



**CHRIST'S COLLEGE
CAMBRIDGE**

**Annual report of the Trustees
and Accounts prepared under the
Recommended Cambridge College Accounts (RCCA) format
for the year ended 30 June 2016**

**Christ's College
St Andrew's Street
Cambridge
CB2 3BU**

Registered charity number 1137540

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Trustees & Advisers

Address:

St Andrew's Street
Cambridge
CB2 3BU

Charity Registration Number:

1137540

Charity Trustees (Members of the Council)

(ex officio) Master, Senior Tutor, Bursar

(elected) Professor Amin, Dr Browne, Professor Edwardson (to 02.10.15),
Professor Gay (from 02.10.15), Dr Isaac (from 02.10.15), Professor Leslie
Prof Marteau (from 02.10.15), Dr Norman (from 02.10.15),
Dr Pfeifer (from 02.10.15), Dr Punskeya, Professor Radcliffe,
Professor Secord (to 02.10.15), Dr Shvets (to 02.10.15)

Principal officers

Master: Professor F P Kelly CBE FRS (to 30.08.16), Professor B J Stapleton FBA (from 01.09.16)
Senior Tutor: Dr R E Hunt
Bursar: Mr D J Ball

Principal advisers

Auditors PEM
Salisbury House
Station Road
Cambridge CB1 2LA

Bankers Lloyds TSB
Black Horse House
Castle Park
Cambridge CB3 0AR

**Investment
Managers** Various

Legal Advisers Ashton KCJ
Chequers House
77-81 Newmarket Road
Cambridge CB5 8EU

Property Managers Bidwells
Bidwell House
Trumpington Road
Cambridge CB2 9LD

Corporate Governance

Christ's College is a self-governing corporate body, established by royal charter. It is a registered charity (registered number 1137540) and subject to regulation by the Charity Commission for England and Wales. Christ's College Enterprises Limited and Christ's College Trading Limited, wholly owned subsidiaries primarily involved in property development and hospitality activities respectively, donate their profits to the College, to be used in its charitable activities.

The Governing Body is comprised of the Fellows of the College. Undergraduate and postgraduate student representatives are also coopted members of the Governing Body. The Statutes & Ordinances govern the activities of the College.

The members of the College Council are the charity trustees and are responsible for ensuring compliance with charity law. The Council consists of the Master, the Senior Tutor and Bursar, ex officio, and ten members elected from the membership of the Governing Body. Each elected member is elected to serve for a period of two years and may be re-elected for two further terms of two years each. Members of the Council during the year ended 30 June 2016 are set out on page 2.

The College Council is responsible for oversight of the management of the assets, income, expenditure and educational business of the College, in accordance with the directions and subject to the limitations laid down in the College Statutes. They are advised in carrying out their duties by a number of Committees. The Education Committee advises the Council on educational matters, including teaching, pastoral care and admissions. The Financial Control Committee advises the Council on the annual budget, monitors income and expenditure during the year, and reviews the annual report and accounts before presentation to Council and the Governing Body. The accounts of the College and its subsidiary are externally audited. The Estates Committee and the Investments Committee meet regularly with and receive reports from professional advisers and advise the Council on estates and securities investments respectively. The principal officers of the College, as laid down by the College's Statutes and Ordinances are the Master, who is responsible overall for the work of the College; the Bursar who is its chief administrative and financial officer and the Senior Tutor who is responsible for the oversight of its educational work.

Declarations of interest are made systematically at meetings. No fees are paid to Fellows in respect of their duties as members of the College Council, although a number of the members of the Council hold office or employment with the College and receive remuneration in respect of the services they provide. Stipends, salaries and fees for these services are determined on the advice of a Remuneration Committee. The total amount paid to serving members of the Council in the year ended 30 June 2016, including pension contributions, was £0.4m (2015: £0.4m).

Statement of Internal Control

The College Council is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.

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.

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2016 and up to the date of approval of the financial statements.

The College Council is responsible for reviewing the effectiveness of the system of internal control. The Council's review 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 Trustees

The Trustees are 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 College Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Trustees are responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept.

The Trustees are responsible for taking reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

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

Operating and Financial Review

1. Aims, Objectives and Public Benefit

The College's objective is the advancement of education, religion, learning and research through the provision of a college within the University of Cambridge. The primary aim of the College, as an independent foundation within a collegiate university, is the provision of education leading to degrees awarded by the University of Cambridge. It seeks to enable its students to achieve their full potential, through both academic success and participation in the broad range of extra-curricular activities which the College and the University provide. The College commits significant resources to various outreach activities designed to encourage undergraduate applications by able candidates from all backgrounds and schools. The College provides access bursaries, awarded on the assessment of financial need, for over 25% of non-overseas undergraduates and over 100 scholarships and prizes, awarded on performance in University examinations. The College also offers studentships and grants towards travel and research expenses for academic purposes.

Within the collegiate university, the College's educational role (in common with the other colleges) is to select and admit its own undergraduates and graduates, to provide advice about programmes of study and arrange small-group teaching for undergraduates, to provide pastoral care and to monitor each individual student's progress. Ancillary to this role, the College provides a library, residential accommodation, catering and recreational facilities and a chapel. The College also makes provision for student activities in sport, music, drama, the visual arts and other non-academic areas. The 500-year-old College site contains much that is uniquely important in the nation's architectural heritage. The College maintains these buildings and gardens and allows public access to the gardens for most of the year.

The benefits afforded by collegiate life in the Cambridge system are the interactions that are fostered within a relatively small but diverse community, both academically across disciplines and socially, between students and Fellows (who are often leading scholars or researchers in their field). A high proportion of students live in or close by the College, take meals in College and participate in College clubs, societies, and sporting activities; some Fellows are resident in College and many are present in College during the day in term time, to teach, to participate in College business or because it is their base to carry out research. The drop out rate among the College's undergraduates is extremely low, compared to the national average. This is attributed to the care taken in the selection of undergraduates for admission, the provision of pastoral care, the attention paid to teaching in small groups, the steps taken to monitor each individual student's progress, and the financial support available through bursaries in cases of hardship. Although the academic progress of graduate students reading for higher degrees is primarily the responsibility of the faculty or department of the University in which they work, the College also provides considerable support for these students, through pastoral care, residential accommodation in College flats or houses, the opportunity to participate in social and sporting activities and to interact with the Fellowship, access to research and travel grants, and financial assistance.

2. Funding

The College's main sources of funding during the year were income generated from its charitable activities and its investment income:

	£'000	
	2015-16	2014-15
Academic Fees & Charges	2,694	2,539
Residences, Catering & Conferences	4,009	3,679
Investment Income	3,573	3,056

The College also received donations and new endowments of £3.2m (2014-15: £1.7m).

3. Achievements and performance

3.1 Educational Activities

The College operates within policies and strategies determined by the University and, as appropriate, the colleges collectively, for example on admissions targets and the provision of teaching.

The numbers of undergraduate and graduate students in residence and registered with the University were:

	2015/16	2014/15
Undergraduates	429	418
Postgraduates	224	224

Undergraduate examination performance continued to be strong. At the same time students participated in a wide range of other sporting, cultural and charitable activities, with a number achieving distinction in their fields.

Graduate students also continued to achieve good results, while the graduate community within the college was active in organizing academic and social events through the MCR.

Seven Fellows with University appointments (2014-15: two) were appointed during the year, together with one College Teaching Officer (2014-15: two).

3.2 Research Activities

Fellows again received a number of distinctions recognising their research achievements. The College provides a variety of support to Fellows and students for research activity.

Five new Research Fellows were appointed during the year (2014-15: three).

4. Financial review

The College has prepared its consolidated accounts in accordance with the Recommended Cambridge College Accounts or RCCA format, the presentation of which has been significantly revised this year.

Statement of Comprehensive Income & Expenditure

This is a new form of presentation, which includes donations and new endowments as income. However, it also shows again a surplus on continuing operations after making the University Contribution under Statute G,II. Operating revenues increased, expenditure was well controlled and a higher investment distribution was made from the endowment.

Statement of Changes in Reserves

This is again a new form of presentation. The College's operational properties (the domus site and student hostels) have been reclassified as forming part of the unrestricted reserves rather than the permanent endowment. We have also transferred to unrestricted reserves those deferred capital grants relating to buildings where construction has been completed.

Balance Sheet

The consolidated balance sheet remains strong, with retained investment gains and donations increasing total funds to £166m (2015: £157m). The College has sufficient liquid funds to meet all normal contingencies.

Investment Returns

Total returns from the College's investments were again in excess of the amount appropriated to fund current spending, as set out in note 3b to the accounts. Both securities and UK property showed further capital gains. The fall in sterling increased the reported values of our non-sterling investments.

Donations & Bequests

It will be readily seen from the accounts that the College continues to rely heavily on its investment income, and on bequests and donations to capital, in order to undertake its charitable activities. The College was very grateful to receive during the last year substantial gifts and pledges from Old Members and others in support of each of our current priorities:

- Additional funding for undergraduate and graduate students
- Funding of teaching Fellowships
- Provision of additional accommodation for our growing number of graduate students and improvement of other College facilities

Together with donations and legacies for general purposes, these will help the College to continue to provide the quality of teaching and collegiate experience to which we remain committed.

Trading Subsidiary – Christ's College Enterprises

Further proceeds of £0.8m (2015: £3.4m) were recorded during the year from sales of land in which the College has an interest at North Hykeham, Lincoln.

5. Risk Management

The Council has established policies and procedures to manage the major risks to which the College is exposed.

6. Plans for the future

The College does not anticipate major changes to its activities in the foreseeable future.

Mr D J Ball
Bursar
Christ's College
Cambridge

Date: 1 October 2016

Independent Auditors' Report to the Trustees of Christ's College

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

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

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

Scope of the audit of financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the College's affairs as at 30 June 2015 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge.

Matters on which we are required to report by exception

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

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

PETERS ELWORTHY & MOORE **Chartered Accountants and Statutory Auditors**

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 16 December 2016

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

Statement of Principal Accounting Policies

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, 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.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control nor do they include other student led activities such as the May Ball.

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.

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.

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

Total return

With effect from 1 July 2012, the college has invested its endowment investment portfolio and allocated a proportion of the related earnings and capital appreciation to the income and expenditure account in accordance with the total return investment concept. The allocation to income is determined by a spending rule, which is designed to maintain an appropriate balance between annual levels of distribution from the endowment and the maintenance over time of the real value of the endowment.

Prior to 1 July 2012, all investment income was credited to the income and expenditure account in the period in which it was received.

Other income

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

Cambridge Bursary Scheme

In 2015-16, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, Cambridge University reimbursed the SLC for the full amount and each College paid their portion (based on their own eligible students) to the University. However, to remain consistent with previous years' presentation as well as the system agreed for 2016-17 (where the College pays Cambridge Bursaries to eligible students and receives a contribution from the University), for 2015-16 the College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges", although strictly speaking this was not a College transaction for this year.

The net payment of £114k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£180k
Expenditure	£294k

Foreign currency translation

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

Fixed assets

Land and buildings

The buildings on the main College site have been valued at depreciated replacement cost. The value of the land on the main College site has not been capitalised.

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:

Specialised buildings	100 years
Flats & hostels	50 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.

The cost of additions to operational property shown in the balance sheet includes the cost of land.

Furniture, fitting and equipment

Furniture, fittings and equipment costing less than £20k 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	10 years
Motor vehicles and general equipment	10 years
Computer equipment and fire alarms	5 years.

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Fixed asset investments are included in the balance sheet at market value. Listed securities are included at published prices. Unlisted securities are included at managers' valuations, which are prepared in accordance with accepted accounting standards. Overseas investments are translated into sterling at the rates ruling at the balance sheet date.

The Colleges investment in its subsidiary undertaking is valued on the expected future cash flows of the company, discounted at an appropriate rate. Development land is valued by the Bursar, after discussion with professional advisers, using expected future cash flows, discounted at an appropriate rate and applying a further explicit discount for identified risks.

Investment properties are valued on an annual basis by professional valuers, following RICS guidelines.

Investment income from securities is included as and when dividends and interest become payable. Interest on bank deposits is included on an accrual basis. Income from investment properties is recognised in the period in which the rental relates

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 1137540) 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.

Pension costs

The College participates in three funded defined benefit pension schemes, Cambridge Colleges Federated Pension Scheme (CCFPS), Universities Superannuation Scheme (USS) and the Church of England Funded Pension Scheme (CEFPS), and two defined contribution pension schemes, Cambridge Colleges Group Pension Plan, which is administered by Aviva, and The NOW: Pensions Trust. The assets of the schemes are held in separate trustee administered funds.

Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the Fellows' or employees' services.

Cambridge Colleges Federated Pension Scheme (CCFPS)

In the case of the CCFPS, costs comprise service and finance costs.

Universities Superannuation Scheme (USS)

Throughout the current and preceding periods, the Universities Superannuation Scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual

nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The college is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period and in addition, since the college has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the college recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

Church of England Funded Pension Scheme (CEFPS)

As for the USS, because of the mutual nature of the CEFPS scheme, the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. The amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period and in addition there is also a deficit recovery plan in place for the CEFPS and a liability has been recognised for the contributions payable by the college under the plan.

Cambridge Colleges Group Pension Plan (administered by Aviva) and the NOW: Pensions Trust

The Aviva and NOW: Pensions schemes are defined contribution schemes, hence the cost charged to the Income and Expenditure Account represents the employer contributions due in the financial year

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Transition to the 2015 RCCA

The College is preparing its financial statements in accordance with 2015 RCCA for the first time, amended for the adoption of FRS 102, and consequently has applied the first time adoption requirements. An explanation of how the transition to the 2015 RCCA has affected the reported financial position, financial performance and cash flows of the consolidated results of the College is provided in note 22.

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.

Consolidated Statement of Comprehensive Income and Expenditure

Year ended 30 June 2016

					2016
	Note	Unrestricted	Restricted	Endowment	Total
		£000	£000	£000	£000
Income					
Academic fees and charges	1	2,694	-	-	2,694
Residences, catering and conferences	2	4,009	-	-	4,009
Investment income	3	98	-	-	98
Endowment return transferred	3	2,322	1,153	-	3,475
Total income before donations and endowments		9,123	1,153	-	10,276
Donations		491	626	-	1,117
New endowments		-	-	1,857	1,857
Capital grants for assets		-	191	-	191
Total income		9,614	1,970	1,857	13,441
Expenditure					
Education	4	2,648	1,026	-	3,674
Residences, catering and conferences	5	4,678	72	-	4,750
Other expenditure		1,298	1	-	1,299
Contribution under Statute G,II		39	18	-	57
Total expenditure	6	8,663	1,117	-	9,780
Surplus/(deficit) before other gains and losses		951	853	1,857	3,661
Gain/(loss) on disposal of fixed assets	8	-	-	-	-
Gain/(loss) on investments	9	781	424	4,471	5,676
Surplus/(deficit) for the year		1,732	1,277	6,328	9,337
Other comprehensive income					
Actuarial (loss) in respect of pension schemes	16	(119)	-	-	(119)
Total comprehensive income for the year		1,613	1,277	6,328	9,218

				2015
	Unrestricted	Restricted	Endowment	Total
	£000	£000	£000	£000
	2,539	-	-	2,539
	3,679	-	-	3,679
	87	-	-	87
	1,909	1,060	-	2,969
	8,214	1,060	-	9,274
	109	715	-	824
	-	-	818	818
		49		49
	8,323	1,824	818	10,965
	2,800	1,069	-	3,869
	4,602	3	-	4,605
	1,166	2	-	1,168
	24	17	-	41
	8,592	1,091	-	9,683
	(269)	733	818	1,282
	689	342	9,256	10,287
	420	1,075	10,074	11,569
	27	-	-	27
	447	1,075	10,074	11,596

Statement of Changes in Reserves
Year ended 30 June 2016

	Note	Income and expenditure reserve			Total
		Unrestricted	Restricted	Endowment	
		£000	£000	£000	
Balance at 1 July 2015		69,979	8,375	78,340	156,694
Surplus/(Deficit) from income and expenditure statement		1,732	1,277	6,328	9,337
Other comprehensive income		(119)	-	-	(119)
Release of restricted capital funds spent in the year		-	-	-	-
Transfers between revaluation and income and expenditure reserve		-	-	-	-
Balance at 30 June 2016		71,592	9,652	84,668	165,912

	Note	Income and expenditure reserve			Total
		Unrestricted	Restricted	Endowment	
		£000	£000	£000	
Balance at 1 July 2014		(1,222)	6,284	135,893	140,955
Adjustments re transition to FRS102:	22				
Prior Year Adjustment deferred capital opening balance		3,264	1,013	-	4,277-
Prior year adjustment: USS		(98)	-	-	(98)
Prior year adjustment: CEFPS		(36)	-	-	(36)
		1,908	7,297	135,893	145,098
Other prior year adjustments:	23				
Prior year adjustment: reclassification of unrestricted funds		67,624	-	(67,624)	-
		69,532	7,297	68,269	145,098
Surplus/(Deficit) from income and expenditure statement		420	1,075	10,074	11,569
Other comprehensive income		27	-	-	27
Release of restricted capital funds spent in the year		-	-	-	-
Transfers between revaluation and income and expenditure reserve		-	3	(3)	-
Balance at 30 June 2015		69,979	8,375	78,340	156,694

The notes on pages 19 to 35 form part of these accounts

Consolidated and College Balance Sheets as at 30 June 2016

		2016	2016	2015	2015
		Consolidated	College	Consolidated	College
	Note	£000	£000	£000	£000
Non-current Assets					
Fixed assets	8	68,623	68,623	67,770	67,770
Investments	9	101,565	101,694	93,908	94,037
Current assets					
Stocks	10	67	67	75	75
Trade and other receivables	11	821	1,640	780	780
Cash and cash equivalents	12	12,035	10,966	11,455	11,454
Creditors: amounts falling due within one year	13	(2,018)	(2,033)	(2,429)	(2,511)
Net current assets		10,905	10,640	9,881	9,798
Total Assets less current liabilities		181,093	180,957	171,559	171,605
Creditors: amounts falling due after more than one year	14	(10,000)	(10,000)	(10,000)	(10,000)
Provisions					
Pension provisions	15	(5,181)	(5,181)	(4,865)	(4,865)
Total net assets		165,912	165,776	156,694	156,740
Restricted reserves					
Income and expenditure reserve – endowment reserve	16	84,668	84,594	78,340	78,266
Income and expenditure reserve – restricted reserve	17	9,652	9,652	8,375	8,375
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		71,592	71,530	69,979	70,099
Total Reserves		165,912	165,776	156,694	156,740

The financial statements were approved by College Council on 1 October 2016 and signed on its behalf by:

Mr D J Ball
Bursar, Christ's College, Cambridge

The notes on pages 19 to 35 form part of these accounts

Consolidated Cash Flow Statement
For the year ended 30 June 2016

		2016	2015
	Note	£000	£000
Net cash inflow from operating activities	19	2,423	1,579
Cash flows from investing activities	20	(1,843)	(1,556)
Increase/(decrease) in cash and cash equivalents in the year		580	23
Cash and cash equivalents at beginning of the year		11,455	11,432
Cash and cash equivalents at end of the year	12	12,035	11,455

The notes on pages 19 to 35 form part of these accounts

Notes to the Accounts
For the year ended 30 June 2016

1	Academic fees and charges	2016	2015
		£000	£000
	Colleges fees:		
	Fee income received at the Regulated Undergraduate rate	1,679	1,659
	Fee income received at the Unregulated Undergraduate rate	327	267
	Fee income received at the Graduate rate	508	405
	Other income	180	208
	Total	<u>2,694</u>	<u>2,539</u>
2	Income from residences, catering and conferences	2016	2015
		£000	£000
	Accommodation		
	College members	2,178	2,094
	Conferences	674	492
	Catering		
	College members	560	528
	Conferences	597	565
	Total	<u>4,009</u>	<u>3,679</u>
3	Endowment return and investment income	2016	2015
		£000	£000
3a	Analysis		
	Total return contribution (see note 3b)	3,475	2,969
	Other interest receivable	98	87
	Total	<u>3,573</u>	<u>3,056</u>
3b	Summary of total return		
	Income from:		
	Land and buildings	1,398	1,522
	Quoted and other securities and cash	684	627
	Gains/(losses) on endowment assets:		
	Land and buildings	2,325	7,207
	Quoted and other securities and cash	5,140	4,250
	Investment management costs (see note 3c)	(396)	(350)
	Total return for year	<u>9,151</u>	<u>13,256</u>
	Total return transferred to income and expenditure reserve (see note 3a)	(3,475)	(2,969)
	Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 19)	<u>5,676</u>	<u>10,287</u>
3c	Investment management costs		
	Land and buildings	(243)	(195)
	Securities	(153)	(155)
	Total	<u>(396)</u>	<u>(350)</u>

The costs shown for Securities include all investment fees invoiced to the College. It should be noted that other investment costs are also incurred within investment funds. Investments are valued net of all such costs and the total return shown in Note 3b is also net of all such costs.

Notes to the Accounts
For the year ended 30 June 2016

4	Education expenditure	2016	2015
		£000	£000
	Teaching	1,488	1,441
	Tutorial	639	614
	Admissions	260	238
	Research	410	430
	Scholarships and awards	721	792
	Other educational facilities	156	354
	Total	3,674	3,869

5	Residences, catering and conferences expenditure	2016	2015
		£000	£000
	Accommodation		
	College members	3,104	3,036
	Conferences	664	592
	Catering		
	College members	456	476
	Conferences	526	501
	Total	4,750	4,605

6a Analysis of 2015/2016 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	1,198	2,476	-	3,674
Residences, catering and conferences	2,745	1,207	798	4,750
Other	743	613	-	1,356
Totals	4,686	4,296	798	9,780

Expenditure includes fundraising costs of £0.4m. This expenditure includes the costs of alumni relations.

6b Analysis of 2014/2015 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	1,298	2,571	-	3,869
Residences, catering and conferences	2,477	1,369	759	4,605
Other	685	524	-	1,209
Totals	4,460	4,464	759	9,683

Expenditure includes fundraising costs of £0.4m. This expenditure includes the costs of alumni relations.

6c	Auditors' remuneration	2016	2015
		£000	£000
	Other operating expenses include:		
	Audit fees payable to the College's external auditors	31	27
	Other fees payable to the College's external auditors	7	6

Notes to the Accounts
For the year ended 30 June 2016

7 Staff costs

Consolidated	College Fellows £000	Other academic £000	Non- academic £000	2016 Total £000	2015 Total £000
Staff costs:					
Emoluments	813	-	2,915	3,728	3,585
Social security costs	69	-	211	280	260
Other pension costs	126	-	552	678	615
Total	1,008	-	3,678	4,686	4,460
Average staff numbers:					
Academic (numbers of stipendiary staff)	43	-	2	45	43
Non-academic (full time equivalent)	2	-	108	110	98
Total	45	-	110	155	141

The Governing Body comprises 74 Fellows, of which the 45 declared above are stipendiary.

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

Trustees and key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The trustees of the college, i.e. College Council, are also the key management personnel.

The members of College Council received no emoluments in their capacity as trustees of the charity, however they received emoluments totalling £0.4m (2015: £0.4m) in their capacity as college officers.

Notes to the Accounts
For the year ended 30 June 2016

8 Fixed assets					
Consolidated and College	Land and buildings	Assets in construction	Equipment	2016 Total	2015 Total
	£000	£000	£000	£000	£000
Cost or valuation					
At beginning of year	69,824	1,402	905	72,131	70,752
Additions	577	924	150	1,651	1,244
Transfers	-	-	-	-	135
Disposals	-	-	-	-	-
At end of year	<u>70,401</u>	<u>2,326</u>	<u>1,055</u>	<u>73,782</u>	<u>72,131</u>
Depreciation					
At beginning of year	3,972	-	389	4,361	3,602
Charge for the year	680	-	118	798	759
Eliminated on disposals	-	-	-	-	-
At end of year	<u>4,652</u>	<u>-</u>	<u>507</u>	<u>5,159</u>	<u>4,361</u>
Net book value					
At beginning of year	65,852	1,402	516	67,770	67,150
At end of year	65,749	2,326	548	68,623	67,770

The insured value of freehold land and buildings as at 30 June 2016 was £122,922k (2015: £120,084k).

9 Investments	Consolidated 2016	College 2016	Consolidated 2015	College 2015
	£000	£000	£000	£000
Balance at beginning of year	93,908	94,037	82,274	82,403
Additions	4,330	4,330	3,670	3,670
Disposals	(4,138)	(3,320)	(3,358)	-
Transfers	-	-	(135)	(135)
Gain/(loss)	7,465	6,647	11,457	8,099
Balance at end of year	<u>101,565</u>	<u>101,694</u>	<u>93,908</u>	<u>94,037</u>
Represented by:				
Property	32,650	30,650	34,236	31,736
Securities	67,985	67,985	59,037	59,037
Investments in subsidiary undertakings	-	2,129	-	2,629
Cash in hand and at investment managers	920	920	625	625
Other investments	10	10	10	10
	<u>101,565</u>	<u>101,694</u>	<u>93,908</u>	<u>94,037</u>

Property includes certain land holdings valued by management, after discussion with the college's professional advisers, at £4.3m (2015: £4.3m)

Notes to the Accounts
For the year ended 30 June 2016

10 Stocks and work in progress

	Consolidated	College	Consolidated	College
	2016	2016	2015	2015
	£000	£000	£000	£000
Goods for resale	-	-	-	-
Work in progress	-	-	-	-
Other stocks	67	67	75	75
	<u>67</u>	<u>67</u>	<u>75</u>	<u>75</u>

11 Trade and other receivables

	Consolidated	College	Consolidated	College
	2016	2016	2015	2015
	£000	£000	£000	£000
Members of the College	38	38	34	34
Amounts due from subsidiary undertakings	-	819	-	-
Other receivables	552	552	478	478
Prepayments and accrued income	231	231	268	268
	<u>821</u>	<u>1,640</u>	<u>780</u>	<u>780</u>

12 Cash and cash equivalents

	Consolidated	College	Consolidated	College
	2016	2016	2015	2015
	£000	£000	£000	£000
Bank deposits	1	1	1	1
Current accounts	12,953	11,884	12,078	12,077
Cash in hand	1	1	1	1
	<u>12,955</u>	<u>11,886</u>	<u>12,080</u>	<u>12,079</u>
Investment assets	(920)	(920)	(625)	(625)
	<u>12,035</u>	<u>10,966</u>	<u>11,455</u>	<u>11,454</u>

13 Creditors: amounts falling due within one year

	Consolidated	College	Consolidated	College
	2016	2016	2015	2015
	£000	£000	£000	£000
Trade creditors	387	387	421	421
Members of the College	260	260	269	269
Amounts due to subsidiary undertakings	-	182	-	250
University fees	9	9	30	30
Other creditors	225	225	376	376
Accruals and deferred income	1,137	970	1,333	1,165
	<u>2,018</u>	<u>2,033</u>	<u>2,429</u>	<u>2,511</u>

Notes to the Accounts
For the year ended 30 June 2016

14 Creditors: amounts falling due after more than one year

	Consolidated 2016 £000	College 2016 £000	Consolidated 2015 £000	College 2015 £000
Other loan	(10,000)	(10,000)	(10,000)	(10,000)
	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £10 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

15 Pension provisions

	Consolidated 2016 £000	College 2016 £000	Consolidated 2015 £000	College 2015 £00
Balance at beginning of year	(4,866)	(4,866)	(4,603)	(4,603)
Movement in year:				
Current service cost including life assurance (CCFPS)	(337)	(337)	(473)	(473)
Contributions	344	344	230	230
Other finance (income)/cost	(178)	(178)	(46)	(46)
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure (CCFPS)	(119)	(119)	-	-
Change in recovery plan, discount rate or contribution assumptions (USS & CEFPS)	(25)	(25)	27	27
Balance at end of year	<u>(5,181)</u>	<u>(5,181)</u>	<u>(4,865)</u>	<u>(4,865)</u>

Notes to the Accounts
For the year ended 30 June 2016

16 Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated	Unrestricted permanent endowments £000	Restricted permanent endowments £000	2016 Total £000	2015 Total £000
Balance at beginning of year				
Capital	54,501	23,839	78,340	135,893
New donations and endowments	624	1,233	1,857	818
Transfers	-	-	-	(67,627)
Increase/(decrease) in market value of investments	3,088	1,383	4,471	9,256
Balance at end of year	58,213	26,455	84,668	78,340
Analysis by type of purpose				
Fellowship funds	-	8,120	8,120	7,668
Scholarship funds	-	660	660	624
Prize funds	-	315	315	297
Hardship funds	-	391	391	369
Bursary funds	-	9,124	9,124	7,510
Travel and research grant funds	-	1,315	1,315	1,216
Other funds	-	6,530	6,530	6,155
General endowments	58,213	-	58,213	54,501
	58,213	26,455	84,668	78,340
Analysis by asset				
Property	32,650	-	32,650	34,236
Securities	18,522	26,454	44,976	38,900
Loan to Unrestricted Reserves	7,041	1	7,042	5,204
	58,213	26,455	84,668	78,340

Notes to the Accounts
For the year ended 30 June 2016

16 Endowment funds

Restricted net assets relating to endowments are as follows:

College	Unrestricted permanent endowments £000	Restricted permanent endowments £000	2016 Total £000	2015 Total £000
Balance at beginning of year				
Capital	54,427	23,839	78,266	135,817
New donations and endowments	1,443	1,233	2,676	4,174
Transfers	-	-	-	(67,627)
Increase/(decrease) in market value of investments	2,269	1,383	3,652	5,902
Balance at end of year	58,139	26,455	84,594	78,266
Analysis by type of purpose				
Fellowship funds	-	8,120	8,120	7,668
Scholarship funds	-	660	660	624
Prize funds	-	315	315	297
Hardship funds	-	391	391	369
Bursary funds	-	9,124	9,124	7,510
Travel and research grant funds	-	1,315	1,315	1,216
Other funds	-	6,530	6,530	6,155
General endowments	58,139	-	58,139	54,427
	58,139	26,455	84,594	78,266
Analysis by asset				
Property	32,650	-	32,650	34,236
Securities	18,522	26,454	44,976	38,900
Loan to Unrestricted Reserves	6,967	1	6,968	5,130
	58,139	26,455	84,594	78,266

Notes to the Accounts
For the year ended 30 June 2016

17 Restricted Reserves

Reserves with restrictions are as follows:

Consolidated and College	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2016 Total £000	2015 Total £000
Balance at beginning of year				
Capital	-	4,659	4,659	3,957
Accumulated income	3,190	526	3,716	3,340
New grants	-	191	191	49
New donations	-	626	626	715
Endowment return transferred	1,000	153	1,153	1,060
Increase/(decrease) in market value of investments	185	239	424	341
Expenditure	(819)	(298)	(1,117)	(1,090)
Capital grants utilised	-			
Transfers	-	-	-	3
Balance at end of year	3,556	6,096	9,652	8,375
Capital	-	5,487	5,487	4,659
Accumulated income	3,556	609	4,165	3,716
	3,556	6,096	9,652	8,375
Analysis by type of purpose				
Fellowship Funds	1,958	2,037	3,995	3,621
Scholarship Funds	147	511	658	626
Prize Funds	46	-	46	43
Hardship Funds	178	-	178	159
Bursary Funds	303	517	820	657
Travel Grant Funds	329	288	617	549
Other Funds	595	2,743	3,338	2,720
	3,556	6,096	9,652	8,375

Notes to the Accounts
For the year ended 30 June 2016

18 Memorandum of Unapplied Total Return

Included within reserves the following amounts represent the Unapplied Total Return of the College:

	2016	2015
	£000	£000
Unapplied Total Return at beginning of year	63,568	53,281
Unapplied Total Return for year (see note 3b)	5,676	10,287
	<hr/>	<hr/>
Unapplied Total Return at end of year	69,244	63,568

19 Reconciliation of [consolidated] surplus for the year to net cash inflow from operating activities

	2016	2015
	£000	£000
Surplus/(deficit) for the year	9,337	11,569
Adjustment for non-cash items		
Depreciation	798	759
(Loss)/gain on endowments, donations and investment property	(7,465)	(11,456)
Decrease/(increase) in stocks	8	(6)
Decrease/(increase) in trade and other receivables	(41)	(81)
Increase/(decrease) in creditors	(411)	504
Pension costs less contributions payable	197	290
	<hr/>	<hr/>
Net cash inflow from operating activities	2,423	1,579

20 Cash flows from investing activities

	2016	2015
	£000	£000
Non-current investment disposal	4,138	3,358
Endowment funds invested	(4,330)	(3,670)
Payments made to acquire non-current assets	(1,651)	(1,244)
	<hr/>	<hr/>
Total cash flows from investing activities	(1,843)	(1,556)

Notes to the Accounts
For the year ended 30 June 2016

21 Capital commitments

	2016	2015
	£000	£000
Capital commitments at 30 June 2016 are as follows:		
Authorised and contracted	1,900	500

22 Transition to 2015 RCCA

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

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

	2015
	£000
Surplus (Deficit) for the year as previously stated	555
Revised treatment of deferred capital	12
Adjustment for movement in pension deficit funding provision of USS	(108)
Adjustment for movement in pension deficit funding provision of CEFPS	5
Adjustment for gains(losses) previously recognised in the Statement of Recognised Gains and Losses:	
Unapplied total return transferred to Endowment	10,287
New endowments	818
Actuarial profit (loss) in respect of pension schemes	27
Total Comprehensive Income (expenditure) as restated	<u>11,596</u>

	1 July 2014	1 July 2015
	£000	£000
Reconciliation of reserves and balances		
Reserve balances as previously stated	(1,222)	(635)
Revised treatment of deferred capital	3,264	3,227
Pension deficit funding provision – USS	(98)	(206)
Pension deficit funding provision – CEFPS	(36)	(31)
Reserves balances as restated	<u>1,908</u>	<u>2,355</u>

Notes to the Accounts
For the year ended 30 June 2016

23 Other prior year adjustments

When the college recognised the buildings on its main domus site on its balance sheet with effect from 1 July 2009, the buildings were attributed to permanent endowment. Further research has concluded that the buildings do not form part of permanent endowment and would more appropriately be attributed to unrestricted reserves. A transfer has therefore been made between permanent endowment and unrestricted reserves equal to the value of the buildings capitalised at 1 July 2009.

	1 July 2014	1 July 2015
	£000	£000
Reconciliation of reserves and balances		
Reserve balances as restated for the requirements of FRS102 (see Note 22)	1,908	2,355
Reclassification of unrestricted funds	67,624	67,624
Reserves balances as restated	<u>69,532</u>	<u>69,979</u>

24 Pension schemes

The College participates in three defined benefits schemes, the Universities Superannuation Scheme (USS), the Cambridge Colleges Federated Pensions Scheme (CCFPS) and the Church of England Funded Pension Scheme (CEFPS), and two defined contribution schemes, Cambridge Colleges Group Personal Pension Scheme and Now: Pensions scheme.

The total pension cost, after personal health insurance contributions, for the year to 30 June 2016 (see note 7) was as follows:

	2016	2015
	£000	£000
CCFPS: charge to Statement of Comprehensive Income & Expenditure	417	295
USS: charge to Statement of Comprehensive Income & Expenditure	160	233
CEFPS	6	4
Cambridge College Group Personal Pension Scheme	81	73
NOW: Pensions	14	10
	<u>678</u>	<u>615</u>

Notes to the Accounts
For the year ended 30 June 2016

Universities Superannuation Scheme

The total cost charged to the Income and Expenditure account was £0.16m (2015: £0.23m).

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

Since no institution can identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

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

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

	2016	2015
Discount rate	3.6%	3.3%
Pensionable salary growth	n/a	3.5% in the first year and 4.0% thereafter
Pension increases (CPI)	2.2%	2.2%

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

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

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

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

	2016	2015
Scheme assets	£49.8bn	£49.1bn
FRS 17 liabilities	£58.3bn	£60.2bn
FRS 17 deficit	£8.5bn	£11.1bn
FRS 17 funding level	85%	82%

Cambridge Colleges Federated Pension Scheme

The College is also a member of a multi-employer defined benefits scheme, the Cambridge Colleges Federated Pension Scheme (CCFPS).

The liabilities of the plan have been calculated for the purposes of FRS1 02 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, at 31 March 2014 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

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

* 1.5% in 2016, 2.4% thereafter

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

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2015 future improvement factors and a long-term rate of future improvement of 1% p.a. (2015: same base table with CMI_2014 future improvement factors and a long term improvement rate of 1% p.a.). This results in the following life expectancies:

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

Employee Benefit Obligations

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

	30 June 2016 £'000	30 June 2015 £'000
Market value of plan assets	9,671	8,284
Present value of plan liabilities	(14,594)	(12,912)
Net defined benefit asset/(liability)	<u>(4,923)</u>	<u>(4,628)</u>

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

	30 June 2016 £'000	30 June 2015 £'000
Current service cost	337	350
Interest on net defined benefit (asset)/liability	172	189
(Gain)/loss on plan changes	0	0
Curtailed (gain)/loss	0	0
Total charge	<u>509</u>	<u>539</u>

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

	30 June 2016 £'000	30 June 2015 £'000
Present value of plan liabilities at beginning of period	12,912	11,908
Current service cost (including employee contributions)	353	367
Benefits paid	(385)	(397)
Interest on plan liabilities	478	499
Actuarial losses/(gains)	1,236	535
(Gain)/loss on plan changes	0	0
Curtailed (gain)/loss	0	0
Present value of Scheme liabilities at end of period	<u>14,594</u>	<u>12,912</u>

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

	30 June 2016	30 June 2015
	£'000	£'000
Market value of plan assets at beginning of period	8,284	7,440
Contributions paid by the College	333	205
Employee contributions	17	17
Benefits paid	(385)	(397)
Interest on plan assets	306	310
Return on assets, less interest included in I&E	1,118	709
Market value of Scheme assets at end of period	<u>9,672</u>	<u>8,284</u>
Actual return on plan assets	1,423	1,019

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

	30 June 2016	30 June 2015
Equities and Hedge Funds	59%	69%
Bonds & Cash	35%	25%
Properties	6%	6%
Total	<u>100%</u>	<u>100%</u>

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

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

	30 June 2016	30 June 2015
	£'000	£'000
Actuarial return less expected return on plan assets	1,118	709
Experience gains and losses arising on plan liabilities	69	40
Changes in assumptions underlying the present value of plan liabilities	(1,306)	(575)
Actuarial gain/(loss) recognised in OCI	<u>(119)</u>	<u>174</u>

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

	30 June 2016	30 June 2015
	£'000	£'000
Surplus/(deficit) in Scheme at beginning of year	(4,628)	(4,468)
Recognised in I&E	(509)	(539)
Contributions paid by the College	333	205
Actuarial gain/(loss) recognized in the OCI	(119)	174
Surplus/(deficit) in plan at the end of the year	<u>(4,923)</u>	<u>(4,628)</u>

Amounts for the current and previous four accounting periods are as follows:

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	31 March 2012
	£'000	£'000	£'000	£'000	£'000
Present value of Scheme liabilities	(14,594)	(12,912)	(11,908)	(10,897)	(9,196)
Market value of Scheme assets	<u>9,671</u>	<u>8,284</u>	<u>7,440</u>	<u>7,102</u>	<u>6,254</u>
Surplus/(deficit) in the Scheme	<u>(4,923)</u>	<u>(4,628)</u>	<u>(4,468)</u>	<u>(3,796)</u>	<u>(2,942)</u>
Actual return less expected return on Scheme assets	1,118	709	(4)	411	(1,222)
Experience gain/(loss) arising on Scheme liabilities	69	40	269	(106)	(179)

	30 June 2016 £'000	30 June 2015 £'000	30 June 2014 £'000	30 June 2013 £'000	31 March 2012 £'000
Change in assumptions underlying present value of Scheme liabilities	(1,305)	(574)	(777)	(1,243)	(116)

Funding Policy

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

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

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

- Annual contributions of not less than £107,558 p.a. payable for the period from 1 July 2015 to 31 March 2034.

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

Church of England Funded Pensions Scheme

The college participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2012. Though work has commenced on the 31 December 2015 valuation, the final report and recovery plan is not expected to be finalised until late 2016 and is not formally required to be finalised until 31 March 2017. The 2012 valuation revealed a deficit of £293m, based on assets of £896m and a funding target of £1,189m, assessed using the following assumptions:

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

Following the 31 December 2012 valuation, a recovery plan was put in place until 31 December 2025 and the contribution rates (as a percentage of pensionable stipends) were set as follows:

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

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

	2015	2014
	£	£
Balance sheet liability at 1 January	31,000	36,000
Deficit contribution paid	-3,000	-3,000
Interest cost (recognised in SOCIE)	1,000	1,000
Remaining change to the balance sheet liability* (recognised in the SOCIE)	-1,000	-3,000
Balance sheet liability at 31 December	28,000	31,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

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

25 Principal subsidiary and associated undertakings and other significant investments

<i>Name of subsidiary undertaking</i>	<i>Country of registration and operation</i>	<i>Class of share</i>	<i>Proportion held</i>	<i>Nature of business</i>
Christ's College Enterprises Ltd	England	Ordinary	100%	Property Development
Christ's College Trading Ltd	England	Ordinary	100%	Hospitality

26 Related Party Transactions

During the year no fees or expenses were paid to Fellows in respect of their duties as members of the Council or Governing Body. (2015: nil)

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