



Lucy Cavendish College

University of Cambridge

Annual Report and Accounts

For the Financial Year Ending

30th June 2019

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President	Madeleine Atkins PhD DBE CBE FaSS from 1 October 2018; Jackie Ashley MA to 30 September 2018
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 to 31 December 2018.
Brearely	Jacqueline Chryscillian MA Vet MB PhD DVA Dip ECVA 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
Davies	Jane BSc MSc PhD MBA DBA, Director, MBA Programme, Judge Business School, University of Cambridge to 22 October 2018
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 to 31 January 2019
Git	Anna MSc PhD, Independent Senior Research Associate, Department of Biochemistry, University of Cambridge from 14 November 2018
Goodall	Jane, University Lectureship in Cardiovascular Medicine in the School of Clinical Medicine, University of Cambridge and Tutor, Lucy Cavendish College from 14 November 2018
Greatorax	Jane Suzette BTec FMLS PhD, Honorary Research Scientist, Public Health England; Senior Tutor, Lucy Cavendish College
Gull	Sarah Elizabeth MBBS FRCS(ED) FRCOG, Curator, Lucy Cavendish College to 30 September 2019
Harvey	Victoria PhD, Admissions Director 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; Vice-President from 1 January 2019
Houghton	Margaret Christine BA MA, Domestic Bursar and Wine Steward, Lucy Cavendish College
Howarth	Emma, Senior Research Associate, NIHR CLARHC
Jabado	Hanadi, MA, Executive Director, Entrepreneurial Centre, Cambridge Judge Business School, to 15 February 2019
Jackson	Susan MA PhD CEng, Research Development Coordinator, Department of Engineering, University of Cambridge; Tutor, Lucy Cavendish College to 30 September 2018
Liu	Emma PhD, Post-doc research fellow from 10 October 2018 to 30 September 2019
Maddison	Isobel Judith BA MA PhD, Vice-President to 31 December 2018 and College Lecturer in English, Lucy Cavendish College
McCormack	Deidre, GPEG (GP Education Group), the Clinical School, Addenbrooke's Hospital Facilitator/ Educator and Tutor, Lucy Cavendish College from 14 November 2018
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;
Popa	Bogdan PhD, Lecturer in Gender Studies, University of Cambridge; Senior Associate, Lucy Cavendish College to 30 September 2019
Quie	Marissa, PhD, Research Associate, Department of Sociology, University of Cambridge
Rath Spivack	Orsola MA PhD, Senior Research Associate, DAMTP, University of Cambridge
Ruigrok	Amber PhD, Binks Autism Neuroscience Research Fellow, University of Cambridge
Ryan	Joanna BSc, Development Director, Lucy Cavendish College
Sriprakash	Arathi MA PhD, University Reader in Sociology of Education, from 1 January 2019
Talmi	Deborah, University Lecturer in Psychology, University of Cambridge, from 1 October 2019
Taylor	Helen Louise MA MBBS MRCP FRCR, Consultant Radiologist, Addenbrooke's Hospital, Deputy Steward and Silver Steward, Lucy Cavendish College to 30 September 2018

Thompson	Lesley Margaret MA MA FCA, Bursar, Lucy Cavendish College
Tonkin	Suzanne, Librarian, Lucy Cavendish College, from 10 October 2018
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, Praelector, Lucy Cavendish College
Wain	Helen BEng, Head of Procurement, University of Cambridge
Will	Olivia, Joint Course Director, CGCM, 1 October 2018 to 30 June 2019
Wilson	Dr Shona BSc PhD, University Lecturer, Department of Pathology, University of Cambridge
Yiu	Vivian Wei Man MA MB BChir MRCP, Joint Course Director CGCM, from 1 October 2018
Yotova	Rumiana Vladimirova LL.M PhD, College Teaching Officer, Law, Lucy Cavendish College to 31 August 2018

Lucy Cavendish College

Lady Margaret Road
Cambridge
CB3 0BU

Charity Registration Number: 1137875

Charity Trustees – see list on previous page

Senior Officers:

President	Professor Dame Madeleine Atkins PhD DBE CBE FaSS
Vice-President	Dr Henriette Hendriks PhD
Senior Tutor	Dr Jane Greatorex BTec FMLS PhD
Bursar	Mrs Lesley Margaret Thompson MA FCA

Principal Advisers:**Actuaries:**

Cartwright Group
Mill Pool House
Mill Lane, Godalming
Surrey
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Auditors:

Price Bailey
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers:

Barclays Bank
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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
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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.

Currently, Lucy Cavendish College admits women who are aged 21 and over as full-time undergraduate and full- and part-time postgraduate students matriculated into the University of Cambridge. The College in conjunction with the University provides 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. In March 2019 the Governing Body took the decision to change the admissions policy so that from October 2021, the College will admit standard-age (generally 18+) students of any gender/sex.

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.

The College delivers these objectives by provision of the following:

- *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 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 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.

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 400 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.

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 £1.1m (17/18: £847k), comprising an unrestricted deficit of £580k (17/18: £165k); a restricted surplus of £187k (17/18: deficit of £205k); and a surplus of endowment income of £1.5m (17/18: £1.2m), primarily arising from net new endowments of £912k (17/18: £687k) and a gain on investments of £553k (17/18: £530k).

Funding

Overall income before gains on investments and on pension schemes was £5.8m (17/18: £5.2m). The College's main sources of income are academic fees £1.5m (17/18: £1.5m), accommodation & catering £2.4m (17/18: £2.2m) and donations & endowments of £1.4m (17/18: £1m).

Income	2018/19		2017/18	
	£000		£000	
Students: college fees	1,353	24%	1,261	24%
Cambridge Bursaries	187	3%	226	4%
accommodation & catering	1,633	28%	1,564	30%
Conference accommodation & catering	726	13%	707	13%
Investment income	440	8%	391	7%
Donations and endowments	1,373	24%	1,036	20%
Other income	52	1%	42	1%
Total	5,764	100%	5,277	100%

Expenditure

Total expenditure was £5.2m (17/18: £5m), comprising staff costs £2.2m (17/18: £2m), other operating expenditure £2.3m (17/18: £2.2m) and the balance being depreciation of £820k (17/18: £755k). This expenditure is primarily allocated to Education £2m (17/18: £2m), and Residences, catering and conferences £2.8m (17/18: £2.6m).

At 30 June 2019 the value of the endowment was £13.8m (17/18: £12.2m), while the College's overall investments totalled £15.5m (17/18: £14.4m), mainly invested in the College's amalgamated investment portfolio. Overall net assets were £45m (17/18: £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 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 £876k by way of a grant and this is included in donations and endowment income above (£844k in 2017/18).

Achievements and performance

Academic and College Community

Having gone through a period of growth over the last ten years, the College now has approximately 400 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 this year was 81% of all students eligible. This was down on the exceptionally high results of the previous year when 91% of students achieved 2.1 or 1st class honours degrees but slightly ahead of the four year average of 80%. Students achieving 1st class degrees included eight Tripos students, of which one student was top of their Tripos year group and one student was top of their Tripos subject stream, and four non-Tripos students. There was a further distinction in the students on the Graduate Medicine Course. Lastly, amongst student prizes at the end of year were one Full Blue and eight Half Blue sporting awards.

Nationally and locally, students were recognized in a range of fields. Amongst many successful students were the following: **Hollie Wells** won the Mrs Claude Beddington English Literature Prize (greatest distinction in the examination for Part II of the English Tripos), **Ira Chadha Sridhar** won the George Long Prize for Jurisprudence (outstanding performance in the LLM Examination), **Elisabeth Gill** was named a finalist in the Trinity Bradfield Prize for student entrepreneurship, **Alexandra Aldridge** was named proxime accesserunt for the Manuel López-Rey Graduate Prize (outstanding academic performance on the MPhil in Criminology 2017-18), **Maryanne Mariyaselvam** was awarded the British Empire Medal (for pioneering patient safety initiatives), **Bonnie Samuyiwa** was selected to appear in Powerful Media's yearly Future Leaders magazine (as one of the UK's top 100 most outstanding undergraduates and recent graduates from an African/Afro-Caribbean background), **Karen Thomas** won the silver medal in the Trophy Series (BUCS/BUSA Student Yachting National Championships) and **Alice Pilkington** took a show to the Edinburgh Festival.

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

- **Professor Ruth Cameron** received this year's prestigious Rosalind Franklin Medal and Prize from the Institute of Physics, in recognition of her outstanding contributions to regenerative medicine and pharmaceutical delivery. The prize celebrates distinguished contributions to physics applied to the life sciences, in honour of pioneering X-ray crystallographer Rosalind Franklin, whose work was critical to our understanding of DNA. Ruth's research focuses on tissue engineering, scaffolds and 3D environments. Potential applications of her work include cartilage repair in the knee, cardiac patches, nerve grafts, breast cancer research and bioreactors for the generation of blood products. The Institute of Physics commended her outstanding, innovative record in her field.
- **Dr Kate Daniels** was selected as a coach for the Queen's Young Leaders Awards programme. The awards celebrate young social advocates from all 52 Commonwealth countries; the coaching helps recognise their efforts, in issues from mental health to education and gender equality. Kate coached the winners at a residential programme at Madingley Hall, before they collected their awards from the Queen.
- **Dr Astrid Gall** has been awarded a Visiting Professorship by the University of Misiones, Argentina. Over the course of this academic year, she has delivered bioinformatics training in Morocco, UK, Finland, Germany, India, France, Argentina and Serbia; has spoken at the [BC]² Basel Computational Biology Conference, and at the Complex Trait and Rat Genomics meeting in Glasgow; and has published papers entitled 'Ensembl 2019' in *Nucleic Acids Research*, and 'Inferring HIV-1 transmission networks and sources of epidemic spread in Africa with deep-sequence phylogenetic analysis' in *Nature Communications*.
- **Dr Sarah Gull** has been awarded an Excellent Teaching Award from the University of Cambridge Clinical Students' Society (ClinSoc). Supported by the Cambridge School of Clinical Medicine and Higher Education East of England, the awards allow the student-led society to recognise outstanding teaching. This follows a Lifetime Achievement of Excellence Award, which Sarah received from West Suffolk Hospital last year, where she has worked for 25 years.

- **Dr Anne-Laura van Harmelen**, Royal Society Dorothy Hodgkin Fellow and Senior Research Associate at the Cambridge Department of Psychiatry, has been awarded the Emerging Leaders Prize by the Medical Research Foundation, recognising her as a talented researcher making strong contributions to her field. She received £5,000 for her research, which focuses on risk and resilience in mental health. Anne-Laura has since conducted a crucial and high profile study, which was reported by several major publications, including the *Guardian*, the *Business Times*, and *The Conversation*. The study suggests that a focus on positive memories can reduce adolescent depression, and build resilience to mental illness over time.
- **Hanadi Jabado** was a judge for the 2018 InspiringFifty initiative, a non-profit aiming to increase diversity in tech, by making female role models more visible. Hanadi is one of twelve judges in the UK; like the fifty women chosen, she is a role model, as a female entrepreneur encouraging young women to pursue careers in tech. Having personally helped raise £25 million for start-ups, she is also Director of the Barclays Scale Up programme, was recognised as one of the Maserati 100, and is a director of Pitch@Palace CIC.
- **Dr Emma Liu** has been awarded two major grants this year, to develop the use of drones in measuring volcanic gas. Her project, funded by the Alfred P. Sloan Foundation and the EPSRC Global Challenges Research Fund, involves researchers from seven different countries, across disciplines from volcanology to aerospace engineering. Based at Cambridge Earth Sciences, Emma led expeditions to Papua New Guinea in October and May, with colleagues from the Universities of Bristol and Palermo.
- **Dr Orsola Rath Spivack** obtained a University Widening Participation grant, supplemented by funding from the faculty for Mathematics outreach to students of black and mixed black ethnic background. This funding is to support a range of activities including a residential course.
- **Dr Shona Wilson** won funding to lead a consortium on liver fibrosis in Ugandan children. The four-year, €3M project, funded by the European and Developing Countries Clinical Trial Partnership (EDCTP), is the first of its kind to be led by an investigator at the University of Cambridge. *In April, Shona won the College's Dame Anne Warburton Award, which honours and supports exciting and essential research.*
- We were delighted when **Professor Madeleine Atkins**, College President, received the award of Dame Commander of the Order of the British Empire for her services to Higher Education in the 2019 New Years Honours list.
- **Honorary Fellow Edwina Dunn** has received numerous honours this year, in recognition of her lifelong commitment to championing women in tech, her trailblazing leadership, and her work as a female entrepreneurial role model. She was named one of the UK's InspiringFifty 2018; one of B2B Marketing's Top Women in Tech; and to top it all off, in June 2019 she was awarded an OBE in the Queen's Honours' List, for services to Data and Business in the UK.

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, sponsored by the literary agency PFD, is awarded annually to an unpublished UK female novelist over the age of 21. In this its 9th year it attracted over 600 entrants and the winner was Sarah Brooks with her novel: *The Cautious Traveller's Guide to the Wastelands*. The Prize continues to be very successful in launching literary careers with a number of shortlisted writers seeing commercial and literary success during the year.

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 seventy 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 English, Law and Medicine. 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. 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, £189k in 2018/19, compared with £204k in 2017/18.

Fundraising activities

The College is registered with the Fundraising Regulator. The College does not use external professional fundraisers or commercial participators and carries out fundraising activities, primarily through its Development Office, in collaboration with Cambridge University Development and Alumni Relations office as appropriate. In addition to seeking financial and other support for the College, the Development Office is also responsible for broader alumnae relations.

Fundraising activities undertaken are in support of the College's key priorities as set out by the Governing Body. Techniques used include face to face fundraising by private meeting, the promotion of legacy giving, periodic telephone campaigns to members of the College's community and opportunities for online giving via the website. The College also used a crowdfunding campaign to support the Boat Club.

There is a clear statement on the College's website regarding use of data for alumnae and fundraising purposes. Before any telephone fundraising takes place all people we intend to call are sent a letter or email to make clear that they can opt out of receiving a call and training is given to all callers to ensure that they know how to handle an obviously vulnerable person where we have been previously unaware of this vulnerability. We do not chase for personal meetings where there is an indication that these are unwelcome. Fundraising communications are segmented and sent by post or email at a maximum of four times a year.

There have been no formal complaints made about fundraising (17/18: none).

Financial Review

Income

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

Academic Fees and Charges - £1.54m (£1.487m) 4% 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 2018/19, including visiting students, there were 114 (17/18: 116) undergraduates and 240 (17/18: 228) fee-paying graduates, of whom 45 (17/18: 33) were part time. A further 41 (17/18: 35) graduate students were exempt from paying fees.
- Also included under this heading is income received relating to the Cambridge Bursary scheme. The amount received fell significantly by 17% 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 fell.

Residences, catering and conference income - £2.359m (£2.271m) 4% 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 4%.

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. Details of expenditure on these areas is given later in this report.

Income received from conference accommodation and catering charges also increased by 3% 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 2%, whilst income from conference catering was up by 4%. Information on conference expenditure and contribution are detailed later in this report.

Investment income - £440k (£391k) 13% increase; and endowment return transferred £400k (£455k) 12% decrease

Investment income represents dividend and interest receipts together with rental income relating to an investment property. Total investments held exceed 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 target for our investment managers is the Retail Price Index rate of inflation plus 3%. During the year to June 2019 RPI was 3.11% (3.4%). The total return on the investment portfolio for the year including additions was 6.05% (7.7%) so slightly below target overall this year. On a five year annualised basis the total return has been 8.80% against a target of 5.54% (RPI +3%) 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 £400k was transferred, representing 3% (compared with 3.69% in 17/18, 4% in 16/17 and 5% in 15/16).

Donations and new endowments - £1.373m (£1.036m) 33% increase

Excluding the Colleges' Fund grant and release of income from earlier capital grants (deferred capital), donations and new endowments increased by 114%. This large increase was primarily attributable to a significant increase in restricted donations and new endowments compared with those received in 2017/18. This area of income is volatile as all sums whether 'capital' or revenue are included in the Statement of Comprehensive Income and Expenditure, leading to an uneven pattern of income received (and hence large swings in percentage increases or decreases year on year).

Funding to support student bursaries, scholarships and prizes included £139k to establish the Judy Moody-Stuart Scholarship, which will enable a student from the Asian University for Women to undertake a Master's at Cambridge. Our sincere thanks go to Sir Mark and Lady Moody-Stuart for providing this transformational opportunity. President, Professor Dame Madeleine Atkins, in collaboration with the Cambridge Trust, contributed £10k to the Rowan Williams Studentships for those who face severe barriers from recent conflict zones coming to study at Cambridge. We look forward to welcoming students from Afghanistan and Uganda this autumn. Our thanks too, to alumna Dr Mary Jackes and her husband Dr David Lubell who gave £6k to these two important awards. Professors Margaret Grieco and Ravi Kanbur generously donated an additional £25k to the Malati Kanbur Fund.

Other donors who have supported our students include: Honorary Fellow and former President Jackie Ashley (£22.5k) Emeritus Fellows Dr Lindsey Traub and Jillinda Tiley, and Mr Keith Maddocks (£12.5k each); Fellow-Commoner Joanna Hewitt (£3.5k); the Thriplow Charitable Trust (£5k) and the Lucy Cavendish Alumnae Association (£6k). 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 £18k.

We have continued to strengthen relationships with corporate partners. AstraZeneca sponsored another speed-mentoring event and Santander continued to generously support our students (£12k) and have committed to continuing to do so for a further three years, £25,000 is being allocated in 2019 and £28,000 in 2020 and 2021. The charitable arm of Seamark plc, the Iqbal Bros Foundation, continued its support for the student hardship fund by donating £10k. Peters Fraser and Dunlop (PFD) again sponsored the successful Lucy Cavendish Fiction Prize.

We are grateful to those donors who asked for their gifts to be allocated to particular areas of college life: our thanks to Emeritus Fellow Dr Ruth Jones who kindly donated £2.5k for the gardens; Fellow Commoner Dr Lorna Williamson who supported the Boat Club with £1.25k and Fellow Commoner Fiona Crawley who funded all aspects of our legacy campaign mailing (£2k). Former Honorary Fellow Baroness Trumpington of Sandwich kindly bequeathed the College £1k in her will. Gifts over £3k were received from Honorary Fellow Dr Cynthia Glassman and alumnae Sylvia Lynn-Meaden and Dr Barbara Wittman. £57.2k from the University of Cambridge's Development Accelerator Fund has enabled us to undertake important project work and establish the post of Events Officer.

Unrestricted gifts are particularly welcome and are allocated to areas of greatest need or to the endowment, the income from which supports all College activities and as ever the award from the Colleges' Fund, which this year was £876k (17/18: £844k), was very much appreciated.

During the year 117 members of the College Community and 47 non-alumnae donors generously made a gift. We are extremely grateful to all our benefactors, including those who prefer to give anonymously, and feel very fortunate to have such loyal friends and supporters.

Other income - £52k (42k) 24% increase

This heading covers receipts from photocopying, merchandise, fees from Visiting Fellows.

Expenditure

Expenditure has increased by 5% overall (17/18 5% increase).

Education expenditure - £2.178m (£2.162m) 1% increase

There has been an overall increase in education costs with greater expenditure particularly in the areas of tutorial, admissions, research 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 £638k compared with £675k in 2017/18.

Residences, catering & conference costs - £2.803m (£2.550m) 10% increase

The main increases have occurred in the cost of accommodation and catering for conference guests.

The College's combined 'Residences, Catering and Conferences' income has increased by 4% overall (£2.395m compared with £2.271m in 2017/18) whilst expenditure has increased by 10% overall (£2.803m compared with £2.550m). 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 (and these will vary depending on maintenance required etc). 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 small Net Current Asset position at the year-end of £75k (17/18 Net Current Liability £288k). The net current liability last year arose primarily from sending £500k working capital out to our investment managers in an attempt to secure greater return and these funds were called back during last year to fund operating expenditure (hence the larger cash balance at the year end).

Non-current assets

Non-current assets total £51.364m (17/18 £50.64m). These include Tangible Assets of £35.877m (17/18 £36.29m) including properties, furnishings, I.T. and other equipment. Investments of £15.487m (17/18 £14.35m) make up the balance of the non-current assets. This year the total capital investment in new Tangible Assets was £412k (17/18 £308k) whilst after disposals and depreciation there was an overall decrease of £413k (17/18 £448k). Investment assets have increased through net additions and appreciation by £1.137m (17/18 £1.85m).

Reserves

The College's overall reserves stand at £45.018m up £1.073m from £43.945m in the 2018 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 £1.073m (17/18 £847k) is also the increase in net assets and in overall reserves.

Of the total reserves at 30 June 2019 66% is held in unrestricted funds, 3% in restricted (only to be used for specific purposes according to donors' wishes) and 31% in endowed funds (capital to be retained and income only to be spent). This compares with 70%, 2% and 28% in the comparative figures at 30 June 2018.

During 2018/19 unrestricted funds decreased from £30.606m to £30.057m whilst total endowment funds grew from £12.28m to £13.754m. Restricted reserves increased from £1.051m to £1.207m as new funds were received for a specific purpose.

Reserves policy

A high level of capital is required for the College to fulfil its role within the University and thrive over 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 £35.9m exceeds the value of the unrestricted funds at £30.056m 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 extent 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. 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 Reserves Policy does not preclude the Governing Body authorising a reduction in the reserves 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. Cashflow has steadily improved over recent years with increased income and tighter credit control. Net cash inflow from operating activities in 2018/19 was positive at £1.479m (17/18 £1.2m). Cash totalling £1.173m (17/18 £1.474m) was also utilised in capital expenditure, purchase of investments and to pay interest on loans but the overall position was an inflow of £305k, compared with a net outflow of £274k in 2017/18.

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 9.5% (17/18: 1.5%) over the year as total staff (academic and non-academic) numbers rose from 76 to 82 and there was a general pay increase of 2% (17/18: 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 36 (17/18 38). The College also employs a further 46 (17/18 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 £412k (17/18 £306k). This included expenditure on replacing the floor in the College's dining hall, development of the café/bar, replacement and upgrade to bathrooms in one of our student residences, refurbishment of the President's Lodge and buying a new 'eights' boat for the Boat Club (following on from a successful fundraising campaign). Other expenditure was on general refurbishment in accordance with a programme of planned maintenance, the purchase of Library books and planned upgrades for IT systems, equipment and infrastructure.

Risk management

The Governing Body is responsible for identifying and managing the major risks facing the College. Risk management is considered in every aspect of the College's work and the College recognizes that the effective management of risk while ensuring our organisational objectives are achieved is key. The College Council considers the risk register at every meeting. Council reviews risk in its broadest sense and considers anything that might alter or undermine the capacity of the College to fulfil its objectives from both a strategic and operational perspective. Our wider assurance framework includes our policies and procedures for anti-corruption and bribery, health and safety and management of complaints and grievances. These ensure that, where incidents give rise to risks, these are identified, acted on swiftly and reported according to our regulatory responsibilities.

The key principles to support the delivery of our risk management approach are outlined below:

- It is the responsibility of all staff to ensure they understand and comply with policies and their risk management roles and responsibilities.
- Risk management awareness and training will be provided to all staff as appropriate to their roles and responsibilities.
- Risk management is not a stand-alone activity that is separate from the College's main activities, it is embedded in key processes and decision-making points (e.g. strategic and operational planning).
- The College has a register of strategic risks that describes and categorises risks according to their likelihood and impact.

The Audit Committee has delegated authority to act on behalf of the Governing Body in relation to the matters set out in its terms of reference, as well as providing advice, guidance and insight on issues within its scope. The Committee is chaired by a Fellow and has external members to provide relevant expertise. The Committee has a specific duty

to keep under review the effectiveness of the College's risk management, control and governance arrangements.

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 significant under-endowment. 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. Importantly, in the current political and economic circumstances, a larger endowment would also offer some protection against the impact of a variety of changes in an uncertain landscape. Fundraising and donations remain critical to allow the College to offer studentships, co-curricular programmes 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. The College has decided during the year to adopt an ambitious development over the next five years which addresses these matters directly and more details are given in the next section of this report.

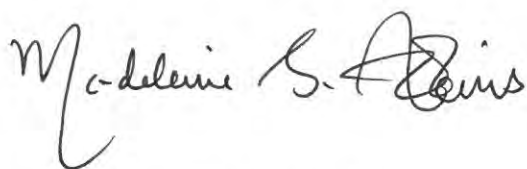
However, though we may plan for growth, the College has limited control over some of the major factors that affect our operations. As well as its obvious effect upon the investment portfolio, the UK and global economic climate also has an impact upon other key areas such as student fees and numbers, conference income and fundraising. This continues to be a time of considerable political uncertainty globally and nationally. Any changes to the fees and funding regime in the UK and elsewhere also affect the numbers and types of students who come to Cambridge University and therefore to Lucy Cavendish College. In recent years, the balance of students in the College has shifted so that in June 2019 we had about 32% (17/18: 30%) undergraduates and 68% (17/18: 70%) postgraduates. Equally, the College now has a significant proportion of overseas (including EU students) students, approximately 58% (17/18: 57%). UK immigration policy is therefore critical to the recruitment of international students and the recent relaxation of post-study visa rules is welcome in increasing the attractiveness of the UK to this group. Similarly, the significant upturn in 18 year old UK students starting in 2021 will mean that growth in UK undergraduate and postgraduate numbers will be considerably easier than in the last five years.

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, 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 students 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 particularly valuable and we, and our students, will certainly continue to need such generosity.

Plans for the future

During 2018/19 the Governing Body reviewed its long-term strategy and decided to embark upon a programme of transformation. The College's new admissions policy builds on its 50 year history, remaining true to its founding principle to make the best of Cambridge's education and research available to non-traditional and under-represented students and Fellows, and to its ethos of diversity and inclusion. Originally an institution founded for mature women and which transformed their life chances and gave them professional careers, the College has now decided to open those opportunities to new groups of under-represented students of all ages (generally 18+) and genders, and to welcome and support particularly those who have a passion and commitment to address the global challenges that characterise our societies in the 21st Century. Male Fellows will be admitted from the academic year 2019/20 whilst the changes to the student body will commence in the academic year 2021/22. Following the Governing Body's decision in March 2019, detailed planning and implementation for this next phase of the College's life is underway in partnership with the University of Cambridge and potential donors and benefactors. In implementing this new vision, the College aims to secure its financial future through growth in student numbers (requiring significant development of the College's estate), an increased unrestricted endowment, and a permanently funded core of positions and programmes that will enable its members to deliver the vision in a compelling manner for decades to come.

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



Professor Dame Madeleine Atkins
President
Date:



Mrs Lesley Thompson
Bursar
Date:

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 five elected GB members, two student representatives and one staff representative. Council meets fortnightly during term time and just before and after term as necessary. From Michaelmas term 2019 it will meet less frequently and the Governing Body will meet more often.

Membership of the Council during the Financial Year 2018-19:

Jackie Ashley, President, ex officio to 30 September 2018

Prof Dame Madeleine Atkins, President, ex officio, from 1 October 2018

Dr Isobel Maddison, Vice President, ex officio, to 31 December 2018

Dr Henriette Hendriks, Vice-President, ex officio, from 1 January 2019

Mrs Lesley Thompson, Bursar, ex officio

Dr Jane Greateorex, Senior Tutor, ex officio

Mrs Christine Houghton

Ms Alison Vinnicombe, Secretary to the Council

Dr Sarah Gull

Dr Victoria Harvey

Dr Orsola Rath Spivack

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 to September 2018; Professor Dame Madeleine Atkins from 1 October 2018
Vice President	Dr Isobel Maddison BA MA PhD to 31 December 2018; Dr Henriette Hendriks from 1 January 2019
Senior Tutor	Dr Jane Greateorex, Senior Tutor
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 2019 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 2019 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 2019 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.



PRICE BAILEY

Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 28 November 2019

Price Bailey 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.

The functional and presentational currency of the College is GBP. The level of rounding applied is to the nearest £000.

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 2019. 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 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 £25,653 (2018: £27,922) is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see Note 1)	£187,144 (2018: £226,771)
Expenditure	£212,797 (2018: £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 2019. 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 acquitted 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 20th June 2019.

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.

Current Assets and Liabilities

Debtors: Short term debtors are measured at transaction price, less impairment

Cash and Cash Equivalents: Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors: Short term creditors are measured at the transaction price

Financial Instruments: The College only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income and Expenditure.

Legacy accounting policy

For legacies, entitlement is taken as the earlier of the date of which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. '

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 £30,530 (2018: £5,341), with contributions of £5,002 (2018: £1,721), 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 2019		2018-19				2017-18			
		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
		£000	£000	£000	£000	£000	£000	£000	£000
Income									
Academic fees and charges	1	1,540	-	-	1,540	1,487	-	-	1,487
Residences, catering and conference	2	2,359	-	-	2,359	2,271	-	-	2,271
Investment income	3	14	-	426	440	27	-	364	391
Endowment return transferred to income and expenditure account	3	281	119	(400)	-	320	135	(455)	-
Other investment income		-	-	-	-	-	1	-	1
Other income		52	-	-	52	41	-	-	41
Total income before donations and endowments		4,246	119	26	4,391	4,146	136	(91)	4,191
Donations		91	297	-	388	91	90	-	181
New Endowments		-	-	82	82	-	-	-	0
Capital grant from Colleges Fund		-	-	876	876	-	-	844	844
Other capital grants for assets		-	27	-	27	-	11	-	11
Total income		4,337	443	984	5,764	4,237	237	753	5,227
Expenditure									
Education	4	1,913	265	-	2,178	1,720	442	-	2,162
Residences, catering and conferences	5	2,803	-	-	2,803	2,550	-	-	2,550
Other expenditure		181	-	72	253	188	-	66	254
Total expenditure	6	4,897	265	72	5,234	4,458	442	66	4,966
(Deficit)/Surplus before gains and losses		(560)	178	912	530	(221)	(205)	687	261
(Loss)/Gain on investments	9	(6)	9	554	557	39	-	530	569
(Deficit)/Surplus for the year		(566)	187	1,466	1,087	(182)	(205)	1,217	830
Other comprehensive income									
Actuarial (Loss)/Gain in respect of pension schemes	15	(14)	-	-	(14)	17	-	-	17
Total comprehensive income for the year		(580)	187	1,466	1,073	(165)	(205)	1,217	847

Year ended 30th June 2019

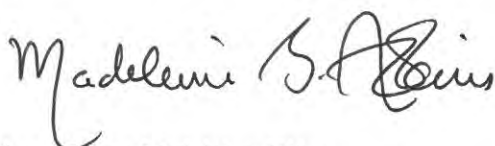
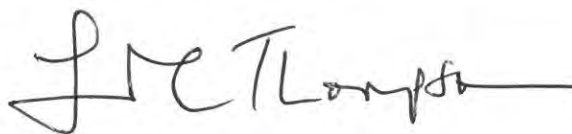
Balance at 1 July 2018					
(Deficit)/Surplus from income and expenditure statement	£000	Income and expenditure reserve	Revaluation reserve	Total	£000
		Unrestricted	Restricted	Endowment	
Other comprehensive income	30,606		1,051	12,288	43,945
Release of restricted capital funds spent in the year	(566)		187	1,466	1,087
	(14)		-	-	(14)
	31	(31)	-	-	-
Balance at 30 June 2019	30,057	1,207	13,754	-	45,018

Balance at 1 July 2017					
(Deficit)/Surplus from income and expenditure statement	£000	Income and expenditure reserve	Revaluation reserve	Total	£000
		Unrestricted	Restricted	Endowment	
Other comprehensive income	30,770		1,257	11,071	43,098
Release of restricted capital funds spent in the year	(182)		(205)	1,217	830
	17		-	-	17
	1	(1)	-	-	-
Balance at 30 June 2018	30,606	1,051	12,288	-	43,945

		2019	2019	2018	2018
		Consolidated	College	Consolidated	College
	Note	£000	£000	£000	£000
Non-current Assets					
Tangible Assets	8	35,877	35,877	36,290	36,290
Investments	9	15,487	15,487	14,350	14,350
		<u>51,364</u>	<u>51,364</u>	<u>50,640</u>	<u>50,640</u>
Current Assets					
Stock	10	22	22	20	20
Trade and other receivables	11	318	316	227	224
Cash and cash equivalents	12	607	604	301	296
		<u>947</u>	<u>941</u>	<u>548</u>	<u>540</u>
Creditors: amounts falling due within one year	13	(872)	(867)	(837)	(829)
Net current (liabilities)/assets		75	75	(289)	(289)
Creditors: amounts falling due after more than one year	14	(6,044)	(6,044)	(6,044)	(6,044)
Provisions					
Pension provisions	15	(377)	(377)	(362)	(362)
Total net assets		<u>45,018</u>	<u>45,018</u>	<u>43,945</u>	<u>43,945</u>
Restricted reserves					
Income and expenditure reserve - endowment reserve	16	13,754	13,754	12,288	12,288
Income and expenditure reserve - restricted reserve	17	1,207	1,207	1,051	1,051
Total restricted reserves		<u>14,961</u>	<u>14,961</u>	<u>13,339</u>	<u>13,339</u>
Unrestricted reserves					
Income and expenditure reserve - unrestricted		30,057	30,057	30,606	30,606
Total unrestricted reserves		<u>30,057</u>	<u>30,057</u>	<u>30,606</u>	<u>30,606</u>
Total reserves		<u>45,018</u>	<u>45,018</u>	<u>43,945</u>	<u>43,945</u>

The financial statements were approved by Governing Body on

and signed on its behalf by:


Professor Dame Madeleine Atkins
President

Mrs Lesley Thompson
Bursar

Consolidated Cash Flow Statement**For the year ended 30 June 2019**

		2019	2018
	Note	£000	£000
Net cash inflow from operating activities	19	1,479	1,200
Cash flows from investing activities	20	(906)	(1,206)
Cash flows from financing activities	21	(268)	(268)
Increase/(decrease) in cash and cash equivalents in the year		305	(274)
Cash and cash equivalents at the beginning of the year		301	573
Cash and cash equivalents at the end of the year	12	607	301

Note		Per capita fee	2019 £,000	2018 £,000
1	Academic fees & charges			
	Fee income received at the Regulated Undergraduate rate	£4,500 & £4,625	394	399
	Fee income received at the Unregulated Undergraduate rate	£7,500, £7,875, £8,280	176	161
	Fee income received at the Graduate rate	£3,699.83	783	696
	Other fee income received		-	5
	Total		1,353	1,261
	Cambridge bursary income		187	226
	Total		1,540	1,487
2	Residences, catering and conferences income		2019 £,000	2018 £,000
	Residential accommodation	College members	1,493	1,401
		Conferences	299	289
	Catering	College members	140	163
		Conferences	427	418
	Total		2,359	2,271
3	Endowment return and investment income		2019 £,000	2018 £,000
3a	Analysis			
	Total return contribution (see note 3b)		400	455
	Income from:			
	Land and buildings		42	38
	Quoted securities		358	416
	Fixed interest from units and bonds		-	1
	Total		400	455
3b	Summary of total return		2019 £,000	2018 £,000
	Income from:			
	Land and buildings		41	38
	Quoted and other securities and cash		399	353
	Total income		440	391
	Gains/(losses) on endowment assets:			
	Land and buildings		100	-
	Quoted and other securities and cash		457	569
	Total gains/(losses) on endowment assets		557	569
	Investment management costs (see note 3c)		(72)	(66)
	Total return for the year		926	894
	Total return transferred to income & expenditure reserve (see note 3a)		400	455
	Unapplied total return for year included within statement of Comprehensive Income and Expenditure (see note 18)		525	439

3c Investment management costs	2019 £,000	2018 £,000
Quoted securities	(72)	(66)
Total	(72)	(66)

4 Education Expenditure	2019 £,000	2018 £,000
Teaching	820	856
Tutorial	408	322
Admissions	335	321
Research	122	115
Scholarships & Awards	402	459
Other Educational Facilities	91	89
	2,178	2,162

5 Residences, catering & conferences expenditure	2019 £,000	2018 £,000
Accommodation	1,774	1,573
College members		
Conferences	355	324
Catering	166	183
College members		
Conferences	508	470
	2,803	2,550

6a Analysis of 2018/19 expenditure by activity

	Staff costs (note 7) £,000	Other Op Exps £,000	Depreciation £,000	2019 £,000
Education	973	1,009	196	2,178
Residences, catering and conferences	1,087	1,093	623	2,803
Other	127	124	2	253
	2,187	2,226	821	5,234

Expenditure includes fundraising costs of £113,073. This expenditure excludes the costs of alumni relations

6b 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	93	3	254
	1,998	2,212	756	4,966

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

6c Audit fees	2019	2018
Other operating expenses include:	£,000	£,000
Audit fees payable to the College's external auditors	16	18

7 Staff costs 2018/19

	College fellows	Other Academic	Non Academics	2019	2018
	£,000	£,000	£,000	£,000	£,000
Emoluments	583	-	1,196	1,779	1,659
Social security costs	50	-	80	130	124
Other pension costs	109	-	169	278	215
Total	742	-	1,445	2,187	1,998
Average staff numbers (full time equivalents)					
Academic	31	-	-	31	34
Non academic (full time equivalent)	5	-	46	51	47
Total	36	-	46	82	81

The Governing Body comprises 36 fellows plus two research fellows, in total 21 are stipendiary. No officer or employee of the College, including the President, received emoluments of over £100,000

Staff costs 2017/18

	College fellows	Other Academic	Non Academics	2018	2017
	£,000	£,000	£,000	£,000	£,000
Emoluments	559	0	1,099	1,659	1,588
Social security costs	50	0	74	124	120
Other pension costs	92	0	123	215	260
Total	701	0	1,296	1,998	1,968
Average staff numbers (full time equivalents)					
Academic	34	0	0	34	34
Non academic (full time equivalent)	5	0	42	47	46
Total	39	0	42	81	80

The Governing Body comprises 39 fellows plus five research fellows, in total 17 are stipendiary.

8 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

	2019	2018
	£,000	£,000
Key Management Personnel	633	609

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 2018	37,639	477	779	67	669	882	40,513
Additions	-	69	49	-	16	278	412
Disposals at cost/valuation	-	-	-	-	(5)	-	(5)
Cost valuation at 30th June 2019	37,639	546	828	67	680	1,160	40,920
DEPRECIATION							
At 1st July 2018	2,052	427	683	65	272	724	4,223
Provided for the year	515	30	75	1	18	182	821
Eliminated on disposal	-	-	-	-	(1)	-	(1)
Depreciation at 30th June 2019	2,567	457	758	66	289	906	5,043
Net book value							
At 30th June 2019	35,072	89	70	1	391	254	35,877
At 30th June 2018	35,587	50	96	2	397	158	36,290

The Insured Value of Freehold Land and Buildings as at 30th June 2019 was £27,668,396 (2018: £26,732,751)

9 Investments

	2019	2018
	£,000	£,000
Balance b/fwd 1st July	14,350	12,500
Appreciation on works of art/property	74	-
Additions	2,082	3,538
Disposals	(1,236)	(2,544)
Decrease in cash held by fund managers	(132)	443
Appreciation on revaluation	349	413
Balance c/fwd June	15,487	14,350

	2019	2018
	£,000	£,000
Represented by:		
Property	750	650
Other investments	469	488
Quoted securities - equities	4,579	4,030
Quoted securities - europe/overseas	6,524	6,037
Quoted securities - fixed interest	2,295	2,143
Cash in hand and at investment managers	870	1,002
	15,487	14,350

Historical cost of investments

	2019	2018
	£,000	£,000
Historical cost of investment property	<u>£300</u>	<u>£300</u>
Total historical cost of other investments	<u>£458</u>	<u>£478</u>
Total historical cost of investment portfolio	<u><u>£11,814</u></u>	<u><u>£10,527</u></u>

10 Stock	Consolidated	College	Consolidated	College
	2019	2019	2018	2018
	£,000	£,000	£,000	£,000
Stock	22	22	20	20
	22	22	20	20

11 Trade and other receivables	Consolidated	College	Consolidated	College
	2019	2019	2018	2018
	£,000	£,000	£,000	£,000
Conference debtors control	153	151	32	29
Members of the College	24	24	22	22
Prepayments and accrued income	142	142	174	174
Other	(1)	(1)	(1)	(1)
	318	316	227	224

12 Cash	2019	2019	2018	2018
	£,000	£,000	£,000	£,000
Bank Deposits	607	604	301	296
Cash	-	-	-	-
	607	604	301	296

13	2019	2019	2018	2018
	£,000	£,000	£,000	£,000
Creditors: amounts falling due within one year				
Suppliers	99	99	108	108
University Fees	53	53	69	69
Accruals and deferred income	184	179	172	164
Members of the college	91	91	106	107
Conference deposits	251	251	237	236
Other	194	194	145	145
	872	867	837	829

14	2019	2019	2018	2018
	£,000	£,000	£,000	£,000
Creditors: amounts falling due after more than one year				
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
	2019	2019	2018	2018
Balance at beginning of year	362	362	423	423
Movement in year:	-	-	-	-
Current service cost including life assurance	-	-	-	-
Contributions	(168)	(168)	(178)	(178)
Other finance (income)/cost	12	12	14	14
USS Actuarial (Loss)/gain recognised in SOCIE	157	157	120	120
CCFPS Actuarial (Loss)/gain recognised in SOCIE	14	14	(17)	(17)
Balance at end of year	377	377	362	362

	Consolidated	College	Consolidated	College
	2019	2019	2018	2018
CCFPS	114	114	101	101
USS	263	263	261	261
Total	377	377	362	362

16 Endowment funds 2018/19

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	2019	2018
	£,000	£,000	£,000	£,000
Balance at beginning of year:				
Capital	3,865	8,423	12,288	11,071
New endowments received	2	956	958	844
(Decrease)/increase in interest	-	26	26	(91)
Investment management charges	-	(72)	(72)	(66)
(Decrease)/increase in market value of investments	149	405	554	530
Balance at end of year	4,016	9,738	13,754	12,288
Represented by:				
Capital	4,016	9,737	13,754	12,288
Analysis by type of purpose:				
Fellowship funds	1,260	-	1,260	1,212
Scholarship funds	1,634	-	1,634	1,573
Prizes funds	81	-	81	76
Hardship funds	375	-	375	361
Travel grant funds	2	-	2	2
Other funds	664	-	664	641
General endowments	-	9,738	9,737	8,423
Total	4,016	9,738	13,754	12,288
Analysis by asset:				
Property	-	750	750	650
Investments	4,016	8,988	13,004	11,638
	4,016	9,738	13,754	12,288

16 Endowment funds 2017/18

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	2018	2017
Balance at beginning of year:	£,000	£,000	£,000	£,000
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
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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 2018/19

Reserves with restrictions are as follows:

	Permanent unspent and other restricted income	Capital grants unspent	Other restricted funds/donations	2019	2018
Balance at beginning of year:					
Capital	-	17	115	132	277
Accumulated income	912		8	920	979
 New grants	-			-	-
New donations	29	27	267	323	101
 Investment income	119		-	119	136
Increase/(decrease) in market value of investments			9	9	-
Capital grants utilised	-	(31)	-	(31)	(1)
Expenditure	(189)	-	(76)	(265)	(442)
Balance at end of year	871	13	323	1,207	1,050
 Analysis of other restricted funds/donations by type of purpose					
Fellowship funds	537		20	557	533
Scholarship funds	198		269	467	334
Prizes funds	10		2	12	15
Hardship funds	84		-	84	100
Travel grant funds	-		-	-	(0)
Other funds	42		32	74	52
General	-	13		13	17
Total	871	13	323	1,207	1,051
 Balance at end of year:					
Capital	-	13	323	336	134
Accumulated income	871	-	-	871	917
Balance at end of year	871	13	323	1,207	1,051

17 Restricted reserves 2017/18

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:

	2019	2018
	£,000	£,000
Unapplied Total Return at beginning of year	5,975	5,536
Unapplied Total Return for year (see note 3b)	525	439
Unapplied total return at year end	6,500	5,975

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

	2019	2018
	£,000	£,000
(Deficit)/Surplus for the year	1,073	847
Adjustments for non-cash items		
Depreciation	821	755
Investment Income	(400)	(455)
Loss/(gain) on endowments, donations and investment property	(557)	(569)
Disposal of fixed assets	(3)	(2)
Interest Payable	268	268
Pension deficit Increase/(Decrease)	15	(62)
(Increase)/Decrease in Stocks	(2)	2
(Increase)/Decrease in Debtors	(90)	223
Increase/(Decrease) in Creditors	35	117
	<u>87</u>	<u>277</u>
Adjustments for investing or financing activities		
Investment income	319	75
Interest payable	-	-
Profit on the sale of non-current assets	-	-
	<u>319</u>	<u>75</u>
Net cash inflow from operating activities	1,479	1,200

20 Cash flows from investing activities

Proceeds from sales of non current fixed assets	-	-
Non current investment disposal	-	-
Investment income	441	392
Endowment funds invested	(934)	(790)
Deposit for short term investment with S&W	-	(500)
Payments made to acquire non-current assets	(412)	(308)
Total cash flows from investing activities	(906)	(1,206)

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:

	2019	2018
Land and buildings:		
Expiring within one year	693	311
Expiring between two and five years	2,405	53
Expiring in over five years	0	0
	3,098	364

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 £161k (2018: £171k) as show in Note 15.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2018 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 2017 valuation was the fourth 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 £60.0 billion and the value of the Scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Year 1-10: CPI -.53% reducing linearly to CPI – 1.32% Years 11-20: CPI +2.56% reducing linearly to CPI +1.7% by year 21 Years 21 +: CPI + 1.7%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on 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:

2017 valuation

Mortality base table:

Pre- retirement:
71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
Post retirement:
96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females

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

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflect this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%

Events after the end of the reporting period defined

Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. There are two types of events:

- Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the end of the reporting period); and
- Those that are indicative of conditions that arose after the end of the reporting period (non-adjusting events after the end of the reporting period).

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 2019, 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:

	2019 % p.a.	2018 % p.a.
Discount rate	2.25	2.70
RPI assumption	3.40	3.25
CPI assumption	2.40	2.25
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.15

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2018 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2018: S2PA with CMI_2017 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 21.8 years (previously 21.9 years)
- Female age 65 now has a life expectancy of 24 years (previously 23.8 years)
- Male age 45 now and retiring in 20 years has a life expectancy of 23.1 years (previously 23.3 years)
- Female age 45 now and retiring in 20 years has a life expectancy of 25.5 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 2019 (with comparative figures as at 30 June 2018) are as follows:

	2019 £	2018 £
Present value of plan liabilities	(427,892)	(393,667)
Market value of plan assets	313,457	292,643
Net defined benefit asset/(liability)	(114,435)	(101,024)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows.

	2019 £	2018 £
Current service cost	-	-
Administration Expenses	4,154	3,914
Interest on net defined benefit (asset)/liability	2,728	3,074
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	6,882	6,988

Changes in the present value of the plan liabilities for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	2019 £	2018 £
Present value of plan liabilities at beginning of period	393,667	418,606
Current service cost (including Employee contributions)	-	-
Employee contributions	-	-
Benefits paid	(10,225)	(20,299)
Interest on plan liabilities	10,492	10,622
Actuarial (gains)/losses	33,958	(15,262)
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	427,892	393,667

Changes in the fair value of the plan assets for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	2019 £	2018 £
Market value of plan assets at beginning of period	292,643	300,382
Contributions paid by the College	7,544	6,859
Employee contributions	-	-
Benefits paid	(10,225)	(20,299)
Administration Expenses	(4,453)	(4,386)
Interest on plan assets	7,764	7,548
Return on assets, less interest included in Profit & Loss	20,184	2,539
Market value of plan assets at end of period	313,457	292,643
Actual return on plan assets	27,948	10,087

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	2019	2018
Equities	57%	64%
Bonds & Cash	34%	30%
Property	9%	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 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	2019 £	2018 £
Return on assets, less interest included in Profit & Loss	20,184	2,539
Expected less actual plan expenses	(299)	(472)
Experience gains and losses arising on plan liabilities	422	(591)
Changes in assumptions underlying the present value of plan liabilities	(34,380)	15,853
Actuarial gain/(loss) recognised in OCI	(14,073)	17,329

Movement in net defined benefit asset/(liability) during the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	2019 £	2018 £
Net defined benefit asset/(liability) at beginning of year	(110,024)	(118,224)
Recognised in Profit and Loss	(6,882)	(6,988)
Contributions paid by the College	7,544	6,859
Re-measurement of net defined benefit liability recognized in OCI	(14,073)	(17,329)
(Deficit)/Surplus in plan at the end of the year	(114,435)	(101,024)

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, including salary payments as shown in Note 7. There were no other related party transactions.

27 Post Balance Sheet Events

For the pension schemes information disclosed in Note 24, since the year end, the 31 March 2018 actuarial valuation of the Retirement Income Builder section of the Scheme was finalised on 13 September 2019. The latest valuation has resulted in new, lower contribution rates, which replace the rates under the 2017 valuation as follows:

	Contribution rates under 2017 valuation		New contribution rates under 2018 valuation	
	01/10/2019 to 31/03/2020	From 01/04/2020	01/10/2019 to 31/03/2020	From 01/04/2020
Members	10.40%	11.40%	9.60%	11.00%
Employers	22.50%	24.20%	21.10%	23.70%
Total	32.90%	35.60%	30.70%	34.70%

The condition arose after the end of the reporting period and does not result in an adjustment to the financial statements. This has been disclosed as a non-adjusting post balance sheet event and the effect on the pension included in provisions would be £132k.