ST EDMUND’S COLLEGE

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013

St Edmund's College

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Page No

The College is a corporate body consisting of the Master, the Fellows and the Scholars. It is a registered charity (registration number 1137454), with its registered office at Mount Pleasant, Cambridge CB3 0BN.

The names of the members of the Governing Body during the year were as follows:

Master	Professor Paul Luzio*
Vice-Master	Professor Michael Herrtage*
Senior Tutor	Dr Judith Bunbury*
Bursar	Dr Richard Anthony*
Dean	Rev Dr John Kenrick* (resigned 31st August 2012)
Secretary of the Governing Body	Dr Phil Gardner*

Dr Denis Alexander (retired 30th September 2012)
Dr Shazhad Ansari
Dr Elizabeth Boyle
Dr Kate Brett*
Dr Sandra Brunnegger
Dr Sean Butler
Dr Robin Chatterjee
Mr Gordon Chesterman (appointed 1st October 2012)
Professor Edwin Chilvers
Dr Matthew Cole
Dr Alan Colli
Dr Fernando Constantino Casas
Dr Lars Dölken (appointed 1st October 2012)
Dr Petà Dunstan*
Professor Mark Field* (resigned 30th September 2013)
Dr Tabitha Freeman
Dr Anna Gannon*
Professor Hill Gaston*
Dr Michele Gemelos (appointed 1st October 2012)
Professor Peter Guthrie
Dr Andy Harter
Dr Peter Head
Professor Richard Hills (retired 30th September 2012)
Dr Stephen Jenkins
Dr Richard Jennings
Dr Dirk Jongkind
Dr Ann Kaminski
Dr Edward Kessler
Miss Sorrel Langley-Hobbs (resigned 31st July 2013)
Dr Yi Li
Dr Pei-Yin Lin
Professor John Loughlin
Dr Helen Mason
Mr Allan McRobie*
Dr Josef Meri (resigned 31st May 2013)
Dr Simon Mitton*
Dr Nicola Morrison
Miss Bernadette O'Flynn (retired 30th September 2012)
Dr Andrew Peden (resigned 31st July 2012)
Dr Evan Reid
Dr Michael Robson (retired 30th September 2013)
Dr Max Schlager (appointed 1st October 2012)
Dr Ravi Sundaram (appointed 1st October 2012)
Professor Ullrich Steiner
Dr Mandy Swann
Professor Bob White
Dr Diana Wood*
Dr Eden Yin

* Member of Council and Trustee during 2012-13

During the year, Revd Professor Allen Brent served as Acting Dean of the College. Professor Brent was not a member of the Governing Body.

Financial Report to the Council and Governing Body

Year ended 30 June 2013

Introduction

Founded in 1896, St Edmund's College was granted its Royal Charter in 1998. St Edmund's College is an autonomous, self-governing community of scholars, and one of the 31 colleges within the University of Cambridge. St Edmund's College can be distinguished from the majority of colleges in that it is classed as a graduate college and admits postgraduate students, mature undergraduates and affiliated students. The community consists of the Master, 49 fellows and 459 junior members, of whom 118 are undergraduates and 341 are graduates. Over 60 nationalities are represented within the student body, with a large majority coming from outside the UK.

Objectives

The College's charitable objectives are:
a) to advance education, religion, learning and research in the University of Cambridge;
b) to provide for that purpose a college for men and women who shall be members of the University wherein they may work for degrees of the University or may carry out postgraduate or other special studies at Cambridge.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an education for undergraduate and graduate students, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. The College maintains a Library, providing a valuable resource for students of the College.

The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University, regardless of their financial, social, religious or ethnic background. The College provides financial support to its students, through scholarships, awards and prizes to fund fees, living costs and reward academic excellence. It also contributes, together with the University, the Isaac Newton Trust and the other Cambridge Colleges, to the Cambridge Bursary Scheme, which is the primary mechanism of financial support for undergraduates to study at Cambridge. In 2012, the College entered into an agreement with the Cambridge Commonwealth, European and International Trust to fund jointly St Edmund's Duke of Edinburgh Scholarships, the first recipients of which matriculated in October 2012.

There are no restrictions on entry to the College, other than academic excellence, and the College supports study in all subject areas offered by the University. However, under University Statutes, students must be 21 or over when they commence their studies at the College.

The College advances research through:

- Supporting the work of its two Research Institutes, the Von Hügel Institute and the Faraday Institute for Science and Religion
- Providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research
- Supporting research work pursued by its other Fellows through promoting interaction across disciplines, and encouraging visits from outstanding academics from abroad

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

- Maintains and supports the Chapel as a place of religious worship and holds a variety of religious services, which are open to the general public, as well as members of the College
- Supports, through the Dean, who is a Roman Catholic priest, the emotional, mental and spiritual well-being of all members of the College community, whatever their faith tradition, or none.
- Maintains its historic connection with the work of the Roman Catholic Church.

The College charges fees for the following:

- To graduate students to contribute towards the cost of their education
- To undergraduates at externally regulated rates for those Home/EU students who are eligible for public support, and to other undergraduates to contribute towards the cost of their education
- For accommodation and meals at reasonable rates.

In order to fulfil its charitable objectives of advancing education, learning, research and religion, the College employs Fellows, Supervisors, Directors of Studies, Tutors, Clergy and senior college officers, twelve of whom with the Master serve as charity trustees through being members of the College Council. The employment of the Master and some of the Fellows is undertaken with the intention of furthering the College's charitable objectives and their employment directly contributes to their fulfilment. The private benefit accruing to the Master and the Fellows through salaries, stipends and other benefits is objectively reasonable, measured against academic stipends generally, and specifically against its peer group of Colleges. Without the employment of the Master and Fellows, the College would not be able to fulfil its charitable aims.

St Edmund's College

Financial Report to the Council and Governing Body

Year ended 30 June 2013

Achievements

Following the rapid growth of the previous two decades, student numbers have remained relatively static for the last two years. However, the College believes that in the longer term, growth will continue associated with the University's strategic goal of increasing graduate numbers. The College's most significant achievement has been the absorption of the growth over the past two decades, which benefits the collegiate University as a whole. Recent falls in the number of undergraduates have been associated with the introduction of higher university tuition fees in 2012, and which has had a particular impact on mature undergraduates. In contrast, the College has seen a welcome growth in the number of PhD students.

During 2012-13, the College continued to maintain a stable financial position from its underlying operations. The improvements in financial management, together with better operational management, means that the College continues to be in a position to maintain a sustained programme of works to invest in its existing infrastructure, and, as a result, is focused on improving facilities for students, Fellows and staff.

Financial Review

The College funds its activities from academic fees, charges for student residences and catering, income from its conferencing and external functions business, income from investments and donations.

Income and Expenditure

Income grew by £589,960 to £5,130,838, principally driven by a significant rise in research income and also an increase in conference income. The latter is particularly pleasing as this represents a major contribution to the College's finances through the greater utilisation of its accommodation and catering resources.

It should be noted that £67,623 of the research grant money received during the year has been added to the Deferred Income creditor balance on the Balance Sheet, and will be released in future years as income to match the timing of the corresponding expenditure.

Expenditure rose by £550,462 to £4,959,229. There was a growth in research expenditure associated with the rise in income.

Investments

During the year, the College investment portfolio continued to be managed by JO Hambro, the College's investment managers, and is monitored and reviewed by the College's Investment Committee, which includes in its membership alumni of the College with significant investment management expertise. The College maintains an investment income target of 3% net of fees, together with a capital growth target to match inflation.

The value of the College's investment portfolio as at 30th June 2013 was £4,637,151 (2012: £3,554,706). During the year, the College made significant additions to its investment portfolio of £835,755, primarily associated with a major legacy (see below). Taking into account the impact of these additions, the gross income yield during the year was 4.4%, and the total return was 11.2%, reflecting a rise in the investment markets.

Other gains and losses

<u>Pensions</u>
The College is a member of the Cambridge Colleges Federated Pension Scheme, a defined benefit pension scheme. The scheme is closed to new employees, but the College continues to contribute for existing employees. During the year, there was an actuarial loss of £56,140.

<u>Colleges Fund</u>
The College has been, for many years, a major recipient of funds from the Colleges Fund, which is supported by contributions from the wealthier colleges. The grant to St Edmund's was £544,000, with the sum being added to the endowment. The College is extremely grateful to the other colleges for their support, which is essential to the continuation of the collegiate system.

<u>Jackman Legacy</u>
During the year, the College received its largest ever legacy (£829,664) from the estate of Professor Toby Jackman, a Fellow Commoner of the College, who sadly died in 2011. The legacy has been added to the College's endowment, the income from which is to be used for the creation of the Toby Jackman Research Fellowship. This will enable the College to establish its first permanently-funded, stipendiary research fellowship.

Cash Flow

The College remains focused on cashflow management, particularly with regard to its banking covenants.

During the summer and autumn of 2012 the College undertook a significant programme of works to improve its older facilities, and as a result capital expenditure rose to £678,673 (2011: £239,992). This included £561,688 on a major project to refurbish the Norfolk Building, and to extend and refurbish the White Cottage, with the latter being turned into much-needed student accommodation.

Net cash outflow was £268,009 during the year, which was entirely due to the high level of capital expenditure. The underlying educational operations of the College remain cash positive.

Balance Sheet

Net assets at the year end rose from £9,857,712 to £11,621,378, a consequence of the continuing improvement in the financial position of the College.

Funding

The expansion of the College in recent decades, essential in the support of the rise in University postgraduate numbers and in maintaining collegiate membership for all students, has been facilitated by long-term borrowing. This funded the construction of essential student accommodation and facilities. The College continues to meet its annual loan repayments of £528,701 plus interest, and the loan balance at the year end was £9,132,670 (2012: £9,661,372).

During the year, the College restructured its operational banking facilities, and replaced a £300,000 overdraft facility with a £800,000 five year revolving credit facility. The new facility enables the College to accommodate the fluctuating cashflow requirements of its Research Institutes, as well as provides funding for income-enhancing capital projects, such as the improvements to the White Cottage. In addition, it provides security of banking facilities until 2017.

Research Institutes

The Von Hügel Institute and the Faraday Institute for Science and Religion constitute important parts of the College. During the year, the Faraday Institute expended £1,562,217 on research activities, principally funded by major grants from the Templeton World Charity Foundation.

Risk Management

The College's most significant financial liabilities, its long-term loans, are hedged at a fixed rate. The College Council, and its various sub-committees, are responsible for risk management, which is reported on formally to Council on an annual basis.

Outlook

The College continues to experience a stabilisation in its financial position, and is benefitting from improvements in operational management. Although the last two years have seen a short-term interruption in its historic growth, in the long-term pressure is expected to continue from the University through its plans for steadily-rising graduate student numbers. The College will continue to support the University in this strategy, including the University's major development in North-West Cambridge. During 2013, the College has therefore agreed a new long-term strategic plan to develop its main site with provision for much-needed additional facilities, as well as to allow for future growth.

Dr Richard Anthony
Bursar

Date: 11 December 2013

Statement of Internal Control

Year ended 30 June 2013

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

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

3. The 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. This process was in place for the year ended 30 June 2013 and up to the date of approval of the financial statements.

4. The Trustee's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Dr Richard Anthony
Bursar

Date: 11 December 2013

St Edmund's College

Corporate Governance

Year ended 30 June 2013

1. The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

2. The College is a registered charity (registered number 1137454) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.

3. The Trustees are advised in carrying out its duties by the following Committees: academic agreements, accommodation, alumni, computing & information technology, Dean's, development, estates, ethics, finance & general purposes, health & safety, investment, library, nominations, remuneration, statutes & ordinances, stewards, tutorial and Von Hugel.

4. The principal officers of the College are the Master, the Vice Master, the Senior Tutor and the Bursar.

5. There are Registers of Interests of Trustees and of the senior administrative officers. Declarations of interest are made systematically at meetings.

6. The College's Trustees during the year ended 30 June 2013 are set out on page 1.

Dr Richard Anthony
Bursar

Date: 11 December 2013

Statement of Responsibilities of the College's Charity Trustees

Year Ended 30 June 2013

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

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

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

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

Dr Richard Anthony
Bursar

Date: 11 December 2013

Independent Auditors' Report to the Council and Governing Body of St Edmund's College

Year Ended 30 June 2013

We have audited the financial statements of St Edmund's College for the year ended 30 June 2013 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and College balance sheets, the consolidated cash flow statement and related notes. The financial reporting frame work that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the Council and Governing Body are responsible for the preparation of financial statements which give a true and fair view.

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

Scope of the audit of financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the College's affairs as at 30 June 2013 and of the group's income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge;
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge.

Matters on which we are required to report by exception

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

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

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

CAMBRIDGE

16 December 2013

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

Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom accounting standards. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP).

The income and expenditure account includes activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to the use of public funds. The analysis required by the SORP is set out in note 8.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments which are included at valuation.

Basis of consolidation

A separate balance sheet and related notes for the College are not included in the accounts because the College's subsidiary company is a construction company which donates its profits to the College each year. The balance sheet for the College alone would not be materially different to the one included in these accounts.

Recognition of income

a) Academic fees

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

b) Donations and benefactions

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

c) Capital grants and donations

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

d) Income from Research Grants

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

e) Other income

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

Pension schemes

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

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

Tangible fixed assets

a) Freehold Land and Buildings

Freehold buildings are stated at cost and are depreciated on a straight line basis over their expected useful economic life of 40 years.

Leasehold buildings are stated at cost and are depreciated on a straight line basis over the period of the lease of up to a maximum of 40 years.

Leasehold costs (premium and legal costs) are depreciated over 99 years on a straight line basis.

b) Maintenance of premises

The cost of major refurbishment and maintenance over £500, which restores value is capitalised and depreciated over the expected useful economic life of the asset concerned.

c) Furniture, fittings and equipment

Furniture, fittings and equipment (including Garden Equipment) are capitalised and depreciated over their expected useful life of 10 years.

d) Heritage assets

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

e) IT equipment

It equipment is capitalised at cost and depreciated over 3 years using the straight line method.

Investments and Endowment Assets

Investments

a) Securities

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

b) Works of Art

Works of art are included at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Provisions

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

Endowment funds

Endowment funds are classified under three headings:

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

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

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

Taxation

The College is a registered charity (number 1137454) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

St Edmund's College

Consolidated Income and Expenditure Account

Year Ended 30 June 2013

	Note	2013 £	Restated 2012 £
Income			
Academic fees and charges	1	1,402,782	1,293,076
Residence, catering and conferences	2	1,846,514	1,697,943
Endowment and investment income	3	172,900	83,655
Donations	4	88,972	84,153
Research Grants	5	1,619,670	1,382,051
Total income		**5,130,838**	**4,540,878**
Expenditure			
Education	6	2,749,589	2,190,132
Residence, catering & conferences	7	2,108,974	2,135,419
Other expenditure	8	100,666	83,216
Total expenditure	8	**4,959,229**	**4,408,767**
Surplus/(deficit) on continuing operations before Contribution under Statute G, II		171,609	132,111
Contribution under Statute GII		-	-
Surplus/(deficit) on continuing operations after Contribution under Statute G, II		**171,609**	**132,111**
(Surplus)/deficit for the year transferred from accumulated income in endowment funds	20	(15,611)	(269,720)
Surplus/(deficit) for the year retained within general reserves		**155,998**	**(137,609)**

All items dealt with in arriving at the surplus/(deficit) for 2013 and 2012 relate to continuing operations.

The notes on pages 17 to 29 form part of these accounts

St Edmund's College

Consolidated Statement of Total Recognised Gains and Losses

Year Ended 30 June 2013

	Note	Restricted Funds £	Unrestricted Funds £	2013 Total £	2012 Total £
Deficit on income and expenditure account		-	155,998	155,998	(137,609)
Unspent endowment fund income		15,611	-	15,611	269,720
(Decrease)/increase in market value of endowment assets	20	83,919	186,831	270,750	(288,958)
New endowments	20	835,755	-	835,755	18,041
Capital grant from Colleges Fund		-	544,000	544,000	547,000
Actuarial (loss)/gain in respect of pension scheme	21	-	(56,140)	(56,140)	(98,723)
Total recognised gains relating to the year		935,285	830,689	1,765,974	309,471
Reconciliation					
Opening reserves and endowments		1,609,081	8,167,903	9,776,984	9,467,513
Prior year adjustment		-	-	-	-
		-	-	-	-
Total recognised gains for the year		935,285	830,689	1,765,974	309,471
Closing reserves and endowments		2,544,366	8,998,592	11,542.958	9,776,984

The notes on pages 17 to 29 form part of these accounts

St Edmund's College

Consolidated Balance Sheet

As at 30 June 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	10	15,566,302	15,418,964
Investments	11	18,411	18,411
		15,584,713	15,437,375
Endowment assets	12	14,082,813	12,377,241
Current assets			
Stocks	13	22,917	30,331
Debtors	14	586,315	266,446
Cash	15	1,582,004	1,850,013
		2,191,236	2,146,790
Creditors: amounts falling due within one year	16	(2,011,717)	(2,030,477)
Net current assets/(liabilities)		179,519	116,313
Total assets less current liabilities excluding pension liability		29,847,045	27,930,929
Creditors : amounts falling due in more than one year	17	(18,049,631)	(17,955,205)
Net assets excluding pension liability		11,797,414	9,975,724
Pension liability	18	(176,036)	(118,012)
Net assets including pension liability		11,621,378	9,857,712

Represented by:

	Note	Restricted Funds £	Unrestricted Funds £	2013 Total £	2012 Total £
Deferred Capital Grants	19	78,420	-	78,420	80,727
Endowments					
Expendable endowments	20	1,098,715	-	1,098,715	1,043,648
Permanent endowments	20	1,485,107	11,498,991	12,984,098	11,333,593
		2,583,822	11,498,991	14,082,813	12,377,241
Reserves					
General reserves excluding pension reserve	21	-	(2,363,819)	(2,363,819)	(2,482,244)
Pension reserve	21	(176,036)		(176,036)	(118,012)
		(176,036)	(2,363,819)	(2,539,855)	(2,600,256)
Total Funds		2,486,206	9,135,172	11,621,378	9,857,712

The financial statements were approved by the Council and Governing Body on 18th November 2013 and are signed on their behalf by:

Prof P Luzio
Master

The notes on pages 17 to 29 form part of these accounts

St Edmund's College

Consolidated Cash Flow Statement

For the Year Ended 30 June 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	22	783,165	1,813,424
Returns on investments and servicing of finance	23	(392,512)	-488,625
Capital expenditure and financial investment	23	(129,961)	325,324
Cash inflow before management of liquid resources		260,692	1,650,123
Financing			
Loan repayment in year		(528,701)	-528,701
Increase in cash in the year		(268,009)	1,121,421
Reconciliation of net cash flow to movement in net debt			
(Decrease)/Increase in cash in year		(268,009)	1,121,421
Cash used to repay loan		528,701	528,701
Change in net debt		260,692	1,650,123
Net debt at beginning of the year		(7,811,358)	(9,461,481)
Net debt at end of the year	24	(7,550,667)	(7,811,358)

The notes on pages 17 to 29 form part of these accounts

St Edmund's College

Notes to the Accounts

For the Year Ended 30 June 2013

1. Academic Fees and Charges

	2013 £	Restated 2012 £
College Fees:		
Fee Income paid on behalf of Undergraduates at the Publicly-funded Undergraduate rate (per capita fee £3,951/£4,500)	277,174	237,687
Privately-funded Undergraduate Fee Income (per capita fee £5,356)	335,643	338,124
Fee Income received at the Graduate Fee rate (per capita fee £2,349)	617,461	585,509
	1,230,278	1,161,320
Cambridge Bursary	114,308	112,250
Other income	58,196	19,506
Total	1,402,782	1,293,076

2. Income from Residences, Catering and Conferences

	2013 £	2012 £
Accommodation		
College members	1,237,684	1,189,616
Conferences	264,570	177,989
Catering		
College members	244,543	220,244
Conferences	99,717	110,094
Total	1,846,514	1,697,943

3. Endowment and Investment Income

Analysis

	2013 £	2012 £
Quoted securities	126,478	48,334
Fixed interest securities	39,069	32,390
Other interest receivable	7,353	2,931
Total	172,900	83,655

4. Donations

	2013 £	Restated 2012 £
Unrestricted donations	38,271	45,460
Restricted donations	48,394	36,386
Released from deferred capital grants (note 19)	2,307	2,307
Total	88,972	84,153

5. Research Grants

	2013 £	2012 £
Research grants received	1,687,293	2,130,574
Transfer to deferred income	(67,623)	(748,523)
Total	1,619,670	1,382,051

6. Education Expenditure

	2013 £	Restated 2012 £
Teaching	346,705	359,611
Tutorial	284,024	273,855
Admissions	92,736	91,267
Research	1,425,657	925,638
Scholarships and awards	185,324	168,460
Other educational facilities	415,143	371,301
Total	**2,749,589**	**2,190,132**

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £119,091 (2012: £114,561).

7. Residences, Catering and Conferences Expenditure

	2013 £	2012 £
Accommodation		
College members	1,281,183	1,235,940
Conferences	262,080	263,331
Catering	-	-
College members	405,682	483,267
Conferences	160,029	152,881
Total	2,108,974	2,135,419

8a. Analysis of 2012/13 Expenditure by Activity

	Staff costs (note 9) £	Other operating expenses £	Dep'n £	Total £
Education	962,530	1,694,235	92,824	2,749,589
Residence, catering and conferences	297,086	1,374,033	437,855	2,108,974
Other	40,230	59,779	657	100,666
Total	1,299,846	3,128,047	531,336	4,959,229

8b. Analysis of 2011/12 Expenditure by Activity

	Staff costs (note 9) £	Other operating expenses £	Dep'n £	Total £
Education	902,591	1,199,030	88,511	2,190,132
Residence, catering and conferences	289,294	1,428,617	417,508	2,135,419
Other	30,746	51,844	626	83,216
Total	1,222,631	2,679,491	506,645	4,408,767

8c. Auditors' remuneration

	2013 £	2012 £
Other operating expense include:		
Audit fees payable to the College's external auditors	10,660	12,660
Other fees payable to the College's external auditors	3,000	2,592

9. Staff

	College fellows £	Other Academic £	Non Academic £	Total 2013 £
Staff costs:				
Emoluments	263,455	335,069	493,675	1,092,199
Social security costs	24,196	25,900	33,975	84,071
Other pension costs (note 26)	28,151	59,872	35,553	123,576
	315,802	420,841	563,203	1,299,846

	No	No
Average staff numbers (full time equivalents):		
Academic	15	16
Non-academic	26	25
	41	41

The Governing Body comprises of 49 fellows, of which 32 are stipendiary.

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

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

10. Tangible Assets Consolidated

Group and College	Land & Buildings £	Equipment £	2013 Total £	2012 Total £
Cost				
At beginning of year	19,003,463	1,021,671	20,025,134	19,788,080
Additions at cost	561,688	116,985	678,673	239,992
Disposals	-			(2,938)
At end of year	19,565,151	1,138,656	20,703,807	20,025,134
Depreciation				
At beginning of year	3,920,357	685,813	4,606,170	4,101,188
Charge for the year	457,771	73,564	531,335	506,646
Eliminated on disposal				(1,664)
At end of year	4,378,128	759,377	5,137,505	4,606,170
Net book value				
At end of year	15,187,023	379,279	15,566,302	15,418,964
At beginning of year	15,083,106	335,858	15,418,964	15,686,892

The insured value of Freehold Land and Buildings as at 30 June 2013 was £25,211,840 (2012: £25,211,840)

11. Fixed Asset Investments

	2013 £	2012 £
Works of Art	18,411	18,411
	18,411	18,411

12. Endowment Assets

	2013 £	2012 £
Balance at beginning of year	12,377,241	11,831,437
Additions	1,147,410	5,071,300
Disposal	(365,924)	(5,370,423)
Appreciation on revaluation	279,581	111
Increase in cash balances held at fund managers	21,378	9,781
Increase in loan from Endowment to General Reserves	623,127	835,035
Balance at end of year	14,082,813	12,377,241
Represented by:		
Quoted Securities	3,375,868	2,521,962
Fixed interest securities	1,219,028	1,011,864
Cash with investment managers	42,255	20,880
Works of art	18,411	18,411
Loan from General Reserves	9,445,662	8,822,535
	14,101,224	12,395,652
College Expendable Investments (note 11)	(18,411)	(18,411)
	14,082,813	12,377,241

13. Stocks

	2013 £	2012 £
Other stocks	22,917	30,331

14. Debtors

	2013 £	2012 £
Members of the College	270,648	176,188
Other debtors	15,930	12
Prepayments and accrued income	299,737	90,246
	586,315	266,446

15. Cash

	2013 £	2012 £
Bank deposits	1,570,886	1,839,203
Current accounts	11,118	10,630
Cash in hand		180
	1,582,004	1,850,013

16. Creditors: Amounts Falling Due within one year

	2013 £	2012 £
Bank Loan	528,701	528,701
Trade Creditors	112,036	155,978
Members of the College	280,292	293,507
University fees	139,469	146,844
Other creditors	28,904	23,250
Accruals & deferred income	922,315	882,197
	2,011,717	2,030,477

17. Creditors: Amounts Falling Due after more than one year

	2013 £	2012 £
Due to endowment	9,445,662	8,822,535
Bank loans	8,603,969	9,132,670
	18,049,631	17,955,205

The bank loan is being repaid in quarterly instalments and the final repayment is due in 2031.

18. Pension Liability

Group and College

	2013 £	2012 £
Balance at beginning of year	118,012	33,909
Movement in year:		
Current service cost	19,583	17,230
Contributions	(19,460)	(30,530)
Other finance (income)/cost	1,761	(1,320)
Actuarial loss/(gain) recognised in the statement of total recognised gains and losses	56,140	98,723
Balance at end of year	176,036	118,012

19. Deferred capital grants

College Buildings

	2013 £ Total	2012 £ Total
Balance at beginning of year	80,727	83,034
Released to income and expenditure account	(2,307)	(2,307)
Balance at end of year	78,420	80,727

20. Endowments

College	Unrestricted Permanent £	Restricted Permanent £	Total Permanent £	Restricted Expendable £	2013 Total £	2012 Total £
Balance at beginning of year:	10,768,160	565,433	11,333,593	1,043,648	12,377,241	11,831,438
Capital	10,768,160	565,433	11,333,593		11,333,593	11,057,510
Unspent Income				1,043,648	1,043,648	773,928
	10,768,160	565,433	11,333,593	1,043,648	12,377,241	11,831,438
New endowments received	544,000	835,755	1,379,755	-	1,376,755	565,041
Income receivable from endowment asset investments	-	-	-	1,707,903		1,431,735
Expenditure	-	-	-	(1,692,292)		(1,162,015)
Net transfer from/(to) Income and expenditure account	-	-	-	15,611	15,611	269,720
Increase in market value of investments	186,831	83,919	270,750	-	270,750	(288,958)
Transfers				39,456	39,456	
Balance at end of year	11,498,991	1,485,107	12,984,098	1,098,715	14,082,813	12,377,241
Comprising:						
Capital	11,498,991	1,485,107	12,984,098		12,984,098	11,333,593
Unspent Income				1,098,715	1,098,715	1,043,648
Balance at end of year	11,498,991	1,485,107	12,984,098	1,098,715	14,082,813	12,377,241

Representing

	2013 Total £	2012 Total £
Fellowship Funds	923,699	98,971
Scholarship Funds	205,635	92,996
Prize Funds	56,974	36,159
Hardship Funds	65,279	205,890
Bursary Funds	124,514	88,889
Other Funds	1,207,721	1,086,176
General endowments	11,498,991	10,768,160
Group Total	14,082,813	12,377,241

21. Reserves

Consolidated and College

	Pension Reserve	General Reserve £	2013 Total £	2012 Total £
Balance at beginning of year as previously stated	(118,012)	(2,482,245)	(2,600,257)	(2,363,924)
Surplus / (deficit) retained for the year	(1,884)	157,882	155,998	(137,609)
Actuarial (loss)/gain	(56,140)		(56,140)	(98,723)
Transfers		(39,456)	(39,456)	
Balance at end of year	(176,036)	(2,363,819)	(2,539,855)	(2,600,256)

22. Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2013 £	2012 £
Surplus/(deficit) on continuing operation	171,609	132,111
Depreciation of tangible fixed assets	531,335	506,646
Loss on Disposal of Fixed Asset		1,274
Deferred capital grants released to income	(2,307)	(2,307)
Investment Income	(172,901)	(83,655)
Interest Payable	565,413	572,280
Pension costs less contributions payable	(1,884)	(14,620)
Non-Cash adjustment	23,114	
Decrease/(increase) in Stocks	7,415	8,561
Decrease/(increase) in Debtors	(319,869)	334,218
Increase in Creditors	(18,760)	358,916
Net cash inflow from operating activities	783,165	1,813,424

23. Cash flows

	2013 £	2012 £
Returns on investments and servicing of finance		
Endowment and investment income received	172,901	83,655
Other endowment and investment income		
Interest Paid	(565,413)	(572,280)
	(392,512)	(488,625)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(678,673)	(239,992)
Sale Proceeds		275
Deferred Income Received	4,712	
Cash transferred to Endowments	(835,755)	
New endowments received	1,379,755	565,041
Net cash outflow from capital expenditure and financial investment	(129,961)	325,324
Financing		
Repayment of long term loan	(528,701)	(528,701)
Net cash outflow	(528,701)	(528,701)

24. Analysis of changes in net debt

	At beginning of year £	Cash flows £	Other Changes £	At end of year £
Cash at bank and in hand	1,850,013	(268,009)		1,582,004
	-			
		(268,009)		
Debts due within one year	(528,701)	528,701	(528,701)	(528,701)
Debts falling due after more than one year	(9,132,670)		528,701	(8,603,969)
Net Funds	(7,811,358)	260,692	0	(7,550,666)

25. Pension Scheme

The College's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federation Pension Scheme (CCFPS). The total pension cost for the period was £123,576 (2012: £112,305).

University Superannuation Scheme

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second 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. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2013 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Use of mortality tables reasonably reflects the actual USS experience but also provides n element of conservatism to allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65	23.7 (25.6) years
Males (females) currently aged 45	25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the valuation effective date there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

New Entrants
Other than in specific, limited circumstances, new entrants are now provided benefits on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

Normal pension age
The Normal pension age was increased for future service and new entrants, to age 65.

Flexible Retirement
Flexible retirement options were introduced.

Member contributions increased
Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

Cost sharing
If the total contribution level exceeds 23.5% of Salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

Pension increase cap
For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

The actuary has estimated that the funding level as at 31 March 2013 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2013 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2013 was 68%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 55%. Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below:

Assumption	**Change in assumption**	**Impact on shortfall**
Investment return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer Increase	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	% Increase by £4.6 billion

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustees believe that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set by the trustee are designed to give the fund a significant exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that, putting the issue of the USS fund's size and scale to one side for a moment, it might be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the sponsoring employers would be willing and able to make, it is necessary and appropriate for the trustee to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and importantly considers the ability of the sponsoring employers to support the scheme if the investment strategy does not deliver the expected returns.

The positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities, and the scheme actuary has confirmed that this is likely to remain the position for the next ten years or more. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and most critically the ability of the employers to provide additional support to the scheme should additional contributions be required, enables it to take a longer-term view of its investments. Some short-term volatility in returns can be tolerated and need not feed through immediately to the contribution rate. However, the trustee is mindful of the difficult economic climate which exists for defined benefit pension schemes currently, and the need to be clear about the responses that are available should the deficits persist and a revised recovery plan becomes necessary following the next actuarial valuation of the scheme as at March 2014. The trustee is making preparations ahead of the next valuation to compile a formal financial management plan, which will bring together – in an integrated form – the various funding strands of covenant strength, investment strategy and funding assumptions, in line with the latest guidance from the Pensions Regulator.

At 31 March 2013, USS had over 148,000 active members.

The contribution rate payable by the institution was 16% of pensionable salaries. The total pension cost for the institution was £123,576 (2012: £112,305).

25. Pension Schemes continued

Cambridge Colleges Federated Pension Scheme

The College is a member of a multi-employer defined benefit scheme, the Cambridge Colleges Federated Pension Scheme. A full valuation was undertaken as at 31 March 20011 and updated to 30 June 2013 by a qualified independent Actuary.

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

	June 2013 % p.a.	June 2012 % p.a.
Discount rate	4.6	4.7
Expected long-term rate of return on Scheme assets	6.2	5.6
Salary inflation assumption	2.8*	2.2**
Inflation assumption (RPI)	3.3	2.7
Consumer Prices Index (CPI) assumption	2.3	1.7
Pension increases (inflation linked - RPI)	3.3	2.7

*1.5% in 2013, 2.8% thereafter
**1.5% in 2012 and 2013; 2.2% thereafter

The underlying mortality assumption is based upon the standard table known as Self-administered Pension Schemes (SAPS) mortality tables for average normal pensioners projected in line with the CMI 2009 projection and a target long-term improvement rate of 0.75%p.a. This results in the following life expectancies:

- Male age 65 now has a life expectancy of 22.0 years (previously 21.9 years)
- Female age 65 now has a life expectancy of 24.2 years (previously 24.1 years)
- Male age 45 now and retiring in 20 years would have a life expectancy the of 22.9 years (previously 22.8 years)
- Female age 45 now and retiring in 20 years would have a life expectancy the of 25.3 years (previously 25.3 years)

Employee Benefit Obligations

The amounts recognized in the balance sheet as at 30 June 2013 (with comparative figures as at 30 June 2012) are as follows:

	2013	2012
Present value of Scheme liabilities	(650,643)	(535,378)
Market value of Scheme assets	474,607	417,366
Deficit in the Scheme	**(176,036)**	**(118,012)**

The amounts to be recognised in the profit and loss for the year to 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013	2012
Current service cost	19,583	17,230
Interest on Scheme liabilities	25,294	27,315
Expected return on Scheme assets	(23,533)	(28,635)
Past service cost	-	-
Curtailment gain	-	-
Total	**21,344**	**15,910**
Actual return on Scheme assets	(51,254)	(53,584)

25. Pension Schemes continued

Changes in the present value of the Scheme liabilities for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013	2012
Present value of Scheme liabilities at beginning of period	535,378	504,930
Service cost including Employee contributions	25,399	23,485
Interest cost	25,294	27,315
Actuarial losses/(gains)	83,861	16,504
Benefits paid	(19,289)	(36,856)
Present value of Scheme liabilities at end of period	**650,643**	**535,378**

Changes in the fair value of the Scheme assets for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013	2012
Market value of Scheme assets at beginning of period	417,366	471,021
Expected return	23,533	28,635
Actuarial (losses)/gains	27,721	(82,219)
Contributions paid by the College	19,460	30,530
Employee contributions	5,816	6,255
Benefits paid	(19,289)	(36,856)
Market value of Scheme assets at end of period	**474,607**	**417,366**

The agreed contributions to be paid by the College for the forthcoming year are 11.95% of Contribution Pay plus £5,575 pa to cover expenses, subject to a review at future actuarial valuations. These rates exclude PHI.

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013	2012
Equities and Hedge Funds	68%	66%
Bonds and Cash	24%	25%
Property	8%	9%
Total	**100%**	**100%**

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

	2013 £	2012 £	2011 £	2010 £	2009 £
Present value of Scheme liabilities	(650,643)	(535,378)	(504,930)	(504,376)	(406,868)
Market value of Scheme assets	474,607	417,366	471,021	389,491	318,511
Deficit in the Scheme	**(176,036)**	**(118,012)**	**(33,909)**	**(114,885)**	**(88,357)**
Actual return less expected return on Scheme assets	27,721	(82,219)	28,800	24,571	(47,303)
Experience (loss)/gains arising on Scheme liabilities	(1,877)	(12,262)	4,298	11,470	15,811
Change in assumptions underlying present value of Scheme liabilities	(81,984)	(4,242)	42,459	(69,550)	16,331

25. Pension Schemes continued

The expected long term rate of return on the Scheme assets has been calculated based upon the major asset categories shown in the above table and an expected rate of return on equities and hedge funds of 7.0% (2012: 6.4%), property 6.0% (2012: 5.4%) and an expected rate of return on bonds and cash of 4.0% (2012: 3.7%).

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL) for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013	**2012**
	£	**£**
Actual return less expected return on Scheme assets	27,721	(82,219)
Experience gains and losses arising on Scheme liabilities	(1,877)	(12,262)
Changes in assumptions underlying the present value of Scheme liabilities	(81,984)	(4,242)
Actuarial (loss)/gain recognized in STRGL	**(56,140)**	**(98,723)**

Cumulative amount of actuarial gains and losses recognised in STRGL for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013	**2012**
	£	**£**
Cumulative actuarial gain/(loss) at beginning of period	(84,062)	14,661
Recognised during the period	(56,140)	(98,723)
Cumulative actuarial (loss)/gain at end of period	**(140,202)**	**(84,062)**

Movement in surplus/(deficit) during the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013	**2012**
	£	**£**
Surplus/(deficit) in Scheme at beginning of year	(118,012)	(33,909)
Service Cost (Employer Only)	(19,583)	(17,230)
Contributions paid by the College	19,460	30,530
Finance Cost	(1,761)	1,320
Actuarial gain/(loss)	(56,140)	(98,723)
Deficit in Scheme at the end of the year	**(176,036)**	**(118,012)**

26. Related Party Transactions

The College owns the whole of the ordinary share capital of ED Developments Limited, a company which is registered in England and Wales. Its principal activity is that of general construction.

Owing to the nature of the College's operations and the composition of its Governing Body it is inevitable 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.

27. Restated Income and Expenditure Account

The College has restated the 2012 Income and Expenditure Accounts to take into account the following:

- Income associated with the Cambridge Bursary Scheme has been transferred from 'Donation Income' to 'Other Income', under the latest RCCA guidelines.

- Expenditure has been reallocated between categories to reflect the College's current activities and structure.