



Lucy Cavendish College University of Cambridge

Annual Report and Accounts

For the Financial Year Ending

30th June 2018

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President:	Jackie Ashley MA
Abbott	Ruth BA MPhil PhD, Lecturer, Faculty of English, University of Cambridge to 30 September 2017
Bahn	Professor Sabine MD PhD MRCPsych, Professor, Bahn Laboratory, University of Cambridge
Brazelton	Mary AB MPhil PhD, Lecturer, History and Philosophy of Science, University of Cambridge, from 4 October 2017
Breareley	Jacqueline Chryscillian MA Vet MB PhD DVA Dip ECVAA MRCA MRCVS, Senior Lecturer in Anaesthesia, Department of Veterinary Medicine, University of Cambridge
Cameron	Professor Ruth MA PhD MInstP CPhyS, Professor, Materials Science and Metallurgy, University of Cambridge; Research Mentor in the Sciences, Lucy Cavendish College
Clare	Isabel Clare Huntingdon BSc MPhil MPhil PhD, Consultant Clinical & Forensic Psychologist, NIHR CLAHRC East of England; and Cambridge Intellectual & Developmental Disabilities Research Group, Department of Psychiatry, University of Cambridge
Daniels	Kate BA MA PhD, Senior Teaching Officer, ADTIS, University of Cambridge, from 7 March 2018
Davies	Jane BSc MSc PhD MBA DBA, Director, MBA Programme, Judge Business School, University of Cambridge
Denton	Alice BSc PhD, BBSRC Future Leaders Fellow, Babraham Institute, University of Cambridge to 30 September 2017
Gall	Astrid, PhD, Ensembl outreach officer, Molecular Biology Laboratory, European Bioinformatics Institute
Gibson	Jenny PhD, Lecturer in Psychology and Education, Faculty of Education, University of Cambridge
Greatorex	Jane Suzette BTec FMLS PhD, Honorary Research Scientist, Public Health England; Tutor, Lucy Cavendish College to 31 August 2017; Senior Tutor from 1 September 2017
Gull	Sarah Elizabeth MBBS FRCS(ED) FRCOG, Consultant Gynaecologist, West Suffolk Hospital to 31 March 2018; Joint Course Supervisor, Graduate Medical Course, and Curator, Lucy Cavendish College;
Hakenbeck	Susanne BA MPhil PhD FSA, Lecturer, Department of Archaeology and Anthropology, University of Cambridge to 30 September 2017
Harvey	Victoria PhD, temporary Admissions Tutor to 9 May 2018 and Tutor, Admissions Director from 10 May 2018 Lucy Cavendish College
Hendriks	Henriette PhD, Reader in Language Acquisition and Cognition, Faculty of MML, Theoretical and Applied Linguistics, Praelector and Research Mentor in the Arts, Lucy Cavendish College
Houghton	Margaret Christine BA MA, Domestic Bursar and Wine Steward, Lucy Cavendish College
Howarth	Emma, Senior Research Associate, NIHR CLAHRC
Howe	Professor Christine Joyce BA PhD AcSS, Professor, Faculty of Education, University of Cambridge; Research Mentor in Social Sciences, Lucy Cavendish College to 30 September 2017
Jabado	Hanadi, MA, Executive Director, Entrepreneurial Centre, Cambridge Judge Business School,
Jackson	Susan MA PhD CEng, Research Development Coordinator, Department of Engineering, University of Cambridge; Tutor, Lucy Cavendish College
Maddison	Isobel Judith BA MA PhD, Vice-President and College Lecturer in English, Lucy Cavendish College
Mahon	Annette BSc PhD, Assistant Senior Tutor (Graduates), Lucy Cavendish College,
Nugent	Eileen Mary BSc MPhil DPhil, Early Career Lecturer, Biological and Soft Systems, Cavendish Laboratory, University of Cambridge, Tutor, Lucy Cavendish College
Ottewell	Karen PhD, Director of Academic Development & Training for International Students, Language Centre, University of Cambridge; Tutor; acting Praelector to 30 September 2017, Lucy Cavendish College
Parodi	Teresa, Lecturer, Department of Theoretical and Applied Linguistics, University of Cambridge to 30 September 2017
Popa	Bogdan PhD, Lecturer in Gender Studies, University of Cambridge, from 1 October 2017; Senior Associate, Lucy Cavendish College
Quie	Marissa, PhD, Research Associate, Department of Sociology, University of Cambridge, from 7 March 2018
Rath Spivack	Orsola MA PhD, Senior Research Associate, DAMTP, University of Cambridge
Roche	Helen Barbara Elizabeth BA MPhil PhD, Tutor, Lucy Cavendish College to 30 September 2017
Ruigrok	Amber PhD, Binks Autism Neuroscience Research Fellow, University of Cambridge, from 4 October 2017
Ryan	Joanna BSc, Development Director, Lucy Cavendish College, from 4 October 2017
Stoeber	(Kathryn) Leigh BS MS PhD, Fellow, Lucy Cavendish College to 17 August 2017
Taylor	Helen Louise MA MBBS MRCP FRCR, Consultant Radiologist, Addenbrooke's Hospital, Deputy Steward and Silver Steward, Lucy Cavendish College
Thompson	Lesley Margaret MA MA FCA, Bursar, Lucy Cavendish College
Van Harmelen	Anne-Laura, PhD, Senior Research Associate, Department of Psychiatry, University of Cambridge

Vinnicombe	Alison Annette BA MA Dip RSA, Finance Tutor and Dean, Steward, Registrar, Secretary to Council and Secretary to Governing Body, Acting Praelector from 1 October 2017, Lucy Cavendish College
Wain	Helen BEng, Head of Procurement, University of Cambridge, from 9 May 2018
Westwood	Sarah Elizabeth BA MA, Development Director, Lucy Cavendish College to 31 July 2017
Wilson	Dr Shona BSc PhD, University Lecturer, Department of Pathology, University of Cambridge
Yotova	Rumiana Vladimirova LLM PhD, College Teaching Officer, Law, Lucy Cavendish College

Lucy Cavendish College
Lady Margaret Road
Cambridge
CB3 0BU

Charity Registration Number: 1137875

Charity Trustees – see list on previous page

Senior Officers:

President	Jackie Ashley MA
Vice-President	Dr Isobel Maddison BA MA PhD
Senior Tutor	Dr Jane Greatorex BTEC FMLS PhD
Bursar	Mrs Lesley Margaret Thompson MA ACA

Principal Advisers:

Actuaries:

Cartwright Group
Mill Pool House
Mill Lane, Godalming
Surrey
GU7 1EY

Auditors:

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

Bankers:

Barclays Bank
9-11 St Andrews Street
Cambridge
CB2 3AA

Property Valuers & Consultants:

Bidwells
Stonecross
Trumpington High Street
Cambridge
CB22 9SU

Securities Managers:

UBS Wealth Management (UK) Ltd
1 Curzon Street
London
W1J 5UB

Smith & Williamson

25 Moorgate
London
EC2R 6AY

Solicitors:

Taylor Vinters
Merlin Place, Milton Road
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Introduction

Lucy Cavendish College was founded in 1965 as a Collegiate Society. Initially a graduate Foundation, it admitted its first undergraduates in 1972. It became an Approved Foundation of the University of Cambridge in 1984 and then in 1997 it was incorporated by Royal Charter and achieved full college status as a College for women of 21 and over. The College is an autonomous, self-governing community of scholars and one of the 31 colleges within the University of Cambridge. The College is a registered charity (number 1137875) regulated by the Charity Commission and its registered office is Lucy Cavendish College, Lady Margaret Road, Cambridge CB3 0BU.

Lucy Cavendish College admits women who are aged 21 and over as full-time undergraduate and full- and part-time postgraduate students matriculated within the University of Cambridge. The College provides with the University an education of the highest quality through small group teaching, academic supervision, library, computing and cultural facilities, meals and living accommodation and some support for students in personal or financial need.

The College is primarily situated on a site just north-west of central Cambridge bounded by Madingley Road and Lady Margaret Road. It is based around three converted 19th century villas together with newer purpose-built facilities including student accommodation, porters' lodge, library, teaching rooms, dining hall, gym and other common spaces. There is onsite accommodation for 91 students with a further 98 rooms (including 10 flats) owned by the College near its main site, primarily at its new student centre at 100 Histon Road which was opened in 2014.

Aims and Objectives of the College

The principal **objects** of the College, as set out in its Charter, are:

- to advance education, religion, learning and research in the University;
- to provide for persons who shall be members of the University a College wherein they may work for Degrees of the University or may carry out postgraduate or other special studies at Cambridge provided that no member of the College or any candidate for membership thereof shall be subject to any test of a religious, racial, political or social character.

During the last year the Governing Body undertook a review of the College's mission and aims and reaffirmed its key purposes as follows:

- **Students:** To provide an excellent academic education within the University of Cambridge to talented women over 21 at a time of life that suits them
- **Research:** To promote and support academically excellent women to give them opportunity and flexibility to conduct high quality academic research
- **College community:** To create an intellectually stimulating, interdisciplinary, inclusive, informal College community that attracts and supports women and enables them to thrive in their academic work and in extracurricular activities
- **Advocacy and support:** To champion women's education and development, both personal and professional; promoting diversity, particularly gender equality: inspiring women as confident and resilient citizens and leaders, within the University of Cambridge, nationally and internationally.

Public benefit

The trustees of the College have considered the Charity Commission's guidance on the operation of public benefit under the Charities Act 2011 and consider that the requirements have been met under the Charity's objects and activities. A full statement of the public benefit provided by the College has been lodged with the Charity Commission.

In summary, the College provides, in conjunction with the University of Cambridge, an education which is recognised internationally as being of the highest standard for some 380 mature undergraduate and postgraduate female students. This education develops students academically and promotes their community and interpersonal skills, and so enables them to play enhanced and effective roles for the benefit of society around the world. This world-class education is provided to women aged over 21 who have the highest academic potential whatever their means or religious, racial, political or social background.

In particular the College provides:

- *Teaching* facilities and individual or small-group teaching (supervisions), as well as pastoral, administrative and academic support through its tutorial (pastoral) and graduate mentoring systems; and
- *Social, cultural*, musical, meditational and 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.
- A *community* in which women students from diverse, sometimes challenging, backgrounds can achieve their fullest capabilities at a time in their lives and in an environment best suited to their needs.

The College advances *research* through:

- Providing Research Fellowships to outstanding women 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 research, 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 stipends or grants.
- Encouraging visits from outstanding academics from abroad; and
- Encouraging the dissemination of research undertaken by members of the College through the publication of books and papers in academic journals or other suitable means.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research. The President and Fellows of the College receive a number of benefits as beneficiaries comprising small research, book or travel grants etc. These benefits are provided with the intention of furthering the College's aims, primarily that of advancing research. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to other beneficiaries of the College.

Beneficiaries also include students and academic staff from other Colleges in Cambridge and from Cambridge University more widely together with visiting academic staff and students from other higher education institutions.

In addition, the wider public has access to the College through a series of talks and seminars and the College's participation from time to time in public schemes such as Open Cambridge and the National Open Gardens scheme.

Scope of the financial statements

The consolidated financial statements cover all the activities of Lucy Cavendish College and its subsidiary company, Lucy Cavendish Trading Ltd.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA) which complies with the 2015 Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education). This SORP reflected the changes to UK Generally Accepted Accounting Practice (GAAP) following the issue of Financial Reporting Standard (FRS) 102 which came into effect for financial years beginning on or after 1 January 2015.

The commentary that follows is intended to give the readers of the financial statements an overview of the finances and operations of the College.

Summary Financial Results

The total surplus (increase in net assets) of the College for the year was £847K comprising an unrestricted deficit of £165k, a restricted deficit of £205k, offset by surpluses in endowment income of £1.2m, primarily arising from net new endowments of £687k and a gain on investments of £530k.

Funding

Overall income before gains on investments and on pension schemes was £5.2m. The College's main sources of income are academic fees £1.5m, accommodation & catering £2.2m and donations & endowments of £1m.

Income	2017/18		2016/17	
	£000		£000	
Students: college fees	1,261	24%	1,150	22%
Cambridge Bursaries	226	4%	200	4%
accommodation & catering	1,564	30%	1,438	27%
Conference accommodation & catering	707	13%	586	11%
Investment income	391	7%	238	4%
Donations and endowments	1,036	20%	1,607	30%
Other income	42	1%	90	2%
Total	5,277	100%	5,309	100%

Expenditure

Total expenditure was £5m, comprising staff costs £2m, other operating expenditure £2.2m and the balance being depreciation of £755k. This expenditure is primarily allocated to Education £2m, and Residences, catering and conferences £2.6m.

At 30 June 2018 the value of the endowment was £12.3m, while the College's overall investments totalled £14.3m, mainly invested in the College's amalgamated investment portfolio. Overall net assets were £44m.

As the full costs of education are not met by Academic Fees and Charges, donations and return on endowment are critical elements to bridge this gap in all Cambridge colleges. However, colleges differ enormously in the size of their endowment and hence the return available from it. An arrangement exists for the better endowed colleges to support those colleges with smaller endowments via the University of Cambridge through the Colleges' Fund. As a college with one of the smallest endowments by a long way, Lucy Cavendish College is regularly a beneficiary of this scheme and in this year received £844k by way of a grant to be added to endowment and this is included in donations and endowment income above (£735k in 2016/17).

Achievements and performance

Academic and College Community

Having gone through a rapid period of growth over the last ten years, the College now has approximately 380 students and accepts well qualified women of 21 and over from all walks of life and from all over the world.

The percentage of undergraduate students achieving 2.1 or 1st class honours degrees continued the recent year to year improvement and this year reached 93% of all students eligible. Students achieving first class degrees included seven Tripos students and five non-Tripos students. There were a further two distinctions in the students on the Graduate Medicine Course. Lastly, amongst student prizes at the end of year were five Full Blue and four Half Blue sporting awards.

Nationally and locally, students were recognized in a range of fields. Amongst many successful students were the following: **Charlotte Cornell and Tilda Bowden** were short listed for the Louis de Bernieres prize (short fiction, Institute of Continuing Education), **Chloe Gamlin** won the Norah Schuster Prize from the Royal College of Medicine (best essay on the history of medicine), **Julia Hayes** won a prize from the Economic and Social Research Council (poster competition), **Isabelle Higgins** won the Winifred Georgina Holgtae Pollard Memorial Prize (most outstanding results), Jessica Lim was nominated for the Pollard prize (best paper) and **Mary Ononokpono** won an African short story competition for her work which was published in an anthology.

Fellows also achieved success during the year with some brief edited highlights as follows:

- **Professor Ruth Cameron** was awarded the Griffith Medal and Prize by the Institute of Materials, Minerals and Mining (IoM³). The Institute described her work in the materials science of regenerative medicine and pharmaceutical delivery as “truly outstanding”. Professor Cameron, who was awarded the UK Society for Biomaterials President’s Prize in 2017, has published an exceptional body of work in the field of ice templating technologies for regenerative medicine. She was a Founder Board member and later Director of Cambridge’s £10M Pfizer Institute for Pharmaceutical Materials Science.
- **Dr Sarah Gull** was presented with a Lifetime Achievement of Excellence Award by the West Suffolk Hospital in Bury St Edmunds, where she worked as a consultant for 25 years. The hospital is part of the Clinical School, and is the base hospital for Lucy Cavendish students on the Cambridge Graduate Course in Medicine (CGCM). This year it was awarded “Outstanding” by the CQC, making it the highest ranking hospital in East Anglia and the Midlands.
- **Dr Anne-Laura van Harmelen** was awarded a grant of £550,000 by mental health charity MQ to research suicide prevention amongst young people. She also co-authored a position paper in *Nature Human Behaviour* and a paper in *JCP*, developed an online course about mental health for youth for Future Learn, part of The Open University, and was a guest at the *BBC Tomorrows’ World* live show at the beginning of the year.
- **Hanadi Jabado** was named by *Cambridge News* as one of the top 25 most influential business people in Cambridge. Hanadi is Executive Director of the Entrepreneurship Centre at Cambridge Judge Business School, and a Director of Accelerate Cambridge. Her work in Cambridge enables a unique platform for entrepreneurship research, ranging from case studies of start-ups and scale-ups, all the way to industry reports and longitudinal studies of the underpinning factors of entrepreneurial success from both the entrepreneur’s and the early investor’s perspectives.
- **Dr Eileen Nugent** won a Cambridge University Students’ Union Award in the category of Supporting Students (Non-Academic). CUSU received 591 nominations from students who wanted to recognise the hard work that staff put in at Cambridge and the difference they make to students’ experiences. The awards celebrate those who teach, those who support teaching and learning, and those who provide pastoral and other support to students.
- **Dr Karen Ottewell** was presented by the College as its first ever Proctor for the academic year 2018–19. She is only the thirteenth woman to hold the office at the University, as it was restricted to men until the 1970s. Proctors are responsible for ensuring good order and discipline in the University, including overseeing examinations, serving on a number of University bodies, committees, and boards, attending discussions of University business at meetings of the Regent House, and administering the registration of University Societies.
- Research Fellow **Dr Emma Liu** won a L’Oréal-UNESCO Women in Science Fellowship. The award honours the contributions women make in the scientific field based on the belief that “the world needs science, and science needs women”. It aims to encourage more young women to enter the profession and to assist them once their careers are in progress.
- Henslow Research Fellow **Dr Sarah Morgan** was honoured to be a finalist for the Institute of Physics’ Jocelyn Bell Burnell medal, and was invited to give a talk on her research to the Institute in London.

- **Sarah Sands** was welcomed as a new **Honorary Fellow** in November 2017. Sarah Sands is the Editor of *Radio 4's* flagship news and current affairs show, the 'Today Programme'. She joined the *Daily Telegraph* in 1996 as Deputy Editor and was appointed the first female Editor of *The Sunday Telegraph* in 2005. In 2006 she worked as Consultant Editor on the *Daily Mail* and in 2008 became Editor-in-Chief of the UK edition of *Reader's Digest*. She was appointed Deputy Editor of the *London Evening Standard* in 2009 and became its Editor from 2012-2017.
- Amongst a range of other exciting events, talks and initiatives an important highlight in the year is the Lucy Cavendish College Fiction Prize, one of a number of ways in which the College supports creative writing. This prize is awarded annually to an unpublished female novelist over the age of 21. In this its 8th year the winner was Deepa Anappara with her novel *Djinn Patrol on the Purple Line* which appears to be poised for great commercial and literary success. The Prize continues to be very successful in launching literary careers.

Diversity and widening access

Lucy Cavendish College is the only women's college in Europe for postgraduates and undergraduates aged twenty-one and over. Its intake is one of the most diverse in Cambridge: we currently have students from around fifty countries. Most of our first-time UK undergraduates have not taken a traditional route into university, many holding Access Diplomas or comparable qualifications, rather than A-levels; other undergraduates come to Lucy Cavendish as career changers or affiliated students, subsequent to completion of a degree elsewhere; we also attract a diverse cohort of international students each year. We draw particularly high levels of applicants in Human, Social and Political Sciences, English, Law and Medicine. As part of its agreement with the governmental Office of Fair Access, the University of Cambridge has committed to admitting 62-64% of its British first-time undergraduates from the state education sector, and 10-13% from neighbourhoods where there is a low rate of progression to university. Lucy Cavendish often exceeds both these targets and a significant proportion of our undergraduates are the first in their families to undertake higher level study. The College has a reputation for the support it gives to its students and its concern for welfare and professional development as well as academic achievement.

Student Support

In order to assist undergraduates entitled to student support, the College provides, through a scheme operated in common with the University and other Colleges, bursary support (the Cambridge Bursary) for those with limited financial means. During the year students over 21 at the start of their course were automatically considered for an enhanced award. In addition, the College actively seeks support for and gives other awards and bursaries to its undergraduate and graduate students (£204k in 2017/18).

Financial Review

Income

Further detail regarding the different sources of income is given below:

Academic Fees and Charges (10% increase)

The College charges:

- fees at externally regulated rates to undergraduates entitled to student support with those undergraduate fees generally being paid by loan funding through arrangements approved by the Government
- fees determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to student support.

The College receives a proportion of the fees charged by the University to graduate students based on a full time equivalent per capita allocation.

Overall student numbers in College rose during the year and total fee income also rose, though the amount received also depends on the mix of students. In 2017/18, including visiting students, there were 116 (16/17: 129) undergraduates and 228 (16/17: 188) fee-paying graduates, of whom 33 (16/17: 31) were part time. A further 35 (16/17: 39) graduate students were exempt from paying fees.

Also included under this heading is income received relating to the Cambridge Bursary scheme. The amount received rose significantly by 13% as it relates to the number of students in any year eligible to receive it. This income is offset by expenditure on the scheme which also increased sharply.

Residences, catering and conference income (12% increase)

This heading covers both income received from students and from conference guests and amounts received reflect both volume and charges.

The College charges accommodation, meal and service charges at reasonable rates to its students and income related to these areas increased by 9%.

Ongoing efficiencies and increased rent charges, progressively bringing these closer to actual costs, are a key part of seeking to ensure the College's financial sustainability. Funds collected contribute to the economic cost of meals within College and support further investment in the college kitchens. The College seeks to balance the need to offer affordable rents and charges for students whilst at the same time ensuring that the College has the necessary funds to maintain its student accommodation and catering facilities, undertaking necessary refurbishment and maintenance.

Income received from conference accommodation and catering charges also increased by 21% in total.

As ever, the income derived from conferences is critical for the College's finances and significant efforts are made to fill rooms and provide a good service to guests so that the College's ongoing costs are covered, particularly during vacation periods. Income from conference accommodation increased by 20%, whilst income from conference catering was up by 21%. Information on conference expenditure and contribution are detailed later in this report.

Investment income (65% increase) and endowment return transferred (5% decrease)

Investment income represents dividend and interest receipts together with rental income relating to an investment property. This year for the first time, total investments held exceeded the value of the endowment reserves so some of the investment income is allocated to unrestricted reserves.

The Governing Body Fellows are the Trustees of the College, governed under the Trustee Act 2000. Their investment powers are defined in Statute 44 of the College's Statutes and they have overall responsibility over the College's investments. Governing Body has responsibility for approving investment objectives, agreeing risk and return targets, performance benchmarks and the investment manager structure. The Governing Body delegates the detailed aspects of the oversight of the investment arrangements to the Investment Committee who in turn appoint investment managers to be responsible for day to day management of the investments in accordance with agreed guidelines. Overall, the financial objective of the Fund is to maintain at least the real value of the assets whilst generating a stable and sustainable return to help fund the college's operations each year. To this end, a diversified portfolio with a strategic asset allocation including most or all of UK and Overseas Equities, Bonds, Cash, Alternative Investments and Commercial Property is maintained with due regard for socially responsible investments consistent with the College's charitable status and its ethos.

The College has for some years adopted a Total Return approach which takes account of capital gains and losses on investment as well as income. The total return for the year including additions was 7.09%. Within the College's Total Return Spending Rule the aim is to derive a sufficient and regular return substantially to offset the shortfall in funding

for the College's core educational activities; over recent years the Governing Body has approved a reduced transfer to bring the College more in line with current views on an appropriate 'spending rate' to preserve capital in the endowment. This year £455k was transferred, representing 3.69% (compared with 4% in 2016/17).

Donations (36% decrease)

Excluding the Colleges' Fund grant and release of income from earlier capital grants (deferred capital), donations and new endowments fell by 78%. This large fall is primarily because of the significant new endowment (£553k) received in 2016/17.

Generous support over the last year has provided opportunities to develop and enhance all aspects of College life. Keith Maddocks gave £12,500 which helped to extend and refurbish the gym. We are also very grateful to alumna Dr Barbara Wittman (Archaeology, 1975) who has contributed to a number of initiatives including the student induction programme. Special projects were also generously supported by Emeritus Fellow Dr Ruth Jones (£15,000) and Mr Terry Hitchcock (£5,625).

Student support in the form of bursaries, scholarships and prizes included £12,500 from Emeritus Fellow Dr Lindsey Traub and £14,375 from Honorary Fellow Baroness Cohen of Pimlico, £3,500 from Fellow-Commoner Joanna Hewitt and £5,000 from The Thriplow Charitable Trust. Additionally a fundraising event and auction at Club at The Ivy in London raised over £10,000 for our students. We would also like to pay special tribute to the late Ernest Hecht OBE, for his loyal and generous support.

We are very grateful to those donors who give unrestricted gifts – these are allocated to areas of greatest need or to the endowment, the income from which supports all College activities, and to those donors who give anonymously.

As ever, the College is very grateful for the contribution it receives from the Colleges' Fund: this year we received £844k.

The Sutasoma Trust Fellowship makes it possible for the College to nurture and encourage talented young scholars as they develop their careers in research by their generous biannual support of £18,000.

This year we embarked on our first crowdfunding appeal to raise funds for the Boat Club. The appeal marked the return of LCCBC as an independent club after a 16-year-long partnership with Hughes Hall. The original target was £27,000 and £10,000 of this was achieved by June 2018. In fact, the total raised now exceeds £33,000 and the appeal will extend into 2019 when the target will be £40,000 to mark the 40th anniversary of the Club.

We continue to strengthen and develop relationships with corporate partners. AstraZeneca donated over £26,000 to develop student initiatives including a mentoring programme, while Santander awarded £15,000 to provide scholarships and to fund the College's inaugural student enterprise competition. Seamark plc supported the student hardship fund by donating £10,000. We were delighted that Peters Fraser and Dunlop (PFD) continued their sponsorship of the Lucy Cavendish Fiction Prize which continues to grow in its success and profile.

We are extremely grateful to all our benefactors and feel very fortunate to have such a loyal friends and supporters.

Other income (54% decrease)

This heading covers receipts from photocopying, merchandise, fees from Visiting Fellows. In 2016/17 a larger surplus on an educational project was included in this heading.

Expenditure

Expenditure has increased by 5% overall.

Education expenditure

There has been a total increase of 9% in education costs with greater expenditure particularly in the areas of tutorial, admissions, scholarships and awards and other educational facilities.

In common with all Cambridge colleges there is a shortfall on the core education accounts (fee income set against educational expenditure) of £675k compared with £626k in 2016/17.

Residences, catering & conference costs

These costs have increased by 3% overall with the main increases occurring in the cost of accommodation (10%) and catering (11%) for conference guests.

The College's combined 'Residences, Catering and Conferences' income has increased by 12% overall (£2.271m compared with £2.024m in 2016/17). Expenditure has increased by 3% overall (£2.550m compared with £2.486m). These expenditure figures represent a full cost allocation including all overheads. As the net result is a deficit it shows that there is still some way to go before the College is fully able to recover all costs but progress has been made this year. If fixed overheads are excluded it is clear that the conference trade makes an important contribution to the College's finances.

Balance Sheet

The College Balance Sheet shows a Net Current Liability position at the year-end of £288k (2016/17 Net Current Assets £327k). This is because of two main factors. Firstly, there was significantly reduced cash at the year-end (£301k in 2017/18 compared with £573k in 2016/17) reflecting the decision to send £500k working capital to our investment managers during the year in order to benefit from higher market returns available in a period of low interest rates. Secondly, debtors are much lower at the year-end in 2017/18 (£227k) compared with 2016/17 (£450k) primarily because of timing differences associated with the introduction of a new accounting system.

Non-current assets

Non-current assets total £50.64m. These include Tangible Assets of £36.29m including properties, furnishings, I.T. and other equipment. Investments of £14.35m make up the balance of the non-current assets. This year the total capital investment in new Tangible Assets was £308k whilst after disposals and depreciation there was an overall decrease of £448k. Investment assets have increased through net additions and appreciation by £1.85m.

Reserves

The College's overall reserves stand at £43.945m up £847k from £43.09m in the 2017 accounts.

All income and expenditure, however derived, goes through the Statement of Comprehensive Income and Expenditure so the total movement on reserves is equivalent to the comprehensive income (or expenditure) in the year. Thus the overall comprehensive income of £847k is also the increase in net assets and in overall reserves.

Of the total reserves at 30 June 2018 70% is held in unrestricted funds, 2% in restricted (only to be used for specific purposes according to donors' wishes) and 28% in endowed funds (capital to be retained and income only to be spent). This compares with 71%, 3% and 26% in the comparative figures at 30 June 2017.

During 2017/18 unrestricted funds decreased from £30.77m to £30.61m whilst total endowment funds grew from £11.071m to £12.28m. Restricted reserves decreased from £1.257m to £1.051m as concerted efforts continued to utilise accumulated income on historical funds. When funds are received for a specific purpose, the College seeks to ensure that expenditure is made as swiftly as possible in line with donors' wishes but in some cases, particularly where the funds were received at an early stage in the College's history, it has proved difficult to meet the terms of the restrictions and funds have continued to build up.

Reserves policy

A high level of capital is required for the College to fulfil its role within the University and survive for the long term. Capital is needed to build and replace operational buildings and to provide income to meet operational expenses, of which the largest single element is salaries for academic and non-academic staff. It is worth noting that the total value of Tangible Assets at £36.29m exceeds the value of the unrestricted funds at £30.606m so there are essentially no quickly available 'free' reserves. Lucy Cavendish College remains significantly under-capitalised as it strives to meet its running costs and to provide an appropriate environment and level of service to its students and Fellows. The Colleges' Fund currently uses a mathematical model to determine the capital needs of a college based on a range of variables and the fact that the College is one of the largest recipients indicates the severity of its need. All Cambridge Colleges take an intergenerational equity view of their reserves and Lucy Cavendish too seeks to maintain an equitable balance between the needs of its present members and those of future generations so must seek to maintain its endowment reserves over the longer term.

The College relies on the total return from its investments both to fund the difference between its annual expenditure and operating income and to maintain the real value of its assets and future income. It does not foresee this situation changing for many years. The College seeks to maintain its reserves at a level that generates a total return sufficient to meet these objectives over the long term. The total return target of its investment portfolio is the Retail Price Index rate of inflation plus 3%. The Reserves Policy does not preclude the Governing Body authorising a reduction in the reserves below the above defined level if it wishes to implement specific initiatives that are likely to accelerate the fulfilment of the College's strategic objectives.

Cashflow

Operating cash levels are generally held at low levels and historically cashflow has required very careful management, particularly through the summer period July to September. Cashflow has steadily improved over recent years with increased income and tighter credit control. During the year, £500k cash was sent to our investment managers in order to benefit from higher market returns and lower cost credit facilities available in a period of low interest rates. Net cash inflow from operating activities in 2017/18 was positive at £1.2m. However, there was a net outflow overall of £274k as cash was utilised in capital expenditure, purchase of investments and to pay interest on loans.

Staff costs and pensions

The College makes pension fund contributions on behalf of its employees to defined benefit funds: the Universities Superannuation Scheme (USS) and to a defined contribution scheme with NOW pensions. The College previously contributed to another defined benefit scheme, the Cambridge Colleges Federated Pension Scheme but it no longer has any active members in this scheme. However, the College continues to make payments to this scheme in order to contribute to the deficit which it has accrued. Total payroll costs increased by 1.5% over the year as total staff (academic and non-academic) numbers rose from 80 to 81 and there was a general pay increase of 2% for each employee.

Employees

No trustees are paid for being a trustee but in order to fulfil its charitable purposes, the College employs some Fellows as College Lecturers, Supervisors, Directors of Studies, Tutors and senior Administrative Officers (all of whom, along with the President serve as charity trustees as members of the Governing Body). The employment of the President and Fellows is undertaken with the intention of furthering the College's objectives and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the President and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally, and indeed is generally modest when compared with those of other colleges in Cambridge. Without the employment of Fellows, the College could not fulfil its charitable aims as a College within the University of Cambridge. The total number of Fellows in the year was 39. The College also employs a further 42 members of staff and engages other casual staff as necessary to provide the professional and service support necessary to run the College. Salaries and remuneration are reviewed annually by the Salaries & Remuneration Committee, the majority of whose members are Fellows in the College who do not receive a stipend together with external members who are completely independent of the College.

Maintenance of buildings and capital expenditure

Total capital expenditure during the year was £308k. Much of this was IT-related: upgrading the firewall, business system upgrades, the normal rolling programme of upgrades and CCTV upgrades; the remainder of the expenditure was on refurbishment of the gym, re-roofing the library, new radiators, hot water cylinders and boilers and general refurbishment in accordance with a programme of planned maintenance; and the purchase of Library books.

Major capital items planned during 2017/18 include the production of a College film, the development of a coffee bar, works to improve footpaths, more investment in IT business systems and upgrades and various areas of building refurbishment and mechanical upgrades.

Principal risks and uncertainties

The College is currently in a financially stable position with these accounts showing cash generation from operating activities and an increase in investment assets leading to a strengthened Balance Sheet and growth in overall net assets. However, there is still a deficit on operating expenditure after depreciation. As before, the main risk remains the College's financial sustainability over the longer term as the College is significantly underendowed. The return on endowment is critical to all Cambridge colleges in allowing them to bridge the gap between fee income received and the full costs of education. A larger endowment with greater return would also provide funds to undertake the necessary investment and development in infrastructure and service which all institutions must make to remain sustainable for the long term. Critically, in the current political and economic circumstances, a larger endowment would offer some protection against the impact of a variety of changes in an uncertain landscape. Fundraising and donations also remain critical to allow the College to bridge the deficit on educational activities and continue to develop its infrastructure and support for its students and research activities.

An ongoing focus on cost control and a commitment to efficient management of resources and value for money remains important. However, this alone will not address the College's sustainability. In order to provide the appropriate support and facilities for our current students and to safeguard the College's future we must also continue to undertake planned growth and invest in capital, including new technologies to achieve better productivity. Income generation is as critical as cost control. Hence growth in student numbers, continuing to charge appropriate economic rates for accommodation and other services, development of our conference and other income-generating activities, ambitious fundraising and sound investment management all have a crucial role to play in securing the College's future.

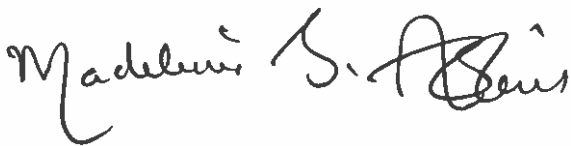
However, though we may plan for growth, the College has limited control over some of the major factors that affect these areas of income generation. As well as its obvious effect upon the investment portfolio, the UK and global economic climate also has an impact upon other key areas such as student fees and numbers, conference income and fundraising. This continues to be a time of considerable political uncertainty globally and specifically for Higher Education in the UK with Brexit and the introduction of the new Office for Students. Changes to the fees and funding regime also affect the numbers and types of students who come to Cambridge University and to Lucy Cavendish College. In recent years, the balance of students in the College has shifted so that in June 2018 we had about 30% undergraduates and 70% postgraduates. Equally, the College now has a significant proportion of overseas students, approximately 57%, of whom 23% are from the EU. UK immigration policy is therefore critical as any tightening of visa restrictions will have an impact on international students' ability to come to the UK. Given that over a quarter of our students are from the EU, we are particularly vulnerable to any impact of Brexit on the ongoing desire for EU students to come to the UK. The fee status for EU students will remain unchanged until 2019/20 but what will happen beyond this and any consequent impact on demand remains uncertain.

In terms of expenditure, there is continuing upward pressure as student expectations rise, requiring the College to deliver even more effectively in all areas: from teaching and pastoral support to accommodation, housekeeping and catering and IT provision. Legal and compliance issues in a range of areas increasingly require the College to devote more of its limited resources to ensuring that requirements are met. Equally, there is continuing pressure in a number of areas for the College to pay its fair share of inter-college and collegiate University costs with previous subsidies for less well-endowed colleges being tapered and gradually removed. Finally, in order to continue to meet our aspiration of ensuring that talented women with academic merit can come to the College and complete their studies at Cambridge irrespective of means, there remains a great need for student bursaries and hardship funds. The support that we have received from donors and supporters for student bursaries has been so valuable and we, and our students, will certainly continue to need such generosity.

Plans for the future

During 2017/18 under the creative and committed leadership of the College's 8th President, Jackie Ashley, the Governing Body reviewed its strategy and reaffirmed the College's purpose as a dynamic and inclusive community where talented women over 21 can achieve an excellent Cambridge education or conduct high quality research in a modern and intellectually stimulating environment that champions women's education and development for the benefit of society. This work is now being implemented under the energetic leadership of the College's 9th President, Professor Madeleine Atkins, who was elected during the year and took up her position on 1 October 2018. The focus for the next year will be on enhanced skills and professional development for our students, outreach and recruitment, estates development and fundraising.

The College takes this opportunity to thank its Auditors and other professional advisers for their consistent and expert support.



Professor Madeleine Atkins
President

Date: 14th November 2018



Mrs Lesley Thompson
Bursar

Date: 14 November 2018

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, registration number 1137875, and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.
3. The President and Fellows in Classes A, B and C constitute the Governing Body of the College. The Governing Body is constituted and regulated in accordance with the College statutes and is the body responsible for the strategic direction of the College. Members of the Governing Body are also the Trustees of the charity and are listed on page 2. Student representatives and Visiting Fellows are invited to Governing Body meetings for unreserved business and Fellows in Class D (research fellows) attend the unreserved and reserved meetings as observers. There is usually one formal Governing Body meeting and one informal meeting per term, together with the Audit meeting during the Michaelmas term at which the audited accounts are approved.
4. Ongoing administration and management of the finances and assets of the College is carried out by the College Council which is composed ex officio of the senior officers (see below) together with 5 elected GB members and two student representatives. Council meets fortnightly during term time and just before and after term as necessary.

Membership of the Council during the Financial Year 2017-18:

Jackie Ashley, President, ex officio
 Dr Isobel Maddison, Vice President, ex officio
 Mrs Lesley Thompson, Bursar, ex officio
 Dr Stephanie Ellington, acting Senior Tutor, in attendance to 31 August 2017 (non-voting)
 Dr Jane Greatorex, Senior Tutor, ex officio, from 1 September 2017
 Mrs Christine Houghton from 1 October 2017
 Dr Teresa Parodi to 30 September 2017
 Ms Alison Vinnicombe, Secretary to the Council
 Dr Sarah Gull
 Ms Sarah Westwood to 7 August 2017
 Dr Victoria Harvey from 8 August 2017
 Dr Orsola Rath Spivack from 1 October 2017

5. There are a small number of committees and working groups which report to GB and/or Council, including an Audit Committee.
6. It is the duty of the Audit Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal, to monitor the implementation of recommendations made by the auditors; to make an annual report to the Trustees.
7. The principal officers of the college are:

President	Jackie Ashley MA
Vice President	Dr Isobel Maddison BA MA PhD
Senior Tutor	Dr Stephanie Ellington, acting Senior Tutor, in attendance to 31 August 2017 (non-voting)
Senior Tutor	Dr Jane Greatorex, Senior Tutor, ex officio, from 1 September 2017
Bursar	Mrs Lesley Margaret Thompson MA MA ACA

Delegated authority is given to them during the Long Vacation.

8. There are Registers of Interests of Trustees, the Council and Audit Committee and of the senior administrative officers. Declarations of interest are made systematically at meetings.
9. The College's Trustees during the year ended 30 June 2018 are set out on page 2.
10. Statement of Internal Controls

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 Governing Body is responsible, in accordance with College Statutes.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

The systems of internal control are 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.

The Trustees are responsible for reviewing the effectiveness of the system of internal control.

The Trustees' review of the effectiveness of the system of internal control is informed by the work of the various committees, the Bursar and other 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.

The Governing Body is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept and money appropriately spent. The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and to prevent and detect fraud.

Any system of financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

11. Financial management and control

The College operates a devolved budgeting system under which individual budget holders are responsible for managing income and expenditure within their own areas of operation and for bringing forward budget proposals through an annual budgeting process. Fellows, members of staff and students are encouraged to participate in the process through membership of relevant committees and working groups. The Budget is then considered by Council prior to approval by the Governing Body.

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

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

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

Opinion

We have audited the financial statements of Lucy Cavendish College (the 'College') for the year ended 30 June 2018 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, 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 2018 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the report of the Governing Body other than the financial statements and our auditors' report thereon. 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 report of the Governing Body 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees 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 trustees 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 trustees 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.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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 auditors' report.

Use of our report

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

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 6.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain land and buildings.

Basis of consolidation

The consolidated financial statements include the financial statements of The College and its subsidiary undertaking for the year ended 30th June 2018. The results of the subsidiary undertaking acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. The activities of student societies have not been consolidated.

Recognition of income*Academic fees*

College fee income is recognised in the period for which it is received and includes all fees chargeable to students or their sponsors.

Grant income

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

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.

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 Governing Body agreed that the transfer made under Total Return would equate to 3.6 per cent. This is in line with The College spending rule which permits the transfer of no more than 5 per cent of the closing balance of the fund. Each transfer is subject to the specific agreement of the Governing Body.

Other income

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

Cambridge Bursary Scheme

Payment of the Cambridge Bursaries to eligible students is made directly by the Student Loans Company (SLC). The College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges".

The net payment of £27,922 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see Note 1)	£226,771
Expenditure	£254,693

Tangible fixed assets

a. Land and buildings

Fixed assets are stated at 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.

Freehold buildings are depreciated on a componentisation basis. Freehold land is not depreciated.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to 30th June 2018. They are not depreciated until they are brought into use.

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

b. Maintenance of premises

The cost of refurbishment is capitalised and depreciated over the expected useful economic life of the asset concerned. The College also sets aside sums periodically to meet future maintenance costs.

c. Furniture, fittings and equipment

Furniture, fittings and equipment are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	5 years
Information Technology	3 years
Kitchen equipment	3 years
Library books	40 years
General mechanical equipment	3 years
Air conditioning units	10 years

d. 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.

e. Heritage Assets

The College does not currently hold any heritage assets.

Investments

Fixed asset investment and endowment assets are included in the balance sheet at market value, except for investment in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. One of our student properties, 137 Chesterton Road, has been included under Investments as it has been directly financed from our investment portfolio. A valuation was carried out by Bidwells, Property Consultant, on 9th July 2018.

Silver, works of art and other assets not related to education are valued at insurance value.

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.

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 1137875) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 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.

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.

Pension schemes

The College participates in the Universities Superannuation Scheme. The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee –administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The 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 profit and loss 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 FRS 102 '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 operates a defined contribution pension scheme and the pension charge represents the amounts payable by the College to the fund in respect of the year.

NOW pension

The College operates an insured money purchase pension scheme for its staff. The assets of the scheme are held separately from those of the College.

The College's contributions to the scheme amounted to £5,341 (2017: £3,721), with contributions of £1,721 (2017 £784), outstanding at the balance sheet date.

Critical accounting judgements

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

Year ended 30th June 2018	2017-18			2016-17		
	Unrestricted £000	Restricted £000	Total £000	Unrestricted £000	Restricted £000	Total £000
Income						
Academic fees and charges	1,487	-	1,487	1,350	-	1,350
Residences, catering and conference	2,271	-	2,271	2,024	-	2,024
Investment income	27	-	364	-	-	237
Endowment return transferred to income and expenditure account	320	135	(455)	322	155	(477)
Other investment income	-	1	1	-	1	1
Other income	41	-	41	90	-	90
Total income before donations and endowments	4,146	136	(91)	3,786	156	(240)
Donations	91	90	181	198	120	318
New Endowments	-	-	-	-	-	553
Capital grant from Colleges Fund	-	-	844	-	-	735
Other capital grants for assets	-	11	11	-	1	1
Total income	4,237	237	753	3,984	277	1,048
Expenditure						
Education	1,720	442	2,162	1,580	396	1,976
Residences, catering and conferences	2,550	-	2,550	2,486	-	2,486
Other expenditure	188	-	66	218	-	44
Total expenditure	4,458	442	66	4,284	396	44
Surplus (deficit) before gains and losses	(221)	(205)	687	(300)	(119)	1,004
Gain/(loss) on disposal of fixed assets	-	-	-	-	-	-
Gain/(loss) on investments	39	-	530	-	-	1,347
Surplus (deficit) for the year	(182)	(205)	1,217	(300)	(119)	2,351
Other comprehensive income						
Unrealised surplus on revaluation of fixed assets	-	-	-	-	-	-
Actuarial gain/(loss) in respect of pension schemes	17	-	17	(15)	-	(15)
Total comprehensive income for the year	(165)	(205)	1,217	(315)	(119)	2,351

Year ended 30th June 2018

	Income and expenditure reserve	Revaluation Reserve	Total
	Unrestricted	Restricted	Endowment
	£000	£000	£000
Balance at 1 July 2017	30,770	1,257	11,071
Surplus/deficit from income and expenditure statement	(182)	(205)	1,217
Other comprehensive income	17	-	-
Release of restricted capital funds spent in the year	1	(1)	-
Balance at 30 June 2018	30,606	1,051	12,288

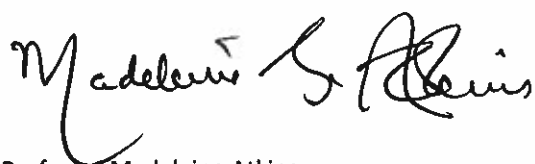
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Balance at 1 July 2016

	Income and expenditure reserve	Revaluation Reserve	Total
	Unrestricted	Restricted	Endowment
	£000	£000	£000
Balance at 1 July 2016	31,079	1,383	8,718
Surplus/deficit from income and expenditure statement	(300)	(119)	2,351
Other comprehensive income	(15)	-	-
Release of restricted capital funds spent in the year	5	(5)	-
Balance at 30 June 2017	30,770	1,257	11,071

		2018	2018	2017	2017
		Consolidated	College	Consolidated	College
	Note	£000	£000	£000	£000
Non-current Assets					
Tangible Assets	8	36,290	36,290	36,738	36,738
Investments	9	14,350	14,350	12,500	12,500
		<u>50,640</u>	<u>50,640</u>	<u>49,240</u>	<u>49,240</u>
Current Assets					
Stock	10	20	20	22	22
Trade and other receivables	11	227	224	450	427
Cash and cash equivalents	12	301	296	573	568
		<u>548</u>	<u>540</u>	<u>1,045</u>	<u>1,017</u>
Creditors: amounts falling due within one year	13	(837)	(829)	(718)	(690)
Net current assets/(liabilities)		(288)	(288)	327	327
Creditors: amounts falling due after more than one year	14	(6,044)	(6,044)	(6,044)	(6,044)
Provisions					
Pension provisions	15	(362)	(362)	(423)	(423)
Total net assets		<u>43,945</u>	<u>43,945</u>	<u>43,098</u>	<u>43,098</u>
Restricted reserves					
Income and expenditure reserve - endowment reserve	16	12,288	12,288	11,071	11,071
Income and expenditure reserve - restricted reserve	17	1,051	1,051	1,257	1,257
Total restricted reserves		<u>13,339</u>	<u>13,339</u>	<u>12,328</u>	<u>12,328</u>
Unrestricted reserves					
Income and expenditure reserve - unrestricted		30,606	30,606	30,770	30,770
Total unrestricted reserves		<u>30,606</u>	<u>30,606</u>	<u>30,770</u>	<u>30,770</u>
Total reserves		<u>43,945</u>	<u>43,945</u>	<u>43,098</u>	<u>43,098</u>

The financial statements were approved by Governing Body on 14/11/18 and signed on its behalf by:



Professor Madeleine Atkins
President



Mrs Lesley Thompson
Bursar

Consolidated Cash Flow Statement**For the year ended 30 June 2018**

		2018	2017
	Note	£000	£000
Net cash inflow from operating activities	19	1,200	1,009
Cash flows from investing activities	20	(1,206)	(1,163)
Cash flows from financing activities	21	(268)	(268)
Increase/(decrease) in cash and cash equivalents in the year		(274)	(422)
Cash and cash equivalents at the beginning of the year		573	995
Cash and cash equivalents at the end of the year	12	301	573

Note		Per capita fee	2018 £,000	2017 £,000
1	Academic fees & charges			
	Fee income received at the Regulated Undergraduate rate	£4,500 & £4,625	399	422
	Fee income received at the Unregulated Undergraduate rate	£7,350, £7,500, £7,875	161	188
	Fee income received at the Graduate rate	£3,490	696	540
	Other fee income received		5	-
	Total		1,261	1,150
	Cambridge bursary income		226	200
	Total		1,487	1,350
2	Residences, catering and conferences income		2018 £,000	2017 £,000
	Residential accommodation	College members	1,401	1,295
		Conferences	289	240
	Catering	College members	163	143
		Conferences	418	346
	Total		2,271	2,024
3	Endowment return and investment income		2018 £,000	2017 £,000
3a	Analysis			
	Total return contribution (see note 3b)		455	477
	Income from:			
	Land and buildings		38	36
	Quoted securities		416	440
	Fixed interest from units and bonds		1	1
	Total		455	477
3b	Summary of total return		2018 £,000	2017 £,000
	Income from:			
	Land and buildings		38	36
	Quoted and other securities and cash		353	201
	Total income		391	237
	Gains/(losses) on endowment assets:			
	Land and buildings		-	-
	Quoted and other securities and cash		569	1,347
	Total gains/(losses) on endowment assets		569	1,347
	Investment management costs (see note 3c)		(66)	(44)
	Total return for the year		894	1,542
	Total return transferred to income & expenditure reserve (see note 3a)		455	477
	Unapplied total return for year included within statement of Comprehensive Income and Expenditure (see note 19)		439	1,065

3c Investment management costs	2018	2017
	£,000	£,000
Quoted securities	(66)	(44)
Total	(66)	(44)

4 Education Expenditure	2018	2017
	£,000	£,000
Teaching	856	855
Tutorial	322	233
Admissions	321	260
Research	115	123
Scholarships & Awards	459	447
Other Educational Facilities	89	58
	2,162	1,976

5 Residences, catering & conferences expenditure	2018	2017
	£,000	£,000
Accommodation		
College members	1,573	1,591
Conferences	324	295
Catering		
College members	183	175
Conferences	470	425
	2,550	2,486

6a Analysis of 2017/18 expenditure by activity

	Staff costs (note 7) £,000	Other Op Exps £,000	Depreciation £,000	2018 £,000
Education	882	1,100	180	2,162
Residences, catering and conferences	957	1,020	573	2,550
Other	159	26	3	188
	1,998	2,146	756	4,900

Expenditure includes fundraising costs of £144,685. This expenditure excludes the costs of alumni relations

6b Analysis of 2016/17 expenditure by activity

	Staff costs (note 7) £,000	Other Op Exps £,000	Depreciation £,000	2017 £,000
Education	795	1,020	161	1,976
Residences, catering and conferences	990	983	513	2,486
Other	183	34	1	218
	1,968	2,037	675	4,680

Expenditure includes fundraising costs of £124,238. This expenditure excludes the costs of alumnae relations

6c Audit fees	2018	2017
Other operating expenses include:	£,000	£,000
Audit fees payable to the College's external auditors	18	17

7 Staff costs

	College fellows	Other Academic	Non Academics	2018	2017
	£,000	£,000	£,000	£,000	£,000
Emoluments	560	-	1,099	1,659	1,588
Social security costs	50	-	74	124	120
Other pension costs	92	-	123	215	260
Total	702	-	1,296	1,998	1,968
Average staff numbers (full time equivalents)					
Academic	34	-	-	34	34
Non academic (full time equivalent)	5	-	42	47	46
Total	39	-	42	81	80

The Governing Body comprises 34 fellows plus five research fellows, in total 17 are stipendiary.

No officer or employee of the College, including the President, 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. This includes aggregated emoluments paid to key management personnel i.e. President and all stipendiary Fellows. Aggregated emoluments consists of salary and taxable benefits but excludes any employer's pension contribution

	2018	2017
	£,000	£,000
Key Management Personnel	609	610

8 Fixed Assets - Consolidated and College

	College Buildings £,000	Furniture & Equip £,000	IT £,000	Kitchen Equip £,000	Library Books £,000	Mech Equip £,000	Total £,000
COST/VALUATION							
At 1st July 2017	37,639	465	697	64	661	682	40,208
Additions	-	12	82	3	11	200	308
Disposals at cost/valuation	-	-	-	-	(3)	-	(3)
Revaluation during the year	-	-	-	-	-	-	-
Cost valuation at 30th June 2018	37,639	477	779	67	669	882	40,513
DEPRECIATION							
At 1st July 2017	1,541	405	619	64	256	585	3,470
Provided for the year	513	21	64	1	16	140	755
Eliminated on disposal	-	-	-	-	-	-	-
Depreciation at 30th June 2018	2,052	427	683	65	272	724	4,223
Net book value							
At 30th June 2018	35,587	50	96	2	397	158	36,290
At 30th June 2017	36,098	60	77	-	405	97	36,738

The Insured Value of Freehold Land and Buildings as at 30th June 2018 was £26,732,751 (2017: £25,755,271)

9 Investments	2018	2017
	£,000	£,000
Balance b/fwd 1st July	12,500	10,029
Appreciation on revaluation	-	7
Additions	3,538	3,219
Disposals	(2,544)	(1,548)
Decrease in cash held by fund managers	443	(283)
Appreciation on revaluation	413	1,076
Balance c/fwd June	14,350	12,500

	2018	2017
	£,000	£,000
Represented by:		
Property	650	650
Other investments	488	540
Quoted securities - equities	4,030	4,200
Quoted securities - europe/overseas	6,037	4,580
Quoted securities - fixed interest	2,143	1,970
Cash in hand and at investment managers	1,002	560
	14,350	12,500

10 Stock	Consol	Coll	Consol	Coll
	2018	2018	2017	2017
	£,000	£,000	£,000	£,000
Stock	20	20	22	22
	20	20	22	22

11 Trade and other receivables	Consolidated	College	Consol	College
	2018	2018	2017	2017
	£,000	£,000	£,000	£,000
Conference Control	32	29	166	143
Members of the College	22	22	14	14
Prepayments and accrued income	174	174	263	263
Other	(1)	(1)	7	7
	227	224	450	427

12 Cash	2018	2018	2017	2017
	£,000	£,000	£,000	£,000
Bank Deposits	301	296	573	568
Cash	-	-	-	-
	301	296	573	568

13 Creditors: amounts falling due within one year	2018	2018	2017	2017
	£,000	£,000	£,000	£,000
Suppliers	108	108	11	11
University Fees	69	69	84	84
Accruals and deferred income	172	164	278	249
Members of the college	106	107	101	100
Conference deposits	237	236	184	185
Other	145	145	60	61
	837	829	718	690

14 Creditors: amounts falling due after more than one year	2018	2018	2017	2017
	£,000	£,000	£,000	£,000
Private Placement Funding	3,480	3,480	3,480	3,480
Private Placement Funding	2,564	2,564	2,564	2,564
	6,044	6,044	6,044	6,044

During 2013-14, the College has borrowed from institutional investors, collectively with other Colleges, the College's share being £6 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt

15 Pension provisions	Consolidated	College	Consolidated	College
	2018	2018	2017	2017
Balance at beginning of year	423	423	408	408
Movement in year:	-	-	-	-
Current service cost including life assurance	-	-	-	-
Contributions	(178)	(178)	(180)	(180)
Other finance (income)/cost	14	14	12	12
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	103	103	183	183
Balance at end of year	362	362	423	423

	Consolidated	College	Consolidated	College
	2018	2018	2017	2017
CCFPS	101	101	118	118
USS	261	261	305	305
Total	362	362	423	423

16 Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	2018	2017
	£,000	£,000	£,000	£,000
Balance at beginning of year:				
Capital	3,722	7,349	11,071	8,718
New endowments received	-	844	844	1,288
Increase/(decrease) in market value of investments	143	230	373	1,065
Balance at end of year	3,865	8,423	12,288	11,071
Represented by:				
Capital	3,865	8,423	12,288	11,071
Analysis by type of purpose:				
Fellowship funds	1,212	-	1,212	1,167
Scholarship funds	1,573	-	1,573	1,513
Prizes funds	76	-	76	73
Hardship funds	361	-	361	347
Travel grant funds	2	-	2	2
Other funds	641	-	641	621
General endowments		8,423	8,423	7,348
Total	3,865	8,423	12,288	11,071
Analysis by asset:				
Property	-	650	650	650
Investments	3,865	7,773	11,638	10,421
	3,865	8,423	12,288	11,071

17 Restricted reserves

Reserves with restrictions are as follows:

	Permanent unspent and other restricted income	Capital grants unspent	Other restricted funds/donations	2018	2017
Balance at beginning of year:					
Capital	-	6	271	277	379
Accumulated income	973	-	6	979	1,004
New donations	19	11	70	101	120
Investment income	135	-	1	136	156
Capital grants utilised	-	-	-	-	(4)
Expenditure	(216)	-	(226)	(442)	(398)
Balance at end of year	911	17	123	1,051	1,257

Analysis of other restricted funds/donations by type of purpose

Fellowship funds	520	-	13	533	552
Scholarship funds	244	-	90	334	400
Prizes funds	12	-	3	15	14
Hardship funds	100	-	-	100	125
Travel grant funds	-	-	-	-	-
Other funds	35	-	17	52	159
General	-	17	-	17	7
Total	911	17	123	1,051	1,257

Balance at end of year:

Capital	-	17	117	134	278
Accumulated income	911	-	6	917	979
Balance at end of year	911	17	123	1,051	1,257

18 Memorandum Unapplied Total Return

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

	2018	2017
	£,000	£,000
Unapplied Total Return at beginning of year	5,536	4,471
Unapplied Total Return for year (see note 3b)	439	1,065
Unapplied total return at year end	5,975	5,536

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

	2018	2017
	£,000	£,000
Surplus/(deficit)for the year	847	1,917
Adjustments for non-cash items		
Depreciation	755	675
Investment Income	(455)	(477)
Loss/(gain) on endowments, donations and investment property	(569)	(1,347)
Disposal of fixed assets	(2)	(9)
Interest Payable	268	268
Pension deficit Increase/(Decrease)	(62)	15
(Increase)/Decrease in Stocks	2	(2)
(Increase)/Decrease in Debtors	223	(200)
Increase/(Decrease) in Creditors	117	(155)
	<u>277</u>	<u>(1,233)</u>
Adjustments for investing or financing activities		
Investment income	75	324
Interest payable	-	-
Profit on the sale of non-current assets	-	-
	<u>75</u>	<u>324</u>
Net cash inflow from operating activities	1,200	1,009

20 Cash flows from investing activities

Proceeds from sales of non current fixed assets	-	-
Non current investment disposal	-	-
Investment income	392	238
Endowment funds invested	(790)	(1,190)
Deposit for short term investment with S&W	(500)	-
Payments made to acquire non-current assets	(308)	(211)
Total cash flows from investing activities	(1,206)	(1,163)

21 Cash flows from financing activities

Interest paid	(268)	(268)
Interest element of finance lease rental payment	-	-
New secured loan	-	-
Repayments of amounts borrowed	-	-
Capital element of finance lease rental payments	-	-
Total cash flows from financing activities	(268)	(268)

22 Lease obligations

At 30th June, the College had annual commitments under non-cancellable operating leases as follows:

	2018	2017
Land and buildings:		
Expiring within one year	311	261
Expiring between two and five years	53	44
Expiring in over five years	-	-
	<u>364</u>	<u>305</u>

24 Pension Schemes

FRS 102 Section 28 Post Employment Benefits

Critical accounting judgements

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

Pension Costs

The total cost charged to the profit and loss account is £171k (2017: £174k) as show in Note 15.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is 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 but not yet completed.

Since the institution cannot identify its share of Retirement Income Builder Section of the 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. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the Scheme, for accounting purposes, have been produced using the following assumptions as at 31 March 2017 and 2018.

	2018	2017
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pensions increases (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018	2017
Mortality base table	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females	98% of SAPS S1NA "light" YOB unadjusted for males
	<u>Post retirement:</u> 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females	99% of SAPS S1NA "light" YOB with a -1 year adjustment for females

	2018	2017
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8%pa for males and 1.6%pa for females	CMI_2014 with a long term rate of 1.5%pa

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0

	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total Scheme liabilities	£72.0bn	£77.5bn
FRS 102 total Scheme deficit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

Cambridge Colleges Federated Pension Scheme

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

The liabilities of the plan have been calculated, at 30 June 2018, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme 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:

	2018 % p.a.	2017 % p.a.
Discount rate	2.70	2.60
RPI assumption	3.25	3.35
CPI assumption	2.25	2.35
Pension increases in payment (RPI Max 5% p.a.)	3.15	3.25

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2017 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2017: S2PA with CMI_2016 future improvement factors and a long-term future improvement rate of 1.25%pa). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 22.1 years)
- Female age 65 now has a life expectancy of 23.8 years (previously 23.9 years)
- Male age 45 now and retiring in 20 years has a life expectancy of 23.3 years (previously 23.5 years)
- Female age 45 now and retiring in 20 years has a life expectancy of 25.4 years (previously 25.4 years)

Members are assumed to retire at their normal retirement age (65) apart from in the following indicated cases:

	Male	Female
Deferred Members – Option 1 Benefits	62	60

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current communication factors in these calculations.

The amounts recognised in the Balance Sheet as at 30 June 2018 (with comparative figures as at 30 June 2017) are as follows:

	2018 £	2017 £
Present value of plan liabilities	(393,667)	(418,606)
Market value of plan assets	292,643	300,382
Net defined benefit asset/(liability)	(101,024)	(118,224)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows.

	2018 £	2017 £
Current service cost	-	-
Administration Expenses	3,914	3,914
Interest on net defined benefit (asset)/liability	3,074	2,899
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	6,988	6,813

Changes in the present value of the plan liabilities for the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018 £	2017 £
Present value of plan liabilities at beginning of period	418,606	377,051
Current service cost (including Employee contributions)	-	-
Employee contributions	-	-
Benefits paid	(20,299)	(9,556)
Interest on plan liabilities	10,622	10,425
Actuarial (gains)/losses	(15,262)	40,686
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	393,667	418,606

Changes in the fair value of the plan assets for the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018 £	2017 £
Market value of plan assets at beginning of period	300,382	273,540
Contributions paid by the College	6,859	6,859
Employee contributions	-	-
Benefits paid	(20,299)	(9,556)
Administration Expenses	(4,386)	(4,338)
Interest on plan assets	7,548	7,526
Return on assets, less interest included in Profit & Loss	2,539	26,351
Market value of plan assets at end of period	292,643	300,382
Actual return on plan assets	10,087	33,877

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018	2017
Equities	64%	68%
Bonds & Cash	30%	26%
Property	6%	6%
Total	100%	100%

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

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018 £	2017 £
Return on assets, less interest included in Profit & Loss	2,539	26,351
Expected less actual plan expenses	(472)	(424)
Experience gains and losses arising on plan liabilities	(591)	65
Changes in assumptions underlying the present value of plan liabilities	15,853	(40,751)
Actuarial gain/(loss) recognised in OCI	17,329	(14,759)

Movement in net defined benefit asset/(liability) during the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018 £	2017 £
Net defined benefit asset/(liability) at beginning of year	(118,224)	(103,511)
Recognised in Profit and Loss	(6,988)	(6,813)
Contributions paid by the College	6,859	6,859
Re-measurement of net defined benefit liability recognized in OCI	17,329	(14,759)
Surplus/(deficit) in plan at the end of the year	(101,024)	(118,224)

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 2017. 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 28 June 2018 and are as follows:

- Annual contributions of not less than £3,390 p.a. payable for the period from 1 July 2018 to 31 December 2034.

These payments are subject to review following the next funding valuation, due as at 31 March 2020.

25 Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Lucy Cavendish Trading Limited	England	2	Ordinary	100%

The principal activity of the above company is detailed in the directors' reports of the individual company's financial statements and are included in the consolidated financial statements;

Lucy Cavendish Trading Limited supplies varied conference services.

26 Related Party Transactions

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