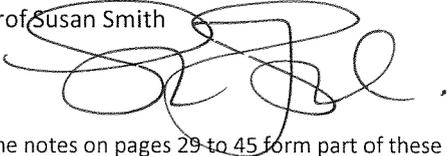
The notes on pages 29 to 45 form part of these accounts

Consolidated Balance Sheet as at 30 June 2017

	Note	2017 £'000	2016 £'000
Non Current Assets			
Fixed assets	8	84,768	85,877
Heritage Assets	8	5,966	5,941
Investments	9	76,929	68,518
<i>Total Non Current Assets</i>		<u>167,663</u>	<u>160,336</u>
Current Assets:			
Stocks		47	57
Trade & Other receivables	10	1,646	1,561
Cash & Cash equivalent	11	1,620	2,104
<i>Total current assets</i>		<u>3,313</u>	<u>3,722</u>
Liabilities:			
Creditors: amounts falling due within one year	12	(1,975)	(1,444)
<i>Net current assets</i>		<u>1,338</u>	<u>2,278</u>
<i>Total Assets less current liabilities</i>		<u>169,001</u>	<u>162,614</u>
Creditors: amounts falling due after more than one year - Loans	13	(17,119)	(17,268)
Creditors: amounts falling due after more than one year - Others	13	(666)	(564)
<i>Total Long Term Liabilities</i>		<u>(17,785)</u>	<u>(17,832)</u>
<i>Net assets excluding pension liability</i>		<u>151,216</u>	<u>144,782</u>
Provisions			
Pension Provisions	14	(6,765)	(5,446)
<i>Total net assets</i>		<u>144,451</u>	<u>139,336</u>
The funds of the charity:			
Restricted Reserves			
Income & Expenditure Reserves - Endowment	15	44,662	39,001
Income & Expenditure Reserves - Restricted	16	1,838	1,471
<i>Total Restricted funds</i>		<u>46,500</u>	<u>40,473</u>
Unrestricted Reserves			
Income & Expenditure Reserves - Unrestricted		97,951	98,736
Income & Expenditure Reserves - Revaluation Reserve		-.-	127
<i>Total Unrestricted funds</i>		<u>97,951</u>	<u>98,863</u>
Total Reserves		144,451	139,336

The financial statements were approved by the Augmented Council on 28 November 2017 and signed on its behalf by:

Prof Susan Smith



Deborah Lowther



The notes on pages 29 to 45 form part of these accounts

Consolidated Cash Flow Statement
For the year ended 30 June 2017

	Note	2017 £'000	2016 £'000
Net Cash Inflow from Operating Activities	18	588	1,383
Cash Flows from Investing activities	19a	(597)	(576)
Cash Flows from Capital Transactions	19b	(330)	(1,641)
Cash Flows from Financing Activities	20	(145)	(141)
		<u>(484)</u>	<u>(975)</u>
Increase/(Decrease) in cash and cash equivalent in the year			
Cash and cash equivalent at the beginning of the year		2,104	3,079
Cash and cash equivalent at the end of the year	11	1,620	2,104
Reconciliation of net cash flow to movement in net liquid assets			
Increase/(Decrease) in Cash in the Year		(484)	(975)
Movement in Long Term Loans		<u>145</u>	<u>141</u>
Net change in Cash		<u>(339)</u>	<u>(834)</u>
Net Cash/Borrowing brought forward		<u>(15,310)</u>	<u>(14,476)</u>
Net cash/borrowing carried forward	21	<u>(15,649)</u>	<u>(15,310)</u>

The notes on pages 29 to 45 form part of these accounts

Notes to the Accounts
For the year ended 30 June 2017

1. Academic Fees and Charges	2016-17	2015-16
	<u>£'000</u>	<u>£'000</u>
College Fees		
Fee Income received at the regulated undergraduate rate	1,923	1,974
Fee Income received at the Unregulated undergraduate rate	384	300
Fee Income received at the graduate rate	617	468
 Total Fees	 <u>2,924</u>	 <u>2,741</u>
 Cambridge Bursaries income	 193	 240
Other academic income	292	245
 Total	 <u>3,409</u>	 <u>3,227</u>

2. Residence, Catering & Conference income	2016-17	2015-16
	<u>£'000</u>	<u>£'000</u>
Accommodation		
College members	2,704	2,444
Conferences	371	394
	<u>3,075</u>	<u>2,839</u>
Catering		
College members	1,055	954
Conferences	332	357
	<u>1,387</u>	<u>1,311</u>
 Total	 <u>4,462</u>	 <u>4,149</u>

Notes to the Accounts
For the year ended 30 June 2017

3. Endowment & Investment income	2016-17 £'000	2015-16 £'000
3.a Analysis		
Total return recognised in Income & Expenditure account (3b)	2,020	1,728
3.b Summary of Total Return		
<i>Income from:</i>		
Land & Buildings	104	114
Quoted securities and cash	820	557
<i>Total Income from Investments</i>	<u>924</u>	<u>671</u>
<i>Gains/(losses) from endowment assets</i>		
Lands & Buildings	--	20
Quoted securities & cash	8,149	1,357
Loan interest payable	(671)	(673)
Investment management costs (see note 3c)	(336)	(178)
Total return for the year	<u>8,067</u>	<u>1,197</u>
Total return transferred to Income & Expenditure account (see note 3a)	<u>(2,020)</u>	<u>(1,728)</u>
Unapplied total return for the year included within Income & expenditure	<u>6,047</u>	<u>(531)</u>
3.c Investment management costs		
Land & building	24	27
Quoted & other securities & cash	312	151
<i>Total Investment management costs</i>	<u>336</u>	<u>178</u>

Notes to the Accounts
For the year ended 30 June 2017

4. Education Expenditure	2016-17 £'000	2015-16 £'000
Teaching	2,453	2,319
Tutorial	633	558
Admissions	523	427
Research	689	724
Scholarships & Awards	493	457
Other educational Facilities	247	207
Total	5,038	4,691

5. Residence, Catering & Conferences Expenditure	2016-17 £'000	2015-16 £'000
Accommodation		
College members	3,670	3,277
Conferences	1,720	1,535
	<u>5,390</u>	<u>4,811</u>
Catering		
College members	1,521	1,402
Conferences	507	467
	<u>2,028</u>	<u>1,869</u>
Total	7,418	6,681

6. Analysis Expenditure by Activity				
6.a Analysis of 2016-17 Expenditure	Staff Costs (Note 7) £'000	Other Operating £'000	Depreciation £'000	Total £'000
Education (Note 4)	2,509	2,240	289	5,038
Residence Catering & Conferences (Note 5)	2,585	3,427	1,406	7,418
Investment management Costs		1,007		1,007
Contribution under Statute G, II		-		-
Totals	<u>5,094</u>	<u>6,674</u>	<u>1,695</u>	<u>13,463</u>
6.b Analysis of 2015-16 Expenditure	Staff Costs (Note 7) £'000	Other Operating £'000	Depreciation £'000	Total £'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
Totals	<u>5,008</u>	<u>5,531</u>	<u>1,687</u>	<u>12,226</u>

Expenditure includes fundraising costs of £453k (2015-16: £338k). This expenditure includes the costs of alumni relations.

Notes to the Accounts
For the year ended 30 June 2017

6.c Auditors remuneration included in Other Operating Expenses	2016-17	2015-16
	£'000	£'000
Audit fees payable to the College's External Auditors - Current year	15	16
Other Fees payable to the College's External Auditors	3	3
	<u>18</u>	<u>19</u>

7. Staff costs	College	College Staff	Total 2017	Total 2016
	fellows 2017	2017		
	£'000	£'000	£'000	£'000
Emoluments	1,125	3,044	4,169	4,150
Social security costs	93	261	354	303
Other Pension costs (see note 24)	172	399	571	555
Total	<u>1,390</u>	<u>3,704</u>	<u>5,094</u>	<u>5,008</u>
<i>Staff Number</i>				
Academic	77	--	77	71
Non Academic (FTE)	5	113	118	111
Total	<u>82</u>	<u>113</u>	<u>195</u>	<u>181</u>

	2017	2016
<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:	338	370

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 2017

8 Fixed Assets								
2016-17 Fixed Asset	Assets in Construction	Freehold Land	Freehold Building	Long Leasehold Land & Building	Furniture Fittings & Equipment	Software	Total	2015-16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Original Costs								
As at 01-Jul-16	-	28,048	60,747	308	386	60	89,549	89,281
Additions	392	-	615	-	36	-	1,043	141
Transfers							-	-
Disposals		(298)	(169)	-			(468)	-
Transfer to heritage Asstes							-	-
Revaluation		-	-				-	127
As at 30-Jun-17	392	27,750	61,193	308	421	60	90,124	89,549
Accumulated Depreciation								
As at 01-Jul-16	-	-	3,295	31	314	32	3,672	1,985
Charge for the year		-	1,656	6	21	12	1,695	1,687
Disposal in year		-	(11)				(11)	-
Written back on revaluation							-	-
As at 30-Jun-17	-	-	4,940	37	335	44	5,356	3,672
Net Book Value								
As at 30-Jun-17	392	27,750	56,253	271	86	16	84,768	85,877
As at 30-Jun-16	-	28,048	57,452	278	72	28	85,877	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 2017 was £112,956k (2015-16: £106,292k)

8 Heritage Assets	2017	2016
	£'000	£'000
Balance as at 1 July	5,941	5,872
Transfer from Tangible fixed asstes		
Donations	13	
Appreciation on revaluation	12	70
Balance as at 30 June	5,966	5,941

Amounts for the Current and previous four years were as follows:	2017	2016	2015	2014	2013
	£'000	£'000	£'000	£'000	£'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	13	-	-	-	-
Total acquisitions capitalised	13	-	-	51	13

Notes to the Accounts
For the year ended 30 June 2017

9. Investments	2016-17	2015-16
	£'000	£'000
Balance at the beginning of the year	68,516	65,235
Additions	20,398	7,292
Disposals	(20,943)	(5,689)
Appreciation/(Depreciation) on revaluation	9,147	2,522
Increase/(Decrease) in cash balance held by Fund Managers	(189)	(844)
Balance at the end of the year	<u>76,929</u>	<u>68,516</u>
<i>Represented by</i>		
Freehold Land & Buildings	840	1,260
Quoted Securities - Equities	33	29
Other shares	14	14
Alternative investments	75,215	66,201
Cash held for reinvestment	827	1,012
Investments total	<u>76,929</u>	<u>68,516</u>

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. At 30 June 2017, 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 2017

	2016-17 £'000	2015-16 £'000
10. Trade and other receivables		
Members of the College	121	239
Other debtors	153	471
Accrued Donations	1,177	673
Prepayment & Accrued Income	195	178
Total	1,646	1,561
11. Cash and cash equivalent		
Bank Deposits	1,044	1,821
Current Account	573	280
Cash in hand	3	2
Total	1,620	2,104
12. Creditors: amounts falling due within one year		
Long term Loans	149	145
Student prepayments	93	50
Other Creditors	1,733	1,248
Total	1,975	1,444
13. Creditors: amounts falling due after more than one year		
Other loans	10,330	10,244
Bank Loans	6,789	7,024
Student prepayments	666	564
Total	17,785	17,832

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 2013-14, 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 2017

14. Pension Provision	CCFPS £'000	USS £'000	Total £'000	2015-16 £'000
Balance at beginning of year	4,992	454	5,446	4,923
<i>Movements in year</i>				
Current service costs including Life insurance	331	207	538	585
Contributions	(263)	(243)	(506)	(530)
Other finance costs	141	12	153	179
Actuarial loss/(gain)	1,134		1,134	289
Balance at end of year	6,334	431	6,765	5,446

Notes to the Accounts
For the year ended 30 June 2017

15. Endowment Funds				
Restricted net assets relating to endowments are as follows:	Restricted	Unrestricted	Total 2016-17	Total 2015-16
	Permanent Endowment	Permanent Endowment		
	£'000	£'000	£'000	£'000
Balance at beginning of year				
Capital	27,232	11,769	39,001	37,494
Unspent Income	--	--	--	--
	<u>27,232</u>	<u>11,769</u>	<u>39,001</u>	<u>37,494</u>
New donations and endowments	1,500	945	2,445	1,764
Transfer from/to Unrestricted reserves		(275)	(275)	
Increase/(Decrease) in market value of investment	2,463	1,028	3,491	(256)
Balance at end of year	<u>31,195</u>	<u>13,467</u>	<u>44,662</u>	<u>39,001</u>
Represented by:				
Fellowship Funds	17,627	2,220	19,847	17,449
Scholarship Funds	5,848	90	5,938	5,419
Prize Funds	758	175	933	845
Hardship Funds	958	129	1,087	986
Bursary Funds	3,538	98	3,636	3,103
Travel Grant Funds	336	19	355	323
Other Funds	2,067	2,646	4,713	4,287
General Endowments	63	8,090	8,153	6,589
Total	<u>31,195</u>	<u>13,467</u>	<u>44,662</u>	<u>39,001</u>
Analysis by asset				
Property	--	--	--	--
Investments	31,195	13,467	44,662	39,001

Notes to the Accounts
For the year ended 30 June 2017

16. Restricted reserves								
Reserves with restrictions are as follows:	Permanent	Restricted	Capital	Total 2016-	Total 2015-16			
	unspent and					expendable	Grants	17
	other					endowment	unspent	£'000
	restricted							
	income							
	£'000	£'000	£'000	£'000				
Balance at beginning of year								
Capital	576	--	--	576	389			
Accumulated income	722	173	--	896	807			
	1,298	173	--	1,471	1,196			
New grants	--	--	29	29	11			
New donations	25	56	--	81	144			
Cambridge Bursary Scheme	193	--	--	193	240			
Endowment return transferred	1,084	--	--	1,084	925			
Other investment income	--	--	--	--	--			
Increase/(Decrease) in market value of investment	84	--	--	84	(4)			
Expenditure	(1,058)	(26)	--	(1,084)	(1,030)			
Capital grants utilised	--	--	(19)	(19)	(11)			
	--	--	--	--	--			
Balance at end of year								
Capital	1,015	--	--	1,015	576			
Accumulated income	610	203	10	823	865			
Total	1,625	203	10	1,838	1,471			
Represented by:								
	--	--	--	--	--			
Fellowship Funds	731	--	--	731	587			
Scholarship Funds	210	--	--	210	189			
Prize Funds	24	2	--	26	29			
Hardship Funds	104	--	--	104	75			
Bursary Funds	306	--	--	306	260			
Travel Grant Funds	5	--	--	5	3			
Other Funds	234	201	10	445	319			
General Endowments	11	--	--	11	8			
Total	1,625	203	10	1,838	1,471			
Analysis by asset								
Property	--	--	--	--	--			
Investments	1,625	203	10	1,838	1,471			
Cash	--	--	--	--	--			

Notes to the Accounts
For the year ended 30 June 2017

17. Memorandum of Unapplied Total Return	2016-17	2015-16
	£'000	£'000
Unapplied total return at beginning of year	14,668	15,199
Unapplied total return in the year (note 3b)	6,047	(531)
Unapplied total return at end of year	<u>20,715</u>	<u>14,668</u>

Consolidated Cash-flow:

18. Reconciliation of consolidated deficit for the year to net cashflow from operating activities	2016-17	2015-16
	£'000	£'000
<i>Operating Activities</i>		
Operating Surplus/(Deficit)	(1,922)	(2,121)
Depreciations	1,695	1,687
Surplus on Disposal of tangible fixed assets	(11)	--
Pension costs less contributions payable	185	234
Decrease/(Increase) in Stocks	10	(2)
(Increase)/Decrease in Debtors	(85)	1,216
Increase/(Decrease) in Creditors	633	190
Contribution to College Fund		
<i>Adjustment for Investing or Financing Activities</i>		
Investment Income	(924)	(671)
Investment Costs	336	178
Interests Payable	671	673
Profit on sale of non-current assets		
Net Cash Inflow/(Outflow) from Operating Activities	<u>588</u>	<u>1,383</u>

19a. Cash Flow from Investing Activities	2016-17	2015-16
	£'000	£'000
Investment Property Income	104	114
Other Investment Income		
Investment charges	(30)	(18)
Interests paid	(671)	(673)
Net Cash Inflow from Investing Activities	<u>(597)</u>	<u>(576)</u>
19b. Cash Inflow/(Outflow) from Capital Transactions		
Payment to acquire Tangible Fixed Assets	(1,043)	(141)
Payment to acquire Investment Assets	(175)	(1,500)
Disposal of Tangible Fixed Assets	468	--
Disposals of Investment Assets	420	--
	<u>(330)</u>	<u>(1,641)</u>

Notes to the Accounts
For the year ended 30 June 2017

	2016-17	2015-16
	£'000	£'000
20. Cash flow from financing activities		
Long Term Loans contracted	--	--
Long Term Loans repaid	(145)	(141)
Net Cash Outflow from Financing activities	<u>(145)</u>	<u>(141)</u>

	As at 1 July 2016	Cash Flows	As at 30 June 2017
	£'000	£'000	£'000
21. Analysis of cash and cash equivalents			
Cash at bank and in hand	2,104	(484)	1,620
Long Term Loans	(17,414)	145	(17,269)
Net funds	<u>(15,310)</u>	<u>(339)</u>	<u>(15,649)</u>

	2017	2016
	£'000	£'000
22. Capital Commitments		
Commitments contracted for at 30 June 2017	<u>217</u>	<u>157</u>

	2017	2016
	£'000	£'000
23. Lease Obligations		
Commitments contracted for at 30 June 2017		
Expiring within one year	1,360	--
Expiring between two and five years	7,187	--
Expiring in over five years	112,096	--

Notes to the Accounts
For the year ended 30 June 2017

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	2016-17 £'000	2015-16 £'000
USS	207	193
CCFPS	280	320
NOW: Pensions	80	37
CEFPS	6	5
Total	571	555

University Superannuation Scheme

The total cost charged to the SOCI is £207k (2016: £193k) as shown in notes 14 and 24

The latest available full actuarial valuation of the scheme was at 31 March 2014 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway.

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

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

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

	2017	2016
Discount rate	2.57%	3.6%
Pensionable salary growth	n/a	n/a
Pensions increases (CPI)	2.41%	2.2%

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

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

Notes to the Accounts**For the year ended 30 June 2017**

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

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

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

Cambridge Colleges Federation Pension Scheme

The College operates a defined benefits 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 2017, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2017	2016
	% p.a.	% p.a.
Discount rate	2.6	2.8
Increase in salaries	2.85	2.4
RPI assumption	3.35	2.9
CPI assumption	2.35	1.9
Pension increases in payment (RPI Max 5% p.a.)	3.25	2.7
Pension Increases in payment (CPI Max 2.5% p.a.)	1.85	1.7

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2016 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2016: S2PA with CMI_2015 future improvement factors and a long-term future improvement rate of 1.0% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 22.1 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 23.9 years (previously 23.9 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.5 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.4 years (previously 25.4 years).

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

Notes to the Accounts
For the year ended 30 June 2017

	2017 £	2016 £
Present value of plan liabilities	(18,786,681)	(16,143,026)
Market value of plan assets	12,452,369	11,150,925
Net defined benefit asset/(liability)	(6,334,312)	(4,992,101)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows.

	2017 £	2016 £
Current service cost	306,239	367,695
Administrative expenses	24,638	24,638
Interest on net defined benefit (asset)/liability	140,646	165,798
(Gain)/loss on plan changes	0	0
Curtailment (gain)/loss	0	0
Total	471,523	558,131

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

	2017 £	2016 £
Present value of plan liabilities at beginning of period	16,143,026	14,032,715
Current service cost	306,239	367,695
Employee contributions	109,791	119,766
Benefits paid	(552,139)	(473,474)
Interest on plan liabilities	449,845	519,396
Actuarial (gains)/losses	2,329,919	1,576,928
(Gain)/loss on plan changes	0	0
Curtailment (gain)/loss	0	0
Present value of plan liabilities at end of period	18,786,681	16,143,026

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

	2017 £	2016 £
Market value of plan assets at beginning of period	11,150,925	9,582,277
Contributions paid by the College	262,939	305,508
Employee contributions	109,791	119,766
Benefits paid	(552,139)	(473,474)
Administrative expenses	(39,392)	(35,088)
Interest on plan assets	309,199	353,598
Return on assets, less interest included in Profit & Loss	1,211,046	1,298,338
Market value of plan assets at end of period	12,452,369	11,150,925
Actual return on plan assets	1,520,245	1,651,936

The major categories of plan assets for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

Notes to the Accounts
For the year ended 30 June 2017

	2017 %	2016 %
Equities	67%	59%
Bonds & Cash	27%	35%
Property	6%	6%
Total	100%	100%

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

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

	2017 £	2016 £
Return on assets, less interest included in Profit & Loss	1,211,046	1,298,338
Expected less actual plan expenses	(14,754)	(10,450)
Experience gains and losses arising on plan liabilities	(123,979)	(126,929)
Changes in assumptions underlying the present value of plan liabilities	(2,205,940)	(1,449,999)
Re-measurement of net defined benefit liability recognised in OCI	(1,133,627)	(289,040)

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

	2017 £	2016 £
Net defined benefit asset/(liability) at beginning of year	(4,992,101)	(4,450,438)
Recognised in Profit and Loss	(471,523)	(558,131)
Contributions paid by the College	262,939	305,508
Re-measurement of net defined benefit liability recognised in OCI	(1,133,627)	(289,040)
Net defined benefit asset/(liability) at end of year	(6,334,312)	(4,992,101)

Funding Policy

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

The last such actuarial valuation was as at 31 March 2014. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 16 December 2016 and are as follows:

Annual contributions of not less than £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 2017

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 £79,524 (2015-16: £36,536), of which £11,710 (2015-16 £7,092) was outstanding at the year end.

25 Principal subsidiary and associated undertakings and other significant investments

As at 30 June 2017, 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	Ordinary	100%	United Kingdom	Provision of development facilities

26 Contingent Liabilities

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.