

ROBINSON COLLEGE

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015

Robinson College

Index

Page No

1	College Details
2 -5	Financial Report to the Council and Governing Body
6	Corporate Governance
7	Statement of Internal Controls
8	Statement of the Responsibilities of the College's Charity Trustees
9- 10	Independent Auditors' Report to the Council and Governing Body of Robinson College
11 -13	Statement of Principal Accounting Policies
14	Consolidated Income and Expenditure Account
14	Note of Historical Cost Surpluses and Deficits
15	Consolidated Statement of Total Recognised Gains and Losses
16	Consolidated Balance Sheet
17	Consolidated Cash Flow Statement
18-29	Notes to the Accounts

Robinson College

College Details

Year ended 30 June 2015

Address

Robinson College
Grange Road
Cambridge
CB3 9AN

Registered Charity Number

1137494

Charity Trustees (Members of Council)

Prof A D Yates	Dr B J McCabe	Dr D Thom
Dr R A Beresford	Dr M E McDonald	Dr M D Shin
Dr G A C Jones	Prof P Kornicki	Dr B D Sloan (retired 30 September 2014)
Dr C D Warner	Dr W Nolan	Dr S Trudgill (retired 30 September 2014)
Dr J R Thurlow	Mr R Reason	Dr Paul Griffiths (appointed 1 October 2014)
Dr D A Woodman	Dr P N Schofield	Dr H Thaventhiran (appointed 1 October 2014)

Senior Officers

Warden:	Prof A D Yates
Senior Tutor:	Dr W P Nolan
Bursar:	Mr R Reason

Principal Advisors:

Actuaries

Cartwright Group Ltd
Suite 7, 2nd Floor, The Hub
IQ Farnborough
Farnborough
Hampshire
GU14 7JP

Auditors

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

Bankers

Barclays Bank plc
PO Box 326
Bene't Street
Cambridge
CB2 3PZ

Investment Advisers

Credit Suisse (UK) Limited
5 Cabot Square
Canary Wharf
London
E14 4QR

UBS AG
1 Curzon Street
London
W1J5UB

Solicitors

Taylor Vinters LLP
Merlin Place
Milton Road
Cambridge
CB4 0DP

Mills & Reeve LLP
Botanic House
100 Hills Road
Cambridge
CB2 1PH

Introduction

Founded in 1977 as a place of religion, education, learning and research and named in memory of the benefactor, David Robinson, the College is a self-governing community of Fellows and scholars and one of the 31 Colleges of the University of Cambridge. The College funds its charitable objectives from academic fees, student residence and catering charges, income from conferences and investments, and from donations and legacies.

A College of Robinson's size requires a sizeable investment portfolio to support its charitable objects, maintain the estate and absorb the removal of public funding from the 2012 matriculands onwards without reducing the quality of the education it offers or its support of research. Being a young College it does not yet have this size of portfolio (as at 30th June investment assets amounted to £27.6 million). To address this the College has a clear strategy that inter-locks the three main drivers of investment growth being the return on its investments, fundraising and its operating result. The aim is to produce an operating result of zero before donations for the general use of the College but after fully providing for the replacement of buildings in operational use and to be cash flow positive before investment activity. This allows us to take a long-term view of investment assets (20 years) and to allocate investment capital to assets which are most likely to produce superior long-term returns. If the operating result is zero or above, all donations for general use release other income which can be added to the investment portfolio rather than being used to pay day-to-day expenses. This is a powerful message to alumni benefactors who benefitted from a brand-new set of College buildings and are concerned that enough capital is accumulated to replace them.

Public Benefit Statement

In accordance with its Statutes, the College's charitable purpose is to advance education, learning, research and religion through the provision of a College in the University of Cambridge.

The College provides, in conjunction with the University of Cambridge, an education which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems;
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains a Library, so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely, external scholars and researchers.

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

However, beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities.

Robinson College

Financial Report to the Council and Governing Body

Year ended 30 June 2015

In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University, other Colleges and the Isaac Newton Trust, bursary support for those of limited financial means. That scheme is approved by the Office for Fair Access and provides benefits at a higher level than the minimum OFFA requirement.

To support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages.

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship.

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to Robinson College, the College operates an outreach programme. This programme includes a 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.

The College carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, the College:

- Maintains and supports the Chapel as a place of religious worship and holds religious services both during the week and on Sundays during term, which are open to the general public and visitors.
- Maintains its outstanding choral tradition, which is integral to the provision of divine service in its Chapel, through the College's Choir which includes both Fellows and students of the College and students from other Colleges.
- Supports, through the College Chaplain, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none.
- The College Chaplain is an ordained priest from any church within the World Council of Churches.

Income and Expenditure

The adjusted operating result of the College improved in the year by £146,000. £250,000 was received during the year in settlement of an insurance claim. This has been removed in calculating the adjusted operating result. Next year it is budgeted that the adjusted operating result will approach its target of zero.

	2015	2014
	£'000	£'000
Net reported surplus/(deficit)	103	(269)
Exceptional income	(250)	-
Unrestricted donations	<u>(202)</u>	<u>(197)</u>
Operating deficit	(349)	(466)
FRS 17 pension cost adjustments	<u>182</u>	<u>153</u>
Adjusted operating deficit	<u>(167)</u>	<u>(313)</u>

Total income increased by 7.7% or 4.8% excluding the insurance receipt and expenditure by 3.0%. Income from fees was up 4.7% and from conferences income was unchanged. Academic fee income received amounted to £2,459,000. The full costs of education were £3,657,000. The shortfall of £1,198,000 was found from the College's other income. Salary and wage costs of College Officers, College Teaching Officers and support staff amounted to £4,067,000 an increase of 2.9%.

Robinson College

Financial Report to the Council and Governing Body

Year ended 30 June 2015

The year-end value of the portfolio was £27.6 million an increase of £3.6 million. The return on investment for the year was 13.2%.

The College's investments are overseen by an Investment Committee of 7, including three external members. Between meetings an Executive Committee of 3 external members, the Warden and the Finance Bursar are empowered to take decisions. Investments are held directly, with the University of Cambridge in its endowment fund and in client accounts at Credit Suisse and UBS. Cash holdings are diversified across multiple banks and held in liquid maturities. The College's investments are diversified across markets and asset classes. The College invests part of the endowment in illiquid assets as it believes that illiquidity premia are sometimes available in certain asset types: however it always keeps sufficient cash to meet any foreseeable immediate needs.

Cash and Cash Flow

The College accords a high priority to maintaining a strong cash position. Not only does this allow the College to take a long-term view in the asset allocation and management of its investment assets but those assets are unlikely to have to be sold to meet operational needs when markets are depressed. It also provides insurance against a downturn in our income and against contingencies.

As at 30th June the College held £3,378,000 of cash within current assets and £345,000 within the endowment. The College targets holding £2 million of cash in current assets, the rationale for which is outlined below. The surplus over this amount being held at 30 June is to cover the remaining construction costs of the Crausaz Wordsworth Building.

- (1) A sizeable proportion of the College's total forecast annual income for 2015-16 comes from the conference business. The variable costs directly associated with producing that income (food and bar supplies, temporary staff and promotion and marketing) are of the order of 35%. Whilst savings would undoubtedly also be made in housekeeping and catering and could be quite substantial if the College believed any downturn was permanent, that would take time to achieve, so prudence dictates that they are not factored into any calculation of a required cash reserve. Any loss of income feeds directly into the income and expenditure account and cash flow at a rate of about 65%. Assuming a worst-case shortfall of £400,000 a year for 2 years the College would require a cash buffer of £500,000 (being £800,000 at 65%).
- (2) The cash shown when the accounts are struck at 30th June is at the high point of considerable seasonality: the College expends £1 million more than it receives between July and the end of September. £1 million of cash is therefore held to fund this period of operation.
- (3) A substantial, unbudgeted, expenditure might have to be made on the buildings. Replacing the boilers would cost £500,000 for instance. £500,000 is therefore held as a contingency reserve.

Support Received

This year the College received £582,000 in donations as well as substantial support from other Colleges and endowments to aid its teaching and research activities. A total of £1,203,000 was received from all these sources.

The Warden, Fellows and Junior Members in Residence are grateful to the Members and Friends of the College who have helped it to fulfil its charitable objects.

Robinson College

Financial Report to the Council and Governing Body

Year ended 30 June 2015

Capital and Reserves

Capital and reserves increased by £3.5 million during the year to £78.2 million, largely driven by an increase in the market value of investments of £2.5 million.

Expenditure on maintenance and improvements amounted to £1,178,000. The Royal Institute of Chartered Surveyors recommends that a minimum of 1.5% of the insured value of the estate be spent on maintenance each year. With an insured value of £62.9 million the College faces routine annual expenditure on buildings of around £1.0 million a year.

Outlook

The College's financial position is sound, particularly for such a young institution. It is an unfortunate fact that the younger Colleges find it more difficult to attract Fellows and often have to devote a considerable portion of their scarce resources in paying for teaching in consequence. In addition upwards of 70% of donation income across the University is received from alumni aged 50 or more. Robinson's first cohort of undergraduates is only just reaching this age so its donation income is much lower than most other Colleges in Cambridge.

An integral part of a Cambridge education is being accommodated with your peer group in a College. This provides interdisciplinary educational advantages but comes at a cost to the College of maintaining and improving 555 undergraduate, graduate and Fellows rooms together with their associated teaching facilities. Nevertheless the College has substantial advantages: a location that is rapidly becoming the centre of the University, an integrated and modern set of buildings on one site, gorgeous gardens, a substantial conference business, outstanding catering and a friendly fellowship and staff.

A D Yates
Warden

R Reason
Bursar

Date:

Robinson College

Corporate Governance

Year Ended 30 June 2015

1. The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137494) 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 Trustees are advised in carrying out its duties by the following Committees: academic expenses, admissions, archives, audit, bursaries, chapel, development, education, fellowship, finance, gardens, health and safety, investment, IT, joint liaison, library, membership, remuneration, financial assistance, tutorial, visual arts and website.
4. The principal officers of the College are the Warden, the Finance Bursar and the Senior Tutor.
5. It is the duty of the Audit Committee to advise the Trustees 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 Trustees and Governing Body.
6. There are Registers of Interests of trustees and of the senior administrative officers. Declarations of interest are made systematically at meetings.
7. The College's Trustees during the year ended 30 June 2015 are set out on page 1.

Robinson College

Statement of Internal Controls

Year Ended 30 June 2015

1. The Trustees 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 and Governing Body are 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 2015 and up to the date of approval of the financial statements.

Robinson College

Statement of Responsibilities of the College's Charity Trustees

Year Ended 30 June 2015

The Council in conjunction with the Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require that financial statements are prepared 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 those financial statements the Council in conjunction with the Governing Body is required to:

- Select suitable accounting policies and 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 Council in conjunction with the Governing body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and to 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.

Robinson College

Independent Auditors' Report to the Council and Governing Body of Robinson College

Year Ended 30 June 2015

We have audited the financial statements of Robinson College for the year ended 30 June 2015 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and College balance sheets, the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of the College's Council and Governing Body and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Council and Governing Body 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 College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements. In addition, we read all the financial information and non-financial information in the Trustee's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

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

Robinson College

Independent Auditors' Report to the Council and Governing Body of Robinson College (*continued*)

Year Ended 30 June 2015

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 Governing Body Report 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

CAMBRIDGE

Date:

Robinson College

Statement of Principal Accounting Policies

Year Ended 30 June 2015

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 income and expenditure account includes activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to the use of public funds. The analysis required by the SORP is set out in note 9.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and 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 12. 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.

Recognition of income

a) 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.

b) Donations and benefactions

Charitable donations are recognised on receipt or where there is certainty of future receipt and the value can be measured reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. Donations with no substantial restrictions are recognised as income in the income and expenditure account. Donations which are to be retained for the future benefit of the College, and other donations with substantially restricted purposes, other than for the acquisition or construction of tangible fixed assets, are recognised in the statement of total recognised gains and losses as new endowments.

c) Capital grants and donations

Grants and donations are received for the purposes of funding the acquisition and construction of tangible fixed assets. In the case of depreciable assets these are credited to deferred capital grants when the related capital expenditure is incurred and released to income over the estimated useful life of the respective assets in line with the depreciation policy. Grants and donations of, or for the acquisition of, freehold land or heritage assets, which are non-depreciable assets, are credited to the income and expenditure account in the year of acquisition.

d) Other income

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

e) Endowment and investment income

The College invests its investment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. The income crediting policy has been agreed by Council as 4% of the opening value of its investment assets. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments.

Robinson College

Statement of Principal Accounting Policies

Year Ended 30 June 2015

Pension schemes

The College participates in the Universities Superannuation Scheme, 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. Because of the mutual nature of the scheme, the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the scheme in respect of the accounting period.

The College also contributes to the Cambridge Colleges Federated Pension Scheme, which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

The College also operates defined contribution pension schemes and the pension charge represents the amounts payable by the College to the funds in respect of the year.

Tangible fixed assets

a) Freehold Land and Buildings

Freehold buildings have been restated at valuation with effect from 1st July 2011. They are valued on the basis of their depreciated replacement cost and the valuation was carried out by Savills, Chartered Surveyors in September 2012. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 70 years.

Freehold land is not depreciated and where purchased is stated at cost.

Where buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to 30 June and are depreciated when brought into use.

b) Maintenance of premises

The cost of major refurbishment and maintenance that restores value is capitalised and depreciated over the expected useful economic life of the asset concerned.

c) Furniture, fittings and equipment

Furniture, fittings, and equipment are capitalised at cost. Depreciation is provided in equal annual instalments over the estimated useful lives of the assets, which are as follows:

Library books	15 years
Furniture and equipment	10 years
Catering equipment	10 years
Information Technology	4 years

These assets are assumed to be scrapped once they reach the end of their estimated useful lives. Therefore they are eliminated from the financial statements at this point.

d) Heritage assets

The College does not hold any assets that should be classed as heritage assets.

Robinson College

Statement of Principal Accounting Policies

Year Ended 30 June 2015

Investments and Endowment Assets

a) Securities

Securities are shown at their market value. Investment income is included when dividends and interest become payable. Interest on bank deposits is included as earned.

b) Works of art

Works of art are shown in the accounts at their insured value.

c) Subsidiary undertakings

The College's investment in its subsidiary undertakings is shown at cost less any provision for impairment in value.

d) Unlisted investments

Unlisted investments are stated at market value where possible otherwise at cost less any provision for permanent diminution in value.

e) Property

Investment properties are included at open market valuation. A formal valuation was carried out by Bidwells Estate Agents, as at 30 June 2015.

Stocks

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

Endowment funds

Endowment funds are classified under three headings:

Where the donor has specified that the fund is to be permanently invested to generate an income stream for the general purposes of the College, the fund is classified as an unrestricted permanent endowment.

Where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied for a restricted purpose, the fund is classified as a restricted permanent endowment.

Where the donor has specified a particular objective other than the acquisition or construction of tangible fixed assets, and that the College must or may convert the donated sum into income, the fund is classified as a restricted expendable endowment.

Taxation

The College is a registered charity (number 1137494) 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 College may from time to time be eligible for such grants. 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.

Robinson College

Consolidated Income and Expenditure Account

Year Ended 30 June 2015

	Note	2015 £000	2014 £000
Income			
Academic fees and charges	1	2,459	2,349
Residence, catering and conferences	2	5,135	5,077
Endowment and investment income	3	995	794
Donations and grants	4	244	239
Other income	5	371	88
Total income		9,204	8,547
Expenditure			
Education	6	3,657	3,663
Residence, catering & conferences	7	4,672	4,433
Other expenditure	8	668	640
Total expenditure	9	8,997	8,736
Surplus/(Deficit) on continuing operations before Contribution under Statute G, II		207	(189)
Contribution under Statute GII		-	-
Surplus/(Deficit) on continuing operations after Contribution under Statute G, II		207	(189)
Expenditure financed by transfer from accumulated income in endowment funds		(104)	(80)
Surplus/(Deficit) for the year retained within general reserves		103	(269)

All items dealt with in arriving at the surplus for 2015 and 2014 relate to continuing operations.

Note of Historical Cost Surpluses and Deficits For the year ended 30 June 2015

	Note	2015 £000	2014 £000
Surplus/(Deficit) on continuing operations		207	(189)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	22	525	525
Historical cost surplus for the year		732	336

The notes on pages 18 to 29 form part of these accounts

Robinson College**Consolidated Statement of Total Recognised Gains and Losses****Year Ended 30 June 2015**

	Note	Restricted Funds £000	Unrestricted Funds £000	2015 Total £000	2014 Total £000
Surplus/(Deficit) on income and expenditure account		-	103	103	(269)
Unspent endowment fund income		104	-	104	80
Increase in market value of Investments		517	1,958	2,475	796
Net income receivable from securities investments		142	535	677	953
Endowment return transferred to I and E Account		(201)	(758)	(959)	(764)
Capital grant from Colleges Fund	21	-	621	621	597
Other new endowments	21	312	-	312	1,514
Transfers		(473)	473	-	-
Actuarial gain/(loss) in respect of pension scheme	19	-	170	170	(844)
Total Recognised gains relating to the year		<u>401</u>	<u>3,102</u>	<u>3,503</u>	<u>2,063</u>
Reconciliation					
Opening reserves and endowments		5,009	69,735	74,744	72,681
Total recognised gains for the year		401	3,102	3,503	2,063
Closing reserves and endowments		<u>5,410</u>	<u>72,837</u>	<u>78,247</u>	<u>74,744</u>

The notes on pages 18 to 29 form part of these accounts

Robinson College

Balance Sheet

As at 30 June 2015

	Note	Consolidated 2015 £000	College 2015 £000	Consolidated 2014 £000	College 2014 £000
Fixed assets					
Tangible assets	11	64,573	64,573	62,029	62,029
Investments	12	9,501	9,502	6,911	6,912
		<u>74,074</u>	<u>74,075</u>	<u>68,940</u>	<u>68,941</u>
Endowment assets	13	18,072	18,072	17,050	17,050
Current assets					
Stocks	14	99	99	95	95
Debtors	15	1,344	1,376	1,117	1,070
Cash	16	3,378	3,133	6,541	6,414
		<u>4,821</u>	<u>4,608</u>	<u>7,753</u>	<u>7,579</u>
Creditors: amounts falling due within one year	17	<u>(1,314)</u>	<u>(1,102)</u>	<u>(1,631)</u>	<u>(1,458)</u>
Net current assets		<u>3,507</u>	<u>3,506</u>	<u>6,122</u>	<u>6,121</u>
Total assets less current liabilities excluding pension liability		95,653	95,653	92,112	92,112
Creditors : amounts falling due in more than one year	18	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Net assets excluding pension liability		85,653	85,653	82,112	82,112
Pension liability	19	(4,582)	(4,582)	(4,570)	(4,570)
Net assets including pension liability		<u>81,071</u>	<u>81,071</u>	<u>77,542</u>	<u>77,542</u>
Represented by:					
		Restricted Funds £000	Unrestricted Funds £000	2015 Total £000	2014 Total £000
Deferred Capital Grants	20	2,824	-	2,824	2,798
Endowments					
Expendable endowments	21	2,892	-	2,892	2,517
Permanent endowments	21	2,518	12,662	15,180	14,533
		<u>5,410</u>	<u>12,662</u>	<u>18,072</u>	<u>17,050</u>
Reserves					
General reserves excluding pension reserve	22	-	30,106	30,106	27,089
Pension reserve	22	-	(4,582)	(4,582)	(4,570)
Operational property revaluation reserve	22	-	34,651	34,651	35,175
		<u>-</u>	<u>60,175</u>	<u>60,175</u>	<u>57,694</u>
Total Reserves and Endowments		<u>5,410</u>	<u>72,837</u>	<u>78,247</u>	<u>74,744</u>
Total Funds		<u>8,234</u>	<u>72,837</u>	<u>81,071</u>	<u>77,542</u>

The financial statements were approved by the Council and Governing Body on
by:

and are signed on their behalf

**R Reason
Finance Bursar**

The notes on pages 18 to 29 form part of these accounts

Robinson College**Consolidated Cash Flow Statement****For the Year Ended 30 June 2015**

	Note	2015 £000	2014 £000
Net Cash Inflow from Operating Activities	24	186	708
Returns on Investments and Servicing of Finance	25	240	313
Capital Expenditure and Financial Investment	25	<u>(3,589)</u>	<u>(2,547)</u>
Cash (outflow) before financing		(3,163)	(1,526)
Financing			
Long term loan acquired		-	6,000
(Decrease)/Increase in cash in year		<u>(3,163)</u>	<u>4,474</u>
Reconciliation of Net Cash Flow to Movement in net debt			
(Decrease)/Increase in Cash in Year		(3,163)	4,474
Cash inflow from new loans		-	(6,000)
Net Debt at beginning of year		(3,459)	(1,933)
Net Debt at end of year	26	<u><u>(6,622)</u></u>	<u><u>(3,459)</u></u>

The notes on pages 18 to 29 form part of these accounts

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2015

1. Academic Fees and Charges	2015 £000	2014 £000
College Fees:		
Fee Income paid on behalf of Undergraduates at the Publicly-funded Undergraduate rate (per capita fee £4,185 - £4,500)	1,512	1,587
Privately-funded Undergraduate Fee Income (per capita fee £6,900)	269	258
Fee Income received at the Graduate Fee rate (per capita fee £2,474)	493	254
Other fees	11	25
	2,285	2,124
Cambridge Bursaries Income	174	225
Total	2,459	2,349
2. Income from Residences, Catering and Conferences	2015 £000	2014 £000
Accommodation		
College members	2,812	2,741
Conferences	705	739
Catering		
College members	591	604
Conferences	1,027	993
Total	5,135	5,077
3. Endowment and Investment Income	2015 £000	2014 £000
3a. Analysis		
Income from:		
Total return contribution (note 3b)	959	764
Other interest receivable	36	30
Total	995	794
3b. Summary of Total Return	2015 £000	2014 £000
Income from:		
Land and Buildings	73	95
Quoted and other securities and cash	667	908
Gains on Endowment assets:		
Quoted and other securities and cash	2,475	796
Investment management costs (note 3c)	(63)	(50)
Total Return for year	3,152	1,749
Total return transferred to income and expenditure account	(959)	(764)
Unapplied total return for the year included within statement of total recognised gains and losses (note 23)	2,193	985
3c. Investment Management Costs	2015 £000	2014 £000
Quoted securities and other investments	63	50

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2015

4. Donations and Grants	2015 £000	2014 £000
Unrestricted donations	202	197
Released from deferred capital grants (note 20)	42	42
Total	<u>244</u>	<u>239</u>
5. Other Income	2015 £000	2014 £000
Miscellaneous income	121	88
Insurance monies received	250	-
Total	<u>371</u>	<u>88</u>
6. Education Expenditure	2015 £000	2014 £000
Teaching	2,183	2,171
Tutorial	630	595
Admissions	155	154
Research	190	207
Scholarships and awards	380	421
Other educational facilities	119	115
Total	<u>3,657</u>	<u>3,663</u>
7. Residences, Catering and Conferences Expenditure	2015 £000	2014 £000
Accommodation		
College members	1,653	1,593
Conferences	885	769
Catering		
College members	1,452	1,351
Conferences	682	720
Total	<u>4,672</u>	<u>4,433</u>
8. Other Expenditure	2015 £000	2014 £000
Expenditure of restricted funds	19	19
Academic	24	41
Administration	69	73
College Officers	78	77
Domestic Services	73	66
Loan Interest	303	247
Other	56	65
Net finance charge in respect of defined benefit pension scheme	46	52
Total	<u>668</u>	<u>640</u>

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2015

9a. Analysis of 2014/15 Expenditure by Activity

	Staff costs (note 10) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	1,598	1,593	466	3,657
Residence, catering and conferences	2,250	1,850	572	4,672
Other	219	408	41	668
Total	<u>4,067</u>	<u>3,851</u>	<u>1,079</u>	<u>8,997</u>

Other expenditure includes fundraising costs of £164,153. This expenditure includes the costs of alumni relations.

9b. Analysis of 2013/14 Expenditure by Activity

	Staff costs (note 10) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	1,631	1,562	470	3,663
Residence, catering and conferences	2,107	1,753	573	4,433
Other	215	384	41	640
Total	<u>3,953</u>	<u>3,699</u>	<u>1,084</u>	<u>8,736</u>

Other expenditure includes fundraising costs of £159,420. This expenditure includes the costs of alumni relations.

9c. Auditors' remuneration

	2015 £000	2014 £000
Other operating expense include:		
Audit fees payable to the College's external auditors	19	20
Other fees payable to the College's external auditors	9	10

10. Staff

	College fellows £000	Non- academic £000	Total 2015 £000	Total 2014 £000
Staff costs:				
Emoluments	748	2,670	3,418	3,254
Social security costs	59	175	234	226
Other pension costs (note 28)	95	320	415	473
	<u>902</u>	<u>3,165</u>	<u>4,067</u>	<u>3,953</u>
	No	No	No	No
Average staff numbers (full time equivalent):				
Academic	83	-	83	82
Non-academic	-	99	99	97
	<u>83</u>	<u>99</u>	<u>182</u>	<u>179</u>

The Governing Body comprises of 83 fellows, of which 63 are stipendiary.

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

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

	2015 £000	2014 £000
Aggregate Emoluments	<u>380</u>	<u>408</u>

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

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2015

11. Tangible Assets Consolidated and College

	Freehold Land £000	Freehold Buildings £000	Assets under Construction £000	Furniture Fittings and Equipment £000	Library Books £000	Total £000
Cost/valuation						
At beginning of year	4,685	58,290	434	1,983	329	65,721
Additions at cost	-	370	3,051	174	28	3,623
Disposals	-	-	-	(260)	(25)	(285)
	<u>4,685</u>	<u>58,660</u>	<u>3,485</u>	<u>1,897</u>	<u>332</u>	<u>69,059</u>
At end of year						
Depreciation						
At beginning of year	-	2,460	-	1,178	54	3,692
Charge for the year	-	838	-	219	22	1,079
Eliminated on disposal	-	-	-	(260)	(25)	(285)
	<u>-</u>	<u>3,298</u>	<u>-</u>	<u>1,137</u>	<u>51</u>	<u>4,486</u>
At end of year						
Net book value						
At end of year	<u>4,685</u>	<u>55,362</u>	<u>3,485</u>	<u>760</u>	<u>281</u>	<u>64,573</u>
At beginning of year	<u>4,685</u>	<u>55,830</u>	<u>434</u>	<u>805</u>	<u>275</u>	<u>62,029</u>

The insured value of freehold land and buildings as at 30 June 2015 was £62,944,000 (2014: £59,940,000).

Freehold buildings have been revalued with effect from 1 July 2011 on the basis of their depreciated replacement cost. The valuation in September 2012 was carried out by Savills, Chartered Surveyors.

12. Fixed Asset Investments Consolidated and College

	Consolidated 2015	College 2015	Consolidated 2014	College 2014
College Expendable Investments (note 13)	9,501	8,707	6,911	6,461
Investment in Subsidiary undertakings	-	795	-	451
	<u>9,501</u>	<u>9,502</u>	<u>6,911</u>	<u>6,912</u>

Subsidiary Undertakings

At 30 June 2015, Robinson College held an investment in the following companies:

Subsidiary Undertaking	Holding	Proportion of voting rights	Country of Incorporation	Nature of Business
Robinson College Enterprises Ltd	Ordinary	100%	United Kingdom	Provision of conference facilities
Robinson College Developments Ltd	Ordinary	100%	United Kingdom	Provision of development facilities
Robinson College Investments 1 Ltd	Ordinary	100%	United Kingdom	Investment activities

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2015

13. Endowment Assets Consolidated and College	Consolidated 2015	College 2015	Consolidated 2014	College 2014
Balance at beginning of year	23,960	23,960	19,096	19,096
Additions	1,426	1,426	7,241	7,241
Disposal	(763)	(763)	(3,389)	(3,389)
Appreciation on revaluation	2,663	2,663	1,301	1,301
Increase/(Decrease) in cash balances held at fund managers	287	287	(288)	(288)
Balance at end of year	<u>27,573</u>	<u>27,573</u>	<u>23,961</u>	<u>23,961</u>
Represented by:				
Property	2,541	2,541	2,500	2,500
Quoted Securities/unit trusts/hedge funds	21,534	21,534	18,752	18,752
Cash with investment managers	345	345	57	57
Wine and works of art	520	520	503	503
Unlisted investments	2,633	1,839	2,149	1,699
Investment in subsidiary undertaking	-	794	-	450
	<u>27,573</u>	<u>27,573</u>	<u>23,961</u>	<u>23,961</u>
College Expendable Investments (note 12)	(9,501)	(8,707)	(6,911)	(6,461)
Investment in subsidiary undertaking	-	(794)	-	(450)
	<u>18,072</u>	<u>18,072</u>	<u>17,050</u>	<u>17,050</u>
14. Stocks	Consolidated 2015 £000	College 2015 £000	Consolidated 2014 £000	College 2014 £000
Goods for resale	<u>99</u>	<u>99</u>	<u>95</u>	<u>95</u>
15. Debtors	Consolidated 2015 £000	College 2015 £000	Consolidated 2014 £000	College 2014 £000
Long term debtors and loan	403	403	505	505
Members of the College	361	361	293	292
Amounts due from subsidiary undertakings	-	198	-	-
Other debtors	330	164	133	87
Prepayments	250	250	186	186
	<u>1,344</u>	<u>1,376</u>	<u>1,117</u>	<u>1,070</u>

Within amounts owed by long term debtors, £300,000 (2014: £400,000) is due after one year. Within amounts owed by Members of the College is £253,000 (2014: £198,000) that is due after one year.

Robinson College

Notes to the Accounts

Year Ended 30 June 2015

16. Cash	Consolidated 2015 £000	College 2015 £000	Consolidated 2014 £000	College 2014 £000
Bank deposits	-	-	516	516
Current accounts	3,365	3,120	6,008	5,881
Cash in hand	13	13	17	17
	<u>3,378</u>	<u>3,133</u>	<u>6,541</u>	<u>6,414</u>
17. Creditors: Amounts Falling Due within one year	Consolidated 2015 £000	College 2015 £000	Consolidated 2014 £000	College 2014 £000
Trade Creditors	256	256	582	212
Members of the College	15	15	18	18
Amounts owed to subsidiary company	-	1	-	197
University fees	13	13	-	-
Other creditors	923	710	847	847
Accruals & deferred income	107	107	184	184
	<u>1,314</u>	<u>1,102</u>	<u>1,631</u>	<u>1,458</u>
18. Creditors: Amounts Falling Due after more than one year	Consolidated 2015 £000	College 2015 £000	Consolidated 2014 £000	College 2014 £000
Long term bank loan	4,000	4,000	4,000	4,000
Other loan	6,000	6,000	6,000	6,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

The long term bank loan is due for repayment in 2047 at a fixed interest rate of 5%.

During 2015 the College borrowed £6m 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 4.4%. 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.

19. Pension Liability Group and College	2015 £000	2014 £000
Balance at beginning of year	4,570	3,573
Movement in year:		
Current service cost	328	279
Contributions	(192)	(177)
Other finance cost	46	51
Actuarial (gain)/loss recognised in the statement of total recognised gains and losses	(170)	844
Balance at end of year	<u>4,582</u>	<u>4,570</u>

Robinson College

Notes to the Accounts

Year Ended 30 June 2015

20. Deferred capital grants Group and College Buildings	Donations	2015 £000 Total	2014 £000 Total
Balance at beginning of year	2,798	2,798	2,840
Donations	68	68	-
Released to income and expenditure account	(42)	(42)	(42)
Balances at end of year	<u>2,824</u>	<u>2,824</u>	<u>2,798</u>

21. Endowments Group and College	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	2015 Total £000	2014 Total £000
Capital	12,041	1,601	13,642	1,313	14,955	12,662
Unspent Income	-	891	891	1,204	2,095	1,639
	<u>12,041</u>	<u>2,492</u>	<u>14,533</u>	<u>2,517</u>	<u>17,050</u>	<u>14,301</u>
New endowments received	621	103	724	209	933	2,111
Income receivable from endowment asset investments	-	104	104	97	201	142
Expenditure	-	(45)	(45)	(52)	(97)	(62)
Net transfer (to)/from Income and expenditure account	-	59	59	45	104	80
Transfers	-	(373)	(373)	(100)	(473)	376
Increase in market value of investments	-	237	237	221	458	182
Balance at end of year	<u>12,662</u>	<u>2,518</u>	<u>15,180</u>	<u>2,892</u>	<u>18,072</u>	<u>17,050</u>
Comprising:						
Capital	12,662	1,941	14,603	1,743	16,346	14,955
Unspent Income	-	577	577	1,149	1,726	2,095
Balance at end of year	<u>12,662</u>	<u>2,518</u>	<u>15,180</u>	<u>2,892</u>	<u>18,072</u>	<u>17,050</u>
Representing						
Fellowship Funds	-	-	-	1,597	1,597	1,412
Scholarship Funds	-	1,157	1,157	1,243	2,400	1,925
Prize Funds	-	150	150	19	169	155
Hardship Funds	-	153	153	-	153	144
Other Funds	-	1,058	1,058	33	1,091	1,373
General Endowments	12,662	-	12,662	-	12,662	12,041
Group Total	<u>12,662</u>	<u>2,518</u>	<u>15,180</u>	<u>2,892</u>	<u>18,072</u>	<u>17,050</u>

Robinson College

Notes to the Accounts

Year Ended 30 June 2015

22. Reserves

Group and College	General reserves	Operational Property revaluation reserve	2015 Total	2014 Total
	£000	£000	£000	£000
Opening balance	22,518	35,176	57,694	58,380
Surplus/(Deficit) retained for the year	103	-	103	(269)
Actuarial gain/(loss)	170	-	170	(844)
Increase in market value of investments	1,735	-	1,735	803
Transfers	473	-	473	(376)
Transfer in respect of depreciation on revalued operational property	525	(525)	-	-
Balance at end of year	<u>25,524</u>	<u>34,651</u>	<u>60,175</u>	<u>57,694</u>

23. Memorandum of Unapplied Total Return

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

	2015 £000	2014 £000
Unapplied total return at beginning of year	5,526	4,541
Unapplied total return for the year	2,193	985
Unapplied total return at end of year	<u>7,719</u>	<u>5,526</u>

24. Reconciliation of consolidated operating surplus to net cash outflow from operating activities

	2015 £000	2014 £000
Surplus/(Deficit) on continuing operation	207	(189)
Depreciation of tangible fixed assets	1,079	1,084
Deferred capital grants released to income	(42)	(42)
Investment Income	(995)	(793)
Interest payable	303	247
Pension costs less contributions payable	182	153
(Increase)/Decrease in Stocks	(4)	11
(Increase)/Decrease in Debtors	(227)	51
(Decrease)/Increase in Creditors	(317)	186
Net cash inflow from operating activities	<u>186</u>	<u>708</u>

25. Cash flows

Returns on investments and servicing of finance

	2015 £000	2014 £000
Endowment and investment income received	543	560
Interest paid	(303)	(247)
	<u>240</u>	<u>313</u>

Capital expenditure and financial investment

Purchase of tangible fixed assets	(3,623)	(1,011)
Net purchase of long term investments	(967)	(3,647)
New endowments received	1,001	2,111
Net cash outflow from capital expenditure and financial investment	<u>(3,589)</u>	<u>(2,547)</u>

26. Analysis of changes in net debt

	At beginning of year £000	Cash flows £000	At end of year £000
Cash at bank and in hand	6,541	(3,163)	3,378
Debts falling due after more than one year	(10,000)	-	(10,000)
Net Debt	<u>(3,459)</u>	<u>(3,163)</u>	<u>(6,622)</u>

27. Capital Commitments

At 30 June 2015 future capital expenditure authorised and committed amounted to £796,000 (2014: £4,553,000).

28. Pension Scheme

In addition to the defined contribution scheme for assistant staff the College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS), and the Cambridge Colleges Federation Pension Scheme (CCFPS). The total pension cost for the year ended 30 June was as follows:

	2015 £000	2014 £000
USS: Contributions	110	158
CCFPS: Charged to income and expenditure account	250	277
Other pension schemes: Contributions	55	38
	<u>415</u>	<u>473</u>

University Superannuation Scheme

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

The disclosures below represent the position from the scheme's financial statements.

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

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

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

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

28. Pension Scheme continued

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

Male members' mortality S1NA ["light"] YoB tables – No age rating

Female members' mortality S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

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

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

Cambridge Colleges Federation Pension Scheme

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

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

	30 June 2015	30 June 2014
	% p.a.	% p.a.
Discount rate	3.7	4.6
Expected long-term rate of return on Scheme assets	3.7	6.2
Increase in salaries	2.75**	2.8*
Retail Price Index (RPI) assumption	3.25	3.3
Consumer Price Index (CPI) assumption	2.25	2.3
Pension increases (RPI linked)	3.25	3.3
Pension increases (RPI linked with 5% pa Cap)	3.05	3.1

* 1.5% in 2014; 2.8% thereafter

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

The underlying mortality assumption is based upon the standard table known as S2 mortality tables for average normal pensioners projected in line with the CMI_2014 projection and a target long-term improvement rate of 1.0% p.a. (2014: same base table and an allowance for improvements using the CMI_2013 projection table with a long term improvement rate of 1.0% p.a.). This results in the following life expectancies:

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

28. Pension Scheme continued

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

	2015	2014
Equities and Hedge Funds	69%	70%
Cash and bonds	25%	23%
Property	6%	7%
Total	100%	100%

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

The following results were measured in accordance with the requirements of FRS 17, based on the assumptions summarised above:

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2015 £000	2014 £000	2015 £000	2014 £000	2015 £000	2014 £000
Opening balances	(12,007)	(10,734)	7,437	7,161	(4,570)	(3,573)
Service cost	(340)	(290)	-	-	(340)	(290)
Employer contributions	-	-	192	177	192	177
Expected return on scheme assets	-	-	458	442	458	442
Contributions by members	-	-	12	11	12	11
Interest cost	(504)	(493)	-	-	(504)	(493)
Actuarial gains/(losses)	(393)	(836)	563	(8)	170	(844)
Benefits and expenses paid	384	346	(384)	(346)	-	-
Closing balances	<u>(12,860)</u>	<u>(12,007)</u>	<u>8,278</u>	<u>7,437</u>	<u>(4,582)</u>	<u>(4,570)</u>

The amounts recognised in the income and expenditure account are as follows:

	Year ended 30 June 2015 £000	Year ended 30 June 2014 £000
In staff costs:		
Current service cost	328	279
	<u>328</u>	<u>279</u>
In other expenditure:		
Interest cost	504	493
Expected return on pension scheme assets	(458)	(442)
Net return	<u>46</u>	<u>51</u>
Actual return on pension scheme assets	<u>374</u>	<u>434</u>

The amounts recognised in the statement of total recognised gains and losses are as follows:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Actual return less expected return on scheme assets	563	(8)
Experience gains and losses arising on Scheme liabilities	188	(97)
Changes in assumptions underlying the present value of Scheme liabilities	(581)	(739)
	<u>170</u>	<u>(844)</u>

28. Pension Scheme continued

Cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses are as follows:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Opening cumulative actuarial loss	(4,507)	(3,663)
Recognised during the year	170	(844)
Closing cumulative actuarial loss	<u>(4,337)</u>	<u>(4,507)</u>

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

	30 June 2015 £000	30 June 2014 £000	30 June 2013 £000	30 June 2012 £000	30 June 2011 £000
Present value of Scheme liabilities	(12,860)	(12,007)	(10,733)	(9,102)	(8,362)
Market value of Scheme assets	8,278	7,437	7,160	6,497	7,055
(Deficit) in the Scheme	<u>(4,582)</u>	<u>(4,570)</u>	<u>(3,573)</u>	<u>(2,605)</u>	<u>(1,307)</u>
Experience (loss)/gain arising on Scheme liabilities	563	(97)	(61)	(273)	(195)
Actual return less expected return on Scheme assets	188	(8)	408	(1,219)	437
Change in assumptions underlying present value of Scheme liabilities	581	(739)	(1,201)	(94)	547

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

- From 1 July 2015 to 31 March 2016 20.19% of Contribution Pay for non salary sacrifice members (28.69% of Contribution Pay for salary sacrifice members);
- From 1 April 2016 to 30 June 2016 18.45% of Contribution Pay for non salary sacrifice members (26.95% of Contribution pay for salary sacrifice members),

Plus Recovery Plan payments of £131,145; plus £17,124 to cover expenses.

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

Defined Contribution Pension Schemes

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 £55,000 (2014: £38,000) of which £9,000 (2014: £8,000) was outstanding at the year end.

29. Contingent Liabilities

As disclosed in note 28, with effect from 16 March 2007, the Universities 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 participant employers.

30. Related Party Transactions

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