

ROBINSON COLLEGE

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2017

Robinson College

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Robinson College

College Details

Address

Robinson College
Grange Road
Cambridge
CB3 9AN

Registered Charity Number

1137494

Charity Trustees (Members of Council)

Prof A D Yates	Dr G A C Jones (retired 30 September 2016)	Dr C M Crump (appointed 1 October 2016)
Dr P Griffiths	Dr P N Schofield (retired 30 September 2016)	Mr M J Reavley (appointed 1 October 2016)
Mr R G Reason	Dr C D Warner (retired 30 September 2016)	Dr J E Smith (appointed 1 October 2016)
Dr J R Thurlow	Dr D A Woodman (retired 30 September 2016)	Dr H L Thaventhiran (appointed 1 October 2016)
Dr M D Shin	Dr M E McDonald (retired 30 September 2016)	Prof M J Duer (appointed 1 October 2016)
Dr W P Nolan	Prof P Kornicki (retired 30 September 2016)	Mr M Driver (appointed 1 October 2016)
Prof J Lieu	Miss M Krish (retired 30 September 2016)	Mr R Goodall (appointed 1 October 2016)
Ms H E Cornish	Miss A Fee (retired 30 September 2016)	
Dr K C Chalut	Miss M Lamb (retired 30 September 2016)	
Dr B D Sloan	Dr D Fairen-Jimenez (appointed 1 October 2016)	

Senior Officers

Warden:	Prof A D Yates
Senior Tutor:	Dr W P Nolan
Finance 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
9/11 St Andrews Street
Cambridge
CB2 3AA

Investment Advisers

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

Robinson College

Operating and Financial Report to the Council and Governing Body

Year ended 30 June 2017

Aims and objectives of the College

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 increases in the regulated fee from 2012 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 £56 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

Operating and Financial Report to the Council and Governing Body

Year ended 30 June 2017

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.

Achievements and performance

Income and Expenditure

The adjusted operating result of the College, excluding gains on investments, decreased in the year by £103,000.

	2017	2016
	£'000	£'000
Net reported surplus/(deficit)	579	(274)
Unrestricted donations	(486)	(272)
Operating surplus/(deficit)	<u>93</u>	<u>(546)</u>
Pension cost adjustments	134	220
Private placement interest	(656)	-
Adjusted operating deficit	<u>(429)</u>	<u>(326)</u>

Total income decreased by 17.5%. This was distorted by the receipt of the donation for the endowment of the Sir David Williams chair in 2016. Income before donations and endowments increased by 6.4%. Income from fees was up 4.9% but from conferences it was down by 14.3%. Academic fee income received amounted to £2,617,000. The full costs of education were £3,986,000. The shortfall of £1,369,000 was found from the College's other income. Salary and wage costs of College Officers, College Teaching Officers and support staff amounted to £4,191,000 a minimal increase of 0.9%.

The year-end value of the portfolio was £56.4 million an increase of £11.4 million. The return on investment for the year was 15.7%.

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.

Robinson College

Operating and Financial Report to the Council and Governing Body

Year ended 30 June 2017

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 £3,738,000 of cash within current assets. 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 mainly the result of a timing difference on an investment of £1.3 million which was made shortly after the year-end.

- (1) A sizeable proportion of the College's total forecast annual income for 2016-17 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 £696,000 in donations as well as substantial support from other Colleges and endowments to aid its teaching and research activities. A total of £1,431,000 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.

Capital and Reserves

Capital and reserves increased by £5.6 million during the year to £89.8 million, largely driven by an increase in the market value of investments of £6.4 million.

Expenditure on maintenance and improvements amounted to £1,958,000. 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 £70 million the College faces routine annual expenditure on buildings of around £1.0 million a year. The excess over that amount currently being spent reflects some years of neglect of the estate

Principal risks and uncertainties

The principal risks and uncertainties of the College are:

- (1) Conference income (see cash flow section).
- (2) Fee income. The regulated home undergraduate fee has been £9,000 (College share £4,500) since 2010 (although the fee will rise to £9,250 for financial year 2017/2018, the Government has indicated that, once again, it is likely to be frozen thereafter). The Colleges principal costs are salary related. Unless fees are allowed to rise by salary inflation the real value of the fee will erode.
- (3) Graduate fee income. Graduates are largely overseas students and have a choice of not only University but country. Tightening of visa restrictions could reduce the number applying to Cambridge.

Robinson College

Operating and Financial Report to the Council and Governing Body

Year ended 30 June 2017

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 has historically been received from alumni aged 50 or more. Robinson's first cohort of undergraduates has only just reached this age so its donation income is much lower than most other Colleges in Cambridge. The financial pressure of university fees and of helping children onto the housing ladder are likely to further defer the likely arrival of a more substantial donation flow.

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 2017

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 2017 are set out on page 1.

Robinson College

Statement of Internal Controls

Year Ended 30 June 2017

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 2017 and up to the date of approval of the financial statements.
4. The Trustees are responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
 - a) A system of committees including an Audit Committee that monitor the College's performance against legal requirements and good practice.
 - b) Systems are in place to ensure the financial reporting is of a high quality and to ensure the Trustees comply with charity law and other regulations.
 - c) Where possible there is a segregation of duties from authorisation to completion and review.
5. The Trustees' review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Robinson College

Statement of Responsibilities of the College's Council and Governing Body

Year Ended 30 June 2017

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.

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

Year Ended 30 June 2017

We have audited the financial statements of Robinson College for the year ended 30 June 2017 which comprise the consolidated statement of comprehensive income and expenditure, the consolidated statement of changes in reserves, the consolidated and College balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Council and Governing Body

As explained more fully in the responsibilities of the Council and Governing Body statement set out on page 8, the Council in conjunction with the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council in conjunction with the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date:

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

Year Ended 30 June 2017

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 8.

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 11. 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

Academic fees

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

Grant income

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

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

Donations and endowments

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

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

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

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

Robinson College

Statement of Principal Accounting Policies

Year Ended 30 June 2017

Recognition of income (continued)

Donations and endowments (continued)

Donations with no restrictions are recorded within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

Investment income and change in value of investment assets

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Total return

The College invests its 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.

Other income

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

Cambridge Bursary Scheme

In 2016-17, payment of the Cambridge Bursaries has been made by the College to eligible students via the Student Loans Company (SLC) and Cambridge University has reimbursed the College for their portion. The College has shown the gross payment made to eligible students via the SLC and a contribution from the University as Income under "Academic Fees and Charges".

The net payment of £133,000 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£158,000
Expenditure	£291,000

Foreign currency translation

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

Fixed assets

Land and buildings

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

Robinson College

Statement of Principal Accounting Policies

Year Ended 30 June 2017

Fixed assets (continued)

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 of 70 years. They are valued on the basis of their depreciated replacement cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a 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. They are not depreciated until they are brought into use.

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

The cost of additions to operational property shown in the balance sheet includes the cost of land. All other assets are capitalised and depreciated over their expected useful life as follows:

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

Leased assets

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

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

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

Heritage assets

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

Investments

Fixed asset investments are included in the balance sheet as follows:-

- a) *Securities*
Securities are included at their open market value.
- b) *Works of Art*
Works of art are shown in the accounts at their insured value.
- c) *Subsidiary Undertakings*
Investments in subsidiary undertakings are recorded at costs less any provision for impairment in value, and eliminated on consolidation.
- d) *Unlisted investments*
Unlisted investments are carried at costs less any provision for permanent diminution in value, unless they are listed as a recognised stock exchange in which case their open market value is used, or there has been a more recent funding round in which case this value is used to value all investments made to the fund.
- e) *Property*
Investment properties are included at open market valuation. A formal valuation was carried out by Bidwells Estate Agents as at 30 June 2016.

Robinson College

Statement of Principal Accounting Policies

Year Ended 30 June 2017

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

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

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

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.

Robinson College

Statement of Principal Accounting Policies

Year Ended 30 June 2017

Critical accounting judgements

FRS102 makes the distinction between a group pension plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss in accordance with section 28 of FRS 102. The Council and Governing Body are satisfied that the scheme provided by Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

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

Employment benefits

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

Reserves

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

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

Robinson College

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2017

	Note	2017			2016				
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	2,459	158	-	2,617	2,347	148	-	2,495
Residences, catering and conferences	2	5,318	-	-	5,318	5,511	-	-	5,511
Investment income	3	45	-	1,446	1,491	27	-	839	866
Endowment return transferred	3	1,783	216	(1,999)	-	1,121	182	(1,303)	-
Other income	4	92	-	-	92	78	-	-	78
Total income before donations and endowments		9,697	374	(553)	9,518	9,084	330	(464)	8,950
Donations		486	(347)	-	139	272	2,641	-	2,913
New endowments		-	-	157	157	-	-	199	199
Capital grant from Colleges Fund		-	-	735	735	-	-	718	718
Other capital grants for assets		-	-	-	-	-	-	-	-
Total income		10,183	27	339	10,549	9,356	2,971	453	12,780
Expenditure									
Education	5	3,695	291	-	3,986	3,502	242	-	3,744
Residences, catering and conferences	6	4,905	-	-	4,905	4,870	-	-	4,870
Other expenditure	7	1,004	38	830	1,872	1,258	2,515	44	3,817
Total expenditure	8	9,604	329	830	10,763	9,630	2,757	44	12,431
Surplus/(deficit) before other gains and losses		579	(302)	(491)	(214)	(274)	214	409	349
Gain on investments	3	2,671	285	3,437	6,393	960	228	2,208	3,396
Surplus for the year		3,250	(17)	2,946	6,179	686	442	2,617	3,745
Other comprehensive income									
Actuarial (loss)/gain in respect of pension schemes	17	(644)	-	-	(644)	(170)	-	-	(170)
Total comprehensive income for the year		2,606	(17)	2,946	5,535	516	442	2,617	3,575

The notes on pages 20 to 32 form part of these accounts

Robinson College

Statement of Changes in Reserves

Year Ended 30 June 2017

	Income and expenditure reserve			Total £000
	Unrestricted £000	Restricted £000	Endowment £000	
Balance at 1 July 2016	63,994	3,300	16,970	84,264
Surplus/(Deficit) from income and expenditure statement	3,250	(17)	2,946	6,179
Other comprehensive income	(644)	-	-	(644)
Transfers between reserves	(340)	410	(70)	-
Balance at 30 June 2017	<u>66,260</u>	<u>3,693</u>	<u>19,846</u>	<u>89,799</u>

	Income and expenditure reserve			Total £000
	Unrestricted £000	Restricted £000	Endowment £000	
Balance at 1 July 2015	62,617	3,719	14,353	80,689
Surplus/(Deficit) from income and expenditure statement	686	442	2,617	3,745
Other comprehensive income	(170)	-	-	(170)
Transfers between reserves	861	(861)	-	-
Balance at 30 June 2016	<u>63,994</u>	<u>3,300</u>	<u>16,970</u>	<u>84,264</u>

The notes on pages 20 to 32 form part of these accounts

Robinson College

Balance Sheet

As at 30 June 2017

	Note	2017 Consolidated £000	2017 College £000	2016 Consolidated £000	2016 College £000
Non-current assets					
Fixed assets	10	65,910	65,910	65,646	65,646
Investments	11	56,375	56,376	44,985	44,986
		<u>122,285</u>	<u>122,286</u>	<u>110,631</u>	<u>110,632</u>
Current assets					
Stocks	12	95	95	102	102
Trade and other receivables	13	1,131	1,454	2,955	2,977
Cash and cash equivalents	14	3,738	3,295	7,287	7,205
		<u>4,964</u>	<u>4,844</u>	<u>10,344</u>	<u>10,284</u>
Creditors: amounts falling due within one year	15	<u>(1,829)</u>	<u>(1,710)</u>	<u>(1,741)</u>	<u>(1,682)</u>
Net current assets		<u>3,135</u>	<u>3,134</u>	<u>8,603</u>	<u>8,602</u>
Total assets less current liabilities		125,420	125,420	119,234	119,234
Creditors: amounts falling due after more than one year	16	(29,884)	(29,884)	(29,880)	(29,880)
Provisions					
Pension provisions	17	(5,737)	(5,737)	(5,090)	(5,090)
Total net assets		<u>89,799</u>	<u>89,799</u>	<u>84,264</u>	<u>84,264</u>
Restricted reserves					
Income and expenditure reserve – endowment reserve	18	19,846	19,846	16,970	16,970
Income and expenditure reserve – restricted reserve	19	3,693	3,693	3,300	3,300
		<u>23,539</u>	<u>23,539</u>	<u>20,270</u>	<u>20,270</u>
Unrestricted reserves					
Income and expenditure reserve – unrestricted		66,260	66,260	63,994	63,994
Total reserves		<u>89,799</u>	<u>89,799</u>	<u>84,264</u>	<u>84,264</u>

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

**R Reason
Finance Bursar**

Date:

The notes on pages 20 to 32 form part of these accounts

Robinson College

Consolidated Cash Flow Statement

Year Ended 30 June 2017

	Note	2017 £000	2016 £000
Net cash inflow from operating activities	21	2,666	247
Cash flows from investing activities	22	(5,007)	(15,441)
Cash flows from financing activities	23	(1,208)	19,103
Increase/(Decrease) in cash and cash equivalents in the year		<u>(3,549)</u>	<u>3,909</u>
Cash and cash equivalents at beginning of the year		<u>7,287</u>	<u>3,378</u>
Cash and cash equivalents at end of the year	14	<u>3,738</u>	<u>7,287</u>

The notes on pages 20 to 32 form part of these accounts

Robinson College

Notes to the Accounts

Year Ended 30 June 2017

1 Academic fees and charges	2017 £000	2016 £000
Colleges fees:		
Fee income received at the regulated undergraduate rate	1,479	1,530
Fee income received at the unregulated undergraduate rate	315	268
Fee income received at the graduate rate	645	549
Other fees	20	-
	2,459	2,347
Cambridge Bursaries Income	158	148
Total	2,617	2,495
2 Income from residences, catering and conferences	2017 £000	2016 £000
Accommodation		
College members	3,044	2,949
Conferences	785	839
Catering		
College members	582	587
Conferences	907	1,136
Total	5,318	5,511
3 Endowment return and investment income	2017 £000	2016 £000
3a Analysis		
Total return contribution (see note 3b)	1,999	1,303
Other interest receivable	45	27
Total	2,044	1,330
3b Summary of total return	2017 £000	2016 £000
Income from:		
Land and buildings	71	75
Quoted and other securities and cash	1,375	764
Gains/(losses) on investment assets:		
Quoted and other securities and cash	6,393	3,396
Investment management costs (see note 3c)	(94)	(44)
Loan interest	(736)	-
Total return for year	7,009	4,191
Total return transferred to income and expenditure reserve	(1,999)	(1,303)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 20)	5,010	2,888
3c Investment management costs	2017 £000	2016 £000
Quoted securities and other investments	94	44

Robinson College

Notes to the Accounts

Year Ended 30 June 2017

4	Other Income	2017	2016
		£000	£000
	Miscellaneous income	92	78
	Total	<u>92</u>	<u>78</u>
5	Education expenditure	2017	2016
		£000	£000
	Teaching	2,255	2,222
	Tutorial	704	672
	Admissions	224	189
	Research	173	178
	Scholarships and awards	471	369
	Other educational facilities	159	114
	Total	<u>3,986</u>	<u>3,744</u>
6	Residences, catering and conferences expenditure	2017	2016
		£000	£000
	Accommodation		
	College members	1,817	1,760
	Conferences	933	932
	Catering		
	College members	1,477	1,391
	Conferences	678	787
	Total	<u>4,905</u>	<u>4,870</u>
7	Other Expenditure	2017	2016
		£000	£000
	Expenditure of restricted funds	39	11
	Academic	40	26
	Administration	75	71
	College Officers	102	77
	Domestic Services	82	78
	Loan Interest	1,208	772
	Private placement fees	4	4
	Other	85	57
	Net finance charge in respect of defined benefit pension scheme	137	170
	Unwinding of discount factor on pension scheme	6	7
	Investment management costs	94	44
	Donation to the University	-	2,500
	Total	<u>1,872</u>	<u>3,817</u>

8a Analysis of 2016/2017 expenditure by activity

	Staff costs	Other operating expenses	Depreciation	Total
	(note 9)			
	£000	£000	£000	£000
Education	1,571	1,918	497	3,986
Residences, catering and conferences	2,373	1,929	603	4,905
Other	247	1,582	43	1,872
Totals	<u>4,191</u>	<u>5,429</u>	<u>1,143</u>	<u>10,763</u>

Expenditure includes fundraising costs of £180,000. This expenditure includes the costs of alumni relations.

Robinson College

Notes to the Accounts

Year Ended 30 June 2017

8b Analysis of 2015/16 expenditure by activity

	Staff costs (note 9) £000	Other operating expenses £000	Depreciation £000	Total £000
Education	1,588	1,651	505	3,744
Residences, catering and conferences	2,350	1,896	624	4,870
Other	217	3,555	45	3,817
Totals	<u>4,155</u>	<u>7,102</u>	<u>1,174</u>	<u>12,431</u>

Expenditure includes fundraising costs of £173,000. This expenditure includes the costs of alumni relations.

8c Auditors' remuneration

	2017 £000	2016 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	20	19
Other fees payable to the College's external auditors	9	11

9 Staff costs

Consolidated	College Fellows £000	Non- academic £000	2017 Total £000	2016 Total £000
Staff costs:				
Emoluments	732	2,926	3,658	3,552
Social security costs	58	229	287	253
Other pension costs	(9)	255	246	350
	<u>781</u>	<u>3,410</u>	<u>4,191</u>	<u>4,155</u>
Average staff numbers (full-time equivalents):	No	No	No	No
Academic	87	-	87	92
Non-academic	-	104	104	104
Total	<u>87</u>	<u>104</u>	<u>191</u>	<u>196</u>

The Governing Body comprises 87 Fellows, of which 76 are stipendiary.

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Therefore the Trustees who include the Warden, Senior Tutor and the Finance Bursar are the key management personnel.

	2017 £000	2016 £000
Aggregate Emoluments	<u>278</u>	<u>414</u>

Trustees received no emoluments in their capacity as Trustees of the Charity.

Robinson College

Notes to the Accounts

Year Ended 30 June 2017

10 Tangible Fixed Assets Consolidated and College

	Freehold Land £000	Freehold buildings £000	Furniture fittings and equipment £000	Library Books £000	Total £000
Cost					
As at 1 July 2016	4,685	63,981	2,033	335	71,034
Additions at cost	-	1,164	243	-	1,407
Disposals			(98)	(24)	(122)
As at 30 June 2017	4,685	65,145	2,178	311	72,319
Depreciation					
As at 1 July 2016	-	4,212	1,128	48	5,388
Charge for the year	-	930	181	32	1,143
Disposals	-	-	(98)	(24)	(122)
As at 30 June 2017	-	5,142	1,211	56	6,409
Net book value					
As at 30 June 2017	4,685	60,003	967	255	65,910
As at 1 July 2016	4,685	59,769	905	287	65,646

The insured value of freehold land and buildings as at 30 June 2017 was £69,579,000 (2016: £68,969,000)

11 Investments Consolidated and College

	Consolidated 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
As at 1 July	44,985	44,986	27,574	27,585
Additions	5,806	5,806	15,520	15,520
Disposals	(858)	(858)	(1,017)	(1,017)
Gains	6,431	6,431	3,251	3,251
(Decrease)/Increase in cash balances held at fund managers	11	11	(343)	(343)
As at 30 June	56,375	56,376	44,985	44,986
Represented by:				
Property	3,709	3,709	2,900	2,900
Quoted securities/unit trusts/hedge funds	45,640	45,640	37,554	37,554
Cash with agents	13	13	2	2
Wine and works of art	497	497	564	564
Other investments	6,516	4,664	3,965	3,062
Investment in Subsidiary undertakings	-	1,853	-	904
	56,375	56,376	44,985	44,986

Robinson College

Notes to the Accounts

Year Ended 30 June 2017

11. Investments Consolidated and College continued

Subsidiary Company

At 30 June 2017 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

12 Stocks

	Consolidated 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
Goods for resale	95	95	102	102

13 Trade and other receivables

	Consolidated 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
Long term debtors and loan Members of the College	200	200	302	302
Amounts owed by subsidiary company	325	325	601	601
Other receivables	-	493	-	104
Prepayments	274	104	1,779	1,697
	332	332	273	273
	1,131	1,454	2,955	2,977

Within amounts owed by long term debtors, £100,000 (2016: £200,000) is due outside of one year. Within amounts owed by Members of the College is £233,000 (2016: £235,000) that is due after more than one year.

14 Cash and cash equivalents

	Consolidated 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
Bank deposits	1,038	1,038	3,011	3,011
Current accounts	2,691	2,248	4,269	4,187
Cash in hand	9	9	7	7
	3,738	3,295	7,287	7,205

Robinson College

Notes to the Accounts

Year Ended 30 June 2017

15 Creditors: amounts falling due within one year

	Consolidated 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
Trade creditors	263	263	214	214
Members of the College	1	1	1	1
Amounts due to subsidiary company	-	1	-	1
University fees	-	-	30	30
Other creditors	967	847	929	869
Accruals and deferred income	598	598	567	567
	<u>1,829</u>	<u>1,710</u>	<u>1,741</u>	<u>1,682</u>

16 Creditors: amounts falling due after more than one year

	Consolidated 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
Long term bank loan	4,000	4,000	4,000	4,000
Other loans	25,884	25,884	25,880	25,880
	<u>29,884</u>	<u>29,884</u>	<u>29,880</u>	<u>29,880</u>

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

During 2014 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.

During 2016 the College borrowed a further £20m from institutional investors in a private placement scheme. The loan is unsecured and repayable in 2046 and is at a fixed interest rate of 3.68%.

17 Pension provisions Consolidated and College

	CCFPS £000	USS £000	2017 £000	2016 £00
Balance at beginning of year	4,868	222	5,090	4,831
Movement in year:				
Current service cost	272	-	272	302
Contributions	(315)	(10)	(325)	(365)
Change in expected contributions	-	(87)	(87)	(25)
Other finance cost	137	6	143	177
Actuarial loss/(gain)	644	-	644	170
Balance at end of year	<u>5,606</u>	<u>131</u>	<u>5,737</u>	<u>5,090</u>

Robinson College

Notes to the Accounts

Year Ended 30 June 2017

18 Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated and College	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2017 Total £000	2016 Total £000
Balance at beginning of year				
Capital	2,172	14,798	16,970	14,353
New donations and endowments	157	735	892	917
Increase/(decrease) in market value of investments	340	1,714	2,054	1,700
Transfer	(70)	-	(70)	-
Balance at end of year	<u><u>2,599</u></u>	<u><u>17,247</u></u>	<u><u>19,846</u></u>	<u><u>16,970</u></u>

Analysis by type of purpose:

Scholarship Funds	1,135	-	1,135	873
Prize Funds	188	-	188	157
Hardship Funds	177	-	177	158
Bursary Funds	21	-	21	40
Other Funds	1,078	-	1,078	944
General endowments	-	17,247	17,247	14,798
	<u><u>2,599</u></u>	<u><u>17,247</u></u>	<u><u>19,846</u></u>	<u><u>16,970</u></u>

Analysis by asset

Property	171	1,135	1,306	1,094
Investments	2,427	16,108	18,535	15,875
Cash	1	4	5	1
	<u><u>2,599</u></u>	<u><u>17,247</u></u>	<u><u>19,846</u></u>	<u><u>16,970</u></u>

Robinson College

Notes to the Accounts

Year Ended 30 June 2017

19 Restricted Reserves

Reserves with restrictions are as follows:

Consolidated and College	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2017 Total £000	2016 Total £000
Balance at beginning of year					
Capital	-	-	1,732	1,732	1,641
Accumulated income	-	853	715	1,568	2,078
	<u>-</u>	<u>853</u>	<u>2,447</u>	<u>3,300</u>	<u>3,719</u>
New donations	-	178	(367)	(189)	2,789
Endowment return transferred	-	117	99	216	182
Increase in market value of investments	-	-	285	285	228
Expenditure	-	(261)	(68)	(329)	(2,757)
Transfer	-	(20)	430	410	(861)
Balance at end of year	<u>-</u>	<u>867</u>	<u>2,826</u>	<u>3,693</u>	<u>3,300</u>
Comprising Capital	-	-	2,051	2,051	1,732
Accumulated income	-	867	775	1,642	1,568
	<u>-</u>	<u>867</u>	<u>2,826</u>	<u>3,693</u>	<u>3,300</u>

Analysis of other restricted funds/donations by type of purpose

Fellowship Funds	-	-	993	993	861
Scholarship Funds	-	526	1,697	2,223	2,025
Prize Funds	-	33	41	74	62
Hardship Funds	-	2	-	2	9
Bursary Funds	-	1	29	30	(2)
Other Funds	-	305	66	371	345
	<u>-</u>	<u>867</u>	<u>2,826</u>	<u>3,693</u>	<u>3,300</u>

20 Memorandum of Unapplied Total Return

	2017 £000	2016 £000
Unapplied total return at beginning of year	10,607	7,719
Unapplied total return for the year	5,010	2,888
Unapplied total return at end of year	<u>15,617</u>	<u>10,607</u>

21 Reconciliation of consolidated surplus for the year to net cash inflow from operating activities	2017 £000	2016 £000
Surplus for the year	6,179	3,745
Adjustment for non-cash items		
Depreciation	1,143	1,174
Investment management costs	94	45
(Gain) on investments	(6,393)	(3,396)
(Increase) in stocks	7	(3)
(Increase) in trade and other receivables	1,824	(1,611)
Increase/(decrease) in creditors	88	294
Pension costs less contributions payable	3	89
Adjustment for investing or financing activities		
Investment income	(1,491)	(866)
Interest payable	1,208	772
Loan fees paid	4	4
Net cash inflow from operating activities	<u>2,666</u>	<u>247</u>
22 Cash flows from investing activities	2017 £000	2016 £000
Non-current investment disposal	858	1,387
Investment income	1,352	941
Endowment funds invested	(5,810)	(15,521)
Payments made to acquire non-current assets	(1,407)	(2,248)
Total cash flows from investing activities	<u>(5,007)</u>	<u>(15,441)</u>
23 Cash flows from financing activities	2017 £000	2016 £000
Interest paid	(1,208)	(772)
New loans	-	20,000
New loan fees paid	-	(125)
Total cash flows from financing activities	<u>(1,208)</u>	<u>19,103</u>
24 Capital commitments		
At 30 June 2017 future capital expenditure authorised and committed amounted to £1,095,000 (2016: £1,288,000)		

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Year Ended 30 June 2017

25 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:

	2017 £000	2016 £000
USS: Contributions	(13)	67
CCFPS: Charged to income and expenditure account	208	228
Other pension schemes: Contributions	51	55
	<u>246</u>	<u>350</u>

University Superannuation Scheme

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

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

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

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

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

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

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

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

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

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

25. Pension Scheme continued

Cambridge Colleges Federation Pension Scheme

The College is also a member of a multi-employer defined benefits scheme, the Cambridge Colleges Federated Pension Scheme (CCFPS). The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, at 31 March 2017 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

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

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2016 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2016: S2PA with CMI_2015 future improvement factors and a long term future improvement rate of 1% p.a.). This results in the following life expectancies:

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

Employee Benefit Obligations

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

	2017	2016
	£'000	£'000
Market value of plan assets	10,595	9,547
Present value of plan liabilities	(16,201)	(14,415)
Net defined benefit (liability)	<u>(5,606)</u>	<u>(4,868)</u>

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

	2017	2016
	£'000	£'000
Current service cost	255	285
Administrative expenses	17	17
Interest on net defined benefit liability	137	170
Total charge	<u>409</u>	<u>472</u>

25. Pension Scheme continued

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

	2017	2016
	£'000	£'000
Present value of plan liabilities at beginning of period	14,415	12,860
Current service cost	255	301
Employee contributions	9	10
Benefits paid	(547)	(523)
Interest on plan liabilities	399	472
Actuarial losses	1,670	1,295
	<u>16,201</u>	<u>14,415</u>

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

	2017	2016
	£'000	£'000
Market value of plan assets at beginning of period	9,547	8,278
Contributions paid by the College	315	356
Employee contributions	9	10
Benefits paid	(547)	(496)
Administration expenses paid	(30)	(27)
Interest on plan assets	262	301
Return on assets, less interest included in profit and loss	1,039	1,125
	<u>10,595</u>	<u>9,547</u>
Market value of Scheme assets at end of period		
Actual return on plan assets	1,302	1,427

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

	2017	2016
Equities	67%	59%
Bonds & Cash	27%	35%
Properties	6%	6%
Total	<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 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017	2016
	£'000	£'000
Return on assets, less interest included in income and expenditure	1,039	1,125
Expected less actual plan expenses	(13)	(10)
Experience gains and losses arising on plan liabilities	88	(71)
Changes in assumptions underlying the present value of plan liabilities	(1,758)	(1,214)
	<u>(644)</u>	<u>(170)</u>
Remeasurement of net defined benefit liability recognised in OCI		

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Year Ended 30 June 2017

25. Pension Scheme continued

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

	2017	2016
	£'000	£'000
(Deficit) in Scheme at beginning of year	(4,868)	(4,582)
Recognised in Profit and Loss	(409)	(472)
Contributions paid by the College	315	356
Remeasurement of net defined benefit liability recognised in OCI	(644)	(170)
Surplus/(deficit) in plan at the end of the year	<u>(5,606)</u>	<u>(4,868)</u>

Funding Policy

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

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

- Annual contributions of not less than £131,145 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.

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 £52,000 (2016: £55,000) of which £9,000 (2016: £8,000) was outstanding at the year end.

26. Contingent Liabilities

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.

27. 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.

During the year the College purchased an investment property from a trustee for £800,000.

The College has continued to provide loans to its fellows during the year. The total balance outstanding at the year end is £252,000 (2016: £527,000).