

**ST EDMUND'S COLLEGE**

**ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2015**

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## St Edmund's College

### College Details

#### Year ended 30 June 2015

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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* (retired 30 <sup>th</sup> September 2014)
	Mr Matthew Bullock* (elected 1 <sup>st</sup> October 2014)
Vice-Master	Professor Michael Herrtage*
Senior Tutor	Dr Judith Bunbury*
Bursar	Dr Richard Anthony*
Dean	Fr Alban McCoy*
Secretary of the Governing Body	Dr Phil Gardner*
Professor Shazhad Ansari	Dr Dirk Jongkind
Dr Kate Brett	Dr Ann Kaminski
Dr Sandra Brunnegger	Dr Edward Kessler*
Dr Folma Buss (elected 1 <sup>st</sup> October 2014)	Dr Antonina Kruppa (elected 1 <sup>st</sup> October 2014)
Dr Sean Butler*	Professor Simon Lee (elected 9 <sup>th</sup> February 2015)
Dr Robin Chatterjee	Dr Yi (Jessica) Li
Mr Gordon Chesterman*	Professor John Loughlin (retired 30 September 2015)
Professor Edwin Chilvers	Dr Fiona Maine
Dr Matthew Cole	Dr Helen Mason
Dr Alan Colli	Dr Ian McCrone
Dr Fernando Constantino Casas	Mr Allan McRobie* (resigned 23 <sup>rd</sup> January 2015)
Professor David De Cremer (elected 9 <sup>th</sup> February 2015)	Dr Simon Mitton (retired 30 <sup>th</sup> September 2014)
Dr Lars Dölken (resigned 31 <sup>st</sup> January 2015)	Dr Nicola Morrison
Dr Petà Dunstan*	Dr Peter O'Donnell (elected 1 <sup>st</sup> October 2014)
Dr Tabitha Freeman	Dr Suzanne Paul (elected 1 <sup>st</sup> October 2014)
Dr Christina Fuhr (elected 1 <sup>st</sup> October 2014)	Dr Evan Reid
Dr Anna Gannon*	Dr Victoria Rennie (elected 1 <sup>st</sup> October 2014)
Professor Hill Gaston*	Dr Judith Rommel
Dr Michele Gemelos	Dr Max Schlager (resigned 30 <sup>th</sup> September 2014)
Dr George Gordon	Professor Ullrich Steiner (resigned 30 <sup>th</sup> September 2014)
Professor Peter Guthrie	Dr Mandy Swann
Dr Andy Harter	Ms Nathalie Walker
Dr Peter Head	Dr Lena Wartosch (elected 1 <sup>st</sup> October 2014)
Professor Richard Horne (elected 1 <sup>st</sup> October 2014)	Professor Bob White
Dr Stephen Jenkins	Dr Diana Wood*
Dr Richard Jennings (retired 30 <sup>th</sup> September 2015)	Dr Eden Yin

\* Member of Council and Trustee during 2014/2015

## St Edmunds College

### Financial Report to the Council and Governing Body

Year ended 30 June 2015

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#### 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, 51 fellows and 513 junior members, of whom 112 are undergraduates and 401 are graduates. Over 80 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 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.

The College has an agreement with the Cambridge Commonwealth, European and International Trust to fund jointly the St Edmund's Duke of Edinburgh Scholarships for overseas undergraduates and postgraduates. In 2014 the College awarded its first Luzio PhD Scholarship to support a research studentship in the Humanities.

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, undergraduates 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.

**Financial Report to the Council and Governing Body**

**Year ended 30 June 2015**

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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.

**Achievements**

The College has continued to grow in graduate student numbers, which has been an ongoing pattern for many years and is in support of the University's strategy of increasing graduate students. During the current year, this was principally in PhD and part-time students. 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. Aside from the growth of graduate students, the number of undergraduates has remained broadly unchanged for the last few years.

During 2014-15, the College maintained a stable financial position. The improvements in financial management, together with better operational management, means that the College continues to be in a position to invest in its existing infrastructure, and, as a result, is focused on improving facilities for students, Fellows and staff. It has also increased the level of support provided to students, and has seen a resulting improvement in academic results.

The College continued to promote its new strategic plan, which aims to deliver a major expansion in facilities for students, fellows and staff over the next 20-30 years. This is in response to the long-term growth of the College, particularly in student numbers, and the expectation that the growth will continue for the foreseeable future. The first phase of the plan concentrates on expanding the College's central student, research and teaching facilities, based around the historic hub of the Norfolk building. In support of this, the College has undertaken further fundraising through the Master's Development Fund.

During 2014, a major opportunity arose with the potential redevelopment of Mount Pleasant House, a 1.5 acre property adjacent to the northern boundary of the College. In partnership with another College, St Edmund's has negotiated a draft agreement to enter into a long lease of the site, allowing for its redevelopment for student rooms and flats, with the latter also being available to post-doctoral academics. Given the scarcity and high cost of land in Cambridge, this offers the College an unprecedented opportunity to extend its main site and secure housing for both students and academics. The project is contingent on planning approval, and external financing, which would be non-recourse to the other College assets.

**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 fell by £62,445 to £5,300,057. This was due to a combination of a short-term decline in research activity (due to short-term changes in grants at the Research Institutes) and an increase in the College's core areas of education (fees), accommodation and catering, as well as a rise in both donations and investment income. The College welcomed the new Graduate fee arrangements, where the College receives a share of University tuition fees and means that College and University graduate fee income are aligned and expected to grow for the foreseeable future.

Expenditure fell by £337,384 to £4,876,212. The fall was entirely due to changes in research expenditure, which is included under Education. Expenditure on the College's main educational activities of teaching, tutorial support, admissions and student awards rose in the year, as did accommodation and catering.

*Investments*

During the year, the College investment portfolio continued to be managed by Waverton, 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 30<sup>th</sup> June 2015 was £4,769,455 (2014: £4,773,329). The gross income yield was 4.5% and the total return was 3.8%.

## St Edmund's College

### Financial Report to the Council and Governing Body

Year ended 30 June 2014

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#### *Other gains and losses*

##### Pensions

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 £592.

##### Colleges Fund

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 £621,000, with the sum being added to the capital base. The College is extremely grateful to the other colleges for their support, which is essential to the continuation of the collegiate system.

#### *Cash Flow*

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

The College has maintained a significant programme of works to improve its older facilities, and as a result capital expenditure during the year was £457,054 (2013: £382,999).

Net cash outflow was £388,299 during the year, compared to a cash inflow of £321,990 in the previous year. This was due to the timing of fee transfers to the University, where the College acts as agent in collecting tuition fees. The underlying operations of the College remain cash positive.

#### *Balance Sheet*

Net assets at the year end rose from £12,489,443 to £13,418,798, driven by the contribution from the Colleges Fund and a marked rise in restricted reserves associated with the College's Research Institutes.

#### *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 £8,075,268 (2013: £8,603,969).

### **Research Institutes**

The Von Hügel Institute and the Faraday Institute for Science and Religion constitute important parts of the College. In January 2015, the Faraday Institute's largest grant came to end. The Institute was successful in being awarded a £2.4 million, 42 month grant from the Templeton World Charity Foundation commencing in April 2015. As part of the grant terms, the College has committed to spend down its restricted reserves associated with the Faraday Institute over the life of the grant.

### **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 current year saw a further steady improvement in the College's financial position. The College remains supportive of the University's strategy to increase the numbers of graduates. Therefore the main strategic challenge facing the College is continuing growth in the face of limited capital resources. Whilst alumni remain an important part of longer-term fundraising, the College is now focusing on other potential sources of funding. This strategy is being implemented alongside the launch of the Collegiate University's new major fundraising campaign in the autumn of 2015. The next step in its development strategy is for the College to obtain planning permission for essential and upgraded facilities on its main site, as well as pursuing the opportunity of additional accommodation through the Mount Pleasant House project.

**Dr Richard Anthony**  
**Bursar**

**Date: 9 December 2015**

**Statement of Internal Control**

**Year ended 30 June 2015**

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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 2015 and up to the date of approval of the financial statements.
4. The Trustees' review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

**Dr Richard Anthony  
Bursar**

**Date: 9 December 2015**

## **St Edmund's College**

### **Corporate Governance**

#### **Year ended 30 June 2015**

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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, Dean's, development & alumni relations, estates, ethics, Faraday, finance & general purposes, well-being & safety, investment, library, nominations, remuneration, statutes & ordinances, stewards, tutorial, Von Hugel and works of art.
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 2015 are set out on page 1.

**Dr Richard Anthony**  
**Bursar**

**Date: 9 December 2015**



**Statement of Responsibilities of the College's Charity Trustees**

**Year Ended 30 June 2015**

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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: 9 December 2015**

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

**Year Ended 30 June 2015**

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

This report is made solely to the College's Council and Governing Body, as a body, in accordance with College's Statutes, the Statutes of the University of Cambridge and with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's Council and Governing Body those matters we are required to state 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the College's affairs as at 30 June 2015 and of the group's incoming resources and application of resources 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**

**22 December 2015**

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

**Statement of Principal Accounting Policies**

**Year Ended 30 June 2015**

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**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.

**Statement of Principal Accounting Policies**

**Year Ended 30 June 2015**

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**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.

**Statement of Principal Accounting Policies**

**Year Ended 30 June 2015**

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**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 2015

	Note	2015 £	2014 £
<b>Income</b>			
Academic fees and charges	1	1,508,760	1,434,829
Residence, catering and conferences	2	2,209,655	1,994,951
Endowment and investment income	3	218,344	200,021
Donations	4	192,003	170,006
Research Grants	5	1,171,295	1,562,695
<b>Total income</b>		<b>5,300,057</b>	<b>5,362,502</b>
<b>Expenditure</b>			
Education	6	2,256,776	2,788,062
Residence, catering & conferences	7	2,458,479	2,272,349
Other expenditure	8	160,957	153,185
<b>Total expenditure</b>	8	<b>4,876,212</b>	<b>5,213,596</b>
<b>Surplus/(deficit) on continuing operations before Contribution under Statute G, II</b>		423,845	148,906
Contribution under Statute GII		-	-
<b>Surplus/(deficit) on continuing operations after Contribution under Statute G, II</b>		<b>423,845</b>	<b>148,906</b>
(Surplus)/deficit for the year transferred from accumulated income in endowment funds	20	(419,990)	(57,861)
<b>Surplus/(deficit) for the year retained within general reserves</b>		<b>3,855</b>	<b>91,045</b>

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

Consolidated Statement of Total Recognised Gains and Losses

Year Ended 30 June 2015

	Note	Restricted Funds £	Unrestricted Funds £	2015 Total £	2014 Total £
Deficit on income and expenditure account		-	3,855	3,855	91,045
Unspent endowment fund income		419,990	-	419,990	57,861
(Decrease)/increase in market value of endowment assets	20	(11,858)	(26,927)	(38,785)	168,685
New endowments	20	-	-	-	-
Capital grant from Colleges Fund		-	621,000	621,000	597,000
Actuarial (loss)/gain in respect of pension scheme	21	-	(591)	(591)	(44,219)
<b>Total recognised gains relating to the year</b>		<u>408,132</u>	<u>597,337</u>	<u>1,005,469</u>	<u>870,372</u>
<b>Reconciliation</b>					
Opening reserves and endowments		2,693,967	9,719,363	12,413,330	11,542,958
Total recognised gains for the year		408,132	597,337	1,005,469	870,372
<b>Closing reserves and endowments</b>		<u><b>3,102,099</b></u>	<u><b>10,316,700</b></u>	<u><b>13,418,799</b></u>	<u><b>12,413,330</b></u>

The notes on pages 17 to 28 form part of these accounts



# St Edmund's College

## Consolidated Balance Sheet

As at 30 June 2015

	Note		2015 £	2014 £	
<b>Fixed assets</b>					
Tangible assets	10		15,287,899	15,403,556	
Investments	11		27,830	18,411	
			<u>15,315,729</u>	<u>15,421,967</u>	
<b>Endowment assets</b>	12		15,908,564	14,906,359	
<b>Current assets</b>					
Stocks	13		36,140	29,614	
Debtors	14		1,464,213	704,255	
Cash	15		1,515,695	1,903,995	
			<u>3,016,048</u>	<u>2,637,864</u>	
<b>Creditors: amounts falling due within one year</b>	16		(1,822,621)	(2,039,844)	
<b>Net current assets/(liabilities)</b>			<u>1,193,427</u>	<u>598,020</u>	
<b>Total assets less current liabilities excluding pension liability</b>			32,417,720	30,926,346	
<b>Creditors : amounts falling due in more than one year</b>	17		(18,685,676)	(18,208,298)	
<b>Net assets excluding pension liability</b>			<u>13,732,044</u>	<u>12,718,047</u>	
<b>Pension liability</b>	18		(239,439)	(228,605)	
<b>Net assets including pension liability</b>			<u><u>13,492,605</u></u>	<u><u>12,489,443</u></u>	
<b>Represented by:</b>					
		<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>2015 Total £</b>	<b>2014 Total £</b>
<b>Deferred Capital Grants</b>	19	73,806	-	73,806	76,113
<b>Endowments</b>					
Expendable endowments	20	1,576,566	-	1,576,566	1,156,576
Permanent endowments	20	1,525,533	12,806,465	14,331,998	13,749,783
		<u>3,102,099</u>	<u>12,806,465</u>	<u>15,908,564</u>	<u>14,906,359</u>
<b>Reserves</b>					
General reserves excluding pension reserve	21	-	(2,250,326)	(2,250,326)	(2,264,424)
Pension reserve	21	-	(239,439)	(239,439)	(228,605)
		-	<u>(2,489,765)</u>	<u>(2,489,765)</u>	<u>(2,493,029)</u>
<b>Total Funds</b>		<u><u>3,175,905</u></u>	<u><u>10,316,700</u></u>	<u><u>13,492,605</u></u>	<u><u>12,489,443</u></u>

The financial statements were approved by the Council and Governing Body on 16 November 2015 and are signed on their behalf by:

**Mr M Bullock**  
**Master**

The notes on pages 17 to 28 form part of these accounts

**Consolidated Cash Flow Statement**

**For the Year Ended 30 June 2015**

	Note	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	22	341,847	970,673
<b>Returns on investments and servicing of finance</b>	23	(355,973)	(333,982)
<b>Capital expenditure and financial investment</b>	23	<u>154,527</u>	<u>214,001</u>
<b>Cash inflow before management of liquid resources</b>		140,401	850,692
<b>Financing</b>			
Loan repayment in year	23	(528,701)	(528,701)
Increase/(Decrease) in cash in the year		<u>(388,300)</u>	<u>321,991</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
Increase/(Decrease) in cash in year		(388,300)	321,991
Cash used to repay loan		<u>528,701</u>	<u>528,701</u>
Change in net debt		140,401	850,692
Net debt at beginning of the year		(6,699,974)	(7,550,666)
<b>Net debt at end of the year</b>	24	<u>(6,559,573)</u>	<u>(6,699,974)</u>

The notes on pages 17 to 28 form part of these accounts

Notes to the Accounts

For the Year Ended 30 June 2015

<b>1. Academic Fees and Charges</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
College Fees:		
Fee Income paid on behalf of Undergraduates at the Publicly-funded Undergraduate rate (per capita rate £4,185/£4,500)	226,528	229,314
Privately-funded Undergraduate Fee Income (per capita fee £6,011)	459,973	368,182
Fee income on behalf of Graduates as an agreed share of University fees (per capita rate £2,474)	<u>703,359</u>	<u>712,158</u>
	1,389,860	1,309,654
Cambridge Bursary	72,600	96,336
Other income	46,300	28,839
Total	<u>1,508,760</u>	<u>1,434,829</u>
<b>2. Income from Residences, Catering and Conferences</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Accommodation		
College members	1,498,580	1,396,065
Conferences	313,958	218,320
Catering		
College members	291,508	283,430
Conferences	105,609	97,136
Total	<u>2,209,655</u>	<u>1,994,951</u>
<b>3. Endowment and Investment Income</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Analysis</b>		
Quoted securities	161,541	146,865
Fixed interest securities	49,624	48,955
Other interest receivable	7,179	4,201
Total	<u>218,344</u>	<u>200,021</u>
<b>4. Donations</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Unrestricted donations	13,891	57,010
Restricted donations	175,805	110,689
Released from deferred capital grants (note 19)	2,307	2,307
Total	<u>192,003</u>	<u>170,006</u>
<b>5. Research Grants</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Research grants received	886,666	1,530,245
Transfer from/(to) deferred income	284,629	32,450
Total	<u>1,171,295</u>	<u>1,562,695</u>

Notes to the Accounts

For the Year Ended 30 June 2015

6. Education Expenditure	2015 £	2014 £
Teaching	411,163	376,237
Tutorial	317,958	293,774
Admissions	119,218	104,132
Research	784,141	1,358,314
Scholarships and awards	226,458	196,305
Other educational facilities	397,838	459,300
Total	<u>2,256,776</u>	<u>2,788,062</u>

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £119,981 (2014: £104,032).

7. Residences, Catering and Conferences Expenditure	2015 £	2014 £
Accommodation		
College members	1,483,276	1,355,756
Conferences	307,489	284,170
Catering		
College members	471,624	441,595
Conferences	196,090	190,828
Total	<u>2,458,479</u>	<u>2,272,349</u>

8a. Analysis of 2014/15 Expenditure by Activity

	Staff costs (note 9) £	Other operating expenses £	Dep'n £	Total £
Education	1,075,873	1,080,851	100,052	2,256,776
Residence, catering and conferences	358,166	1,628,363	471,950	2,458,479
Other	96,862	63,387	708	160,957
Total	<u>1,530,901</u>	<u>2,772,601</u>	<u>572,210</u>	<u>4,876,212</u>

8b. Analysis of 2013/14 Expenditure by Activity

	Staff costs £	Other operating expenses £	Dep'n £	Total £
Education	1,071,824	1,620,897	95,341	2,788,062
Residence, catering and conferences	328,512	1,494,108	449,729	2,272,349
Other	78,422	74,088	675	153,185
Total	<u>1,478,758</u>	<u>3,189,093</u>	<u>545,745</u>	<u>5,213,596</u>

Notes to the Accounts

For the Year Ended 30 June 2015

8c. Auditors' remuneration				2015 £	2014 £
Other operating expense include:					
Audit fees payable to the College's external auditors				15,660	12,790
Other fees payable to the College's external auditors				-	375

  

9. Staff	College fellows £	Other Academic £	Non Academic £	Total 2015 £
<b>Staff costs:</b>				
Emoluments	304,689	301,402	692,254	1,298,345
Social security costs	20,126	23,503	49,171	92,800
Other pension costs (note 25)	32,849	45,236	61,671	139,756
	<u>357,664</u>	<u>370,141</u>	<u>803,096</u>	<u>1,530,901</u>
			No	No
<b>Average staff numbers (full time equivalents):</b>				
Academic			13	15
Non-academic			32	31
			<u>45</u>	<u>46</u>

The Governing Body comprises the Master and 51 fellows, of which 27 are stipendiary.

No officer or employee of the College 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 £	2015 Total £	2014 Total £
<b>Cost</b>				
At beginning of year	19,830,700	1,256,106	21,086,806	20,703,807
Additions at cost	300,523	156,531	457,054	382,999
Disposals	-	-	-	-
At end of year	<u>20,131,223</u>	<u>1,412,637</u>	<u>21,543,860</u>	<u>21,086,806</u>
<b>Depreciation</b>				
At beginning of year	4,843,557	839,693	5,683,250	5,137,505
Charge for the year	472,163	100,548	572,711	545,745
Eliminated on disposal	-	-	-	-
At end of year	<u>5,315,720</u>	<u>940,241</u>	<u>6,255,961</u>	<u>5,683,250</u>
<b>Net book value</b>				
At end of year	<u>14,815,503</u>	<u>472,396</u>	<u>15,287,899</u>	<u>15,403,556</u>
At beginning of year	<u>14,987,143</u>	<u>416,413</u>	<u>15,403,556</u>	<u>15,566,302</u>

The insured value of Freehold Land and Buildings as at 30 June 2015 was £36,233,650 (2014: £35,865,000)

Notes to the Accounts

For the Year Ended 30 June 2015

11. Fixed Asset Investments	2015 £	2014 £
Works of Art – balance at beginning of year	18,411	18,411
Additions	9,419	-
Works of Art – balance at end of year	<u>27,830</u>	<u>18,411</u>
12. Endowment Assets	2015 £	2014 £
Balance at beginning of year	14,906,359	14,082,813
Additions	798,982	235,585
Disposal	(773,058)	(769,939)
Appreciation on revaluation	36	593,867
Increase in cash balances held at fund managers	(29,835)	76,665
Increase in loan from Endowment to General Reserves	1,006,080	687,368
Balance at end of year	<u>15,908,564</u>	<u>14,906,359</u>
Represented by:		
Quoted Securities	3,592,714	3,495,075
Fixed interest securities	1,087,656	1,159,334
Cash with investment managers	89,085	118,920
Works of art	27,830	18,411
Loan from General Reserves	11,139,109	10,133,030
	<u>15,936,394</u>	<u>14,924,770</u>
College Expendable Investments (note 11)	(27,830)	(18,411)
	<u>15,908,564</u>	<u>14,906,359</u>
13. Stocks	2015 £	2014 £
Other stocks	<u>36,140</u>	<u>29,614</u>
14. Debtors	2015 £	2014 £
Members of the College	279,044	191,630
Other debtors	6,799	1,821
Prepayments and accrued income	1,178,370	510,804
	<u>1,464,213</u>	<u>704,255</u>

Notes to the Accounts

Year Ended 30 June 2015

<b>15. Cash</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank deposits	1,503,282	1,897,425
Current accounts	12,413	6,570
	<u>1,515,695</u>	<u>1,903,995</u>
<b>16. Creditors: Amounts Falling Due within one year</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank Loan	528,701	528,701
Trade Creditors	99,983	94,552
Members of the College	476,601	334,874
University fees	38,900	130,985
Other creditors	44,736	37,354
Accruals & deferred income	633,700	913,378
	<u>1,822,621</u>	<u>2,039,844</u>
<b>17. Creditors: Amounts Falling Due after more than one year</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Due to endowment	11,139,109	10,133,030
Bank loans	7,546,567	8,075,268
	<u>18,685,676</u>	<u>18,208,298</u>
<p>The bank loan is being repaid in quarterly instalments; the final repayment is due in 2031. The loan is secured over Benet House and other College property at Mount Pleasant. Interest is payable at an average of 6.01%.</p>		
<b>18. Pension Liability Group and College</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Balance at beginning of year	228,605	176,034
Movement in year:		
Current service cost	26,107	24,655
Contributions	(16,400)	(17,347)
Other finance (income)/cost	536	1,042
Actuarial loss/(gain) recognised in the statement of total recognised gains and losses	591	44,219
Balance at end of year	<u>239,439</u>	<u>228,605</u>
<b>19. Deferred capital grants College Buildings</b>		
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
	<b>Total</b>	<b>Total</b>
Balance at beginning of year	76,113	78,420
Released to income and expenditure account	(2,307)	(2,307)
Balance at end of year	<u>73,806</u>	<u>76,113</u>

Notes to the Accounts

Year Ended 30 June 2015

20. Endowments College	Unrestricted Permanent £	Restricted Permanent £	Total Permanent £	Restricted Expendable £	2015 Total £	2014 Total £
<b>Balance at beginning of year:</b>	<u>12,212,392</u>	<u>1,537,391</u>	<u>13,749,783</u>	<u>1,156,576</u>	<u>14,906,359</u>	<u>14,082,813</u>
Capital	12,212,392	1,537,391	13,749,783	-	13,749,783	12,984,098
Unspent Income	-	-	-	1,156,576	1,156,576	1,098,715
	<u>12,212,392</u>	<u>1,537,391</u>	<u>13,749,783</u>	<u>1,156,576</u>	<u>14,906,359</u>	<u>14,082,813</u>
New endowments received	621,000	-	621,000	-	621,000	597,000
Income receivable from endowment asset investments	-	-	-	1,427,048	1,427,048	-
Expenditure	-	-	-	(1,007,058)	(1,007,058)	-
Net transfer from/(to) Income and expenditure account	-	-	-	419,990	419,990	57,861
Increase in market value of investments	(26,927)	(11,858)	(38,785)	-	(38,785)	168,685
Transfers	-	-	-	-	-	-
<b>Balance at end of year</b>	<u>12,806,465</u>	<u>1,525,533</u>	<u>14,331,998</u>	<u>1,576,566</u>	<u>15,908,564</u>	<u>14,906,359</u>
Comprising:						
Capital	12,806,465	1,525,533	14,331,998	-	14,331,998	13,749,783
Unspent Income	-	-	-	1,576,566	1,576,566	1,156,576
Balance at end of year	<u>12,806,465</u>	<u>1,525,533</u>	<u>14,331,998</u>	<u>1,576,566</u>	<u>15,908,564</u>	<u>14,906,359</u>
<b>Representing</b>						
Fellowship Funds					1,086,605	1,054,103
Scholarship Funds					113,962	115,985
Prize Funds					41,040	41,585
Hardship Funds					273,945	269,234
Bursary Funds					66,168	67,090
Other Funds					1,520,379	1,145,970
General endowments					12,806,465	11,498,991
Group Total					<u>15,908,564</u>	<u>14,906,359</u>



Notes to the Accounts

Year Ended 30 June 2015

21. Reserves Consolidated and College	Pension Reserve	General Reserve £	2015 Total £	2014 Total £
Balance at beginning of year as previously stated	(228,605)	(2,264,424)	(2,493,029)	(2,539,855)
Surplus / (deficit) retained for the year	(10,243)	14,098	3,855	148,906
Actuarial (loss)/gain	(591)	-	(591)	(44,219)
Transfers	-	-	-	(57,861)
Balance at end of year	<u>(239,439)</u>	<u>(2,250,326)</u>	<u>(2,489,765)</u>	<u>(2,493,029)</u>
22. Reconciliation of consolidated operating surplus to net cash inflow from operating activities			2015 £	2014 £
Surplus/(deficit) on continuing operation			423,845	148,906
Depreciation of tangible fixed assets			572,711	545,745
Deferred capital grants released to income			(2,307)	(2,307)
Investment Income			(218,344)	(200,021)
Interest Payable			502,141	534,003
Pension costs less contributions payable			10,243	8,350
Non-Cash adjustment (management fee)			37,265	32,506
Decrease/(increase) in Stocks			(6,526)	(6,697)
Decrease/(increase) in Debtors			(759,958)	(117,940)
Increase in Creditors			(217,223)	28,128
<b>Net cash inflow from operating activities</b>			<u>341,847</u>	<u>970,673</u>
23. Cash flows			2015 £	2014 £
<b>Returns on investments and servicing of finance</b>				
Endowment and investment income received			146,168	200,021
Interest Paid			(502,141)	(534,003)
			<u>(355,973)</u>	<u>(333,982)</u>
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets			(457,054)	(382,999)
Purchase of investments			(9,419)	-
New endowments received			621,000	597,000
Net cash outflow from capital expenditure and financial investment			<u>154,527</u>	<u>214,001</u>
<b>Financing</b>				
Repayment of long term loan			(528,701)	(528,701)
Net cash outflow			<u>(528,701)</u>	<u>(528,701)</u>

Notes to the Accounts

Year Ended 30 June 2015

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	1,903,995	(388,300)	-	1,515,695
Debts due within one year	(528,701)	528,701	(528,701)	(528,701)
Debts falling due after more than one year	(8,075,268)	-	528,701	(7,546,567)
Net Funds	<u>(6,699,974)</u>	<u>140,401</u>	<u>-</u>	<u>(6,559,573)</u>

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 £139,756 (2014: £134,031).

**University Superannuation Scheme**

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

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

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

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

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

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

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

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

Notes to the Accounts

Year Ended 30 June 2015

25. Pension Schemes continued

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

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6
	2015	2014
<b>Existing benefits</b>		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%

Cambridge Colleges 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 2014 and updated to 30 June 2015 by a qualified independent Actuary.

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

	June 2015 % p.a.	June 2014 % p.a.
Discount rate	3.7	4.2
Expected long-term rate of return on Scheme assets	3.7	6.2
Salary inflation assumption	2.75**	2.8*
Inflation assumption (RPI)	3.25	3.3
Consumer Prices Index (CPI) assumption	2.25	2.3
Pension increases (inflation linked - RPI)	3.25	3.3

\* 1.5% in 2014 to 2016, 2.8% thereafter

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

The underlying mortality assumption is based upon the standard table known as S2 mortality tables for average normal pensioners projected in line with the CMI 2014 projection and a target long-term improvement rate of 1.0%p.a. (2014: same base table and an allowance for improvements using the CMI 2013 projection table with a long term improvement rate of 1.0% p.a.). This results in the following life expectancies:

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

Notes to the Accounts

Year Ended 30 June 2015

25. Pension Schemes continued

**Employee Benefit Obligations**

The amounts recognized in the balance sheet as at 30 June 2015 (with comparative figures as at 30 June 2014) are as follows:

	<b>2015</b>	<b>2014</b>
Present value of Scheme liabilities	(763,365)	(696,558)
Market value of Scheme assets	523,926	467,953
<b>Deficit in the Scheme</b>	<b>(239,439)</b>	<b>(228,605)</b>

The amounts to be recognised in the profit and loss for the year to 30 June 2015 (with comparative figures for the year ending 30 June 2014) are as follows:

	<b>2015</b>	<b>2014</b>
Current service cost	26,107	24,655
Interest on Scheme liabilities	29,355	29,365
Expected return on Scheme assets	(28,819)	(28,324)
Past service cost	-	-
Curtailment gain	-	-
<b>Total</b>	<b>26,643</b>	<b>25,696</b>

Actual return on Scheme assets	64,015	27,031
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Changes in the present value of the Scheme liabilities for the year ending 30 June 2015 (with comparative figures for the year ending 30 June 2014) are as follows:

	<b>2015</b>	<b>2014</b>
Present value of Scheme liabilities at beginning of period	696,558	650,643
Service cost including Employee contributions	30,519	29,731
Interest cost	29,355	29,365
Actuarial losses/(gains)	35,787	42,926
Benefits paid	(28,854)	(56,107)
Present value of Scheme liabilities at end of period	<b>763,365</b>	<b>696,558</b>

Changes in the fair value of the Scheme assets for the year ending 30 June 2015 (with comparative figures for the year ending 30 June 2014) are as follows:

	<b>2015</b>	<b>2014</b>
Market value of Scheme assets at beginning of period	467,953	474,607
Expected return	28,819	28,324
Actuarial (losses)/gains	35,196	(1,293)
Contributions paid by the College	16,400	17,346
Employee contributions	4,412	5,076
Benefits paid	(28,854)	(56,107)
<b>Market value of Scheme assets at end of period</b>	<b>523,926</b>	<b>467,953</b>

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

- From 1 July 2015 to 31 March 2016 16.94% of Contribution Pay for non salary sacrifice members (21.94% of Contribution Pay for salary sacrifice members);
- From 1 April 2016 to 30 June 2016 17.20% of Contribution Pay for non salary sacrifice members (22.20% of Contribution Pay for salary sacrifice members).

Plus recovery plan payments of £2,597; plus £5,704 to cover expenses. These rates exclude PHI and are subject to review at future actuarial valuations.

Notes to the Accounts

Year Ended 30 June 2015

25. Pension Schemes continued

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 30 June 2015 (with comparative figures for the year ending 30 June 2014) are as follows:

	2015	2014
Equities and Hedge Funds	69%	70%
Bonds and Cash	25%	23%
Property	6%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

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

	2015 £	2014 £	2013 £	2012 £	2011 £
Present value of Scheme liabilities	(763,365)	(696,558)	(650,643)	(535,378)	(504,930)
Market value of Scheme assets	523,926	467,953	474,607	417,366	471,021
<b>Deficit in the Scheme</b>	<b>(239,439)</b>	<b>(228,605)</b>	<b>(176,036)</b>	<b>(118,012)</b>	<b>(33,909)</b>
Actual return less expected return on Scheme assets	35,196	(1,293)	27,721	(82,219)	28,800
Experience (loss)/gains arising on Scheme liabilities	7,840	1,670	(1,877)	(12,262)	4,298
Change in assumptions underlying present value of Scheme liabilities	(43,627)	(44,596)	(81,984)	(4,242)	42,459

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL) for the year ending 30 June 2015 (with comparative figures for the year ending 30 June 2014) are as follows:

	2015 £	2014 £
Actual return less expected return on Scheme assets	35,196	(1,293)
Experience gains and losses arising on Scheme liabilities	7,840	1,670
Changes in assumptions underlying the present value of Scheme liabilities	(43,627)	(44,596)
<b>Actuarial (loss)/gain recognized in STRGL</b>	<b>(591)</b>	<b>(44,219)</b>

Cumulative amount of actuarial gains and losses recognised in STRGL for the year ending 30 June 2015 (with comparative figures for the year ending 30 June 2014) are as follows:

	2015 £	2014 £
Cumulative actuarial gain/(loss) at beginning of period	(184,421)	(140,202)
Recognised during the period	(591)	(44,219)
<b>Cumulative actuarial (loss)/gain at end of period</b>	<b>(185,012)</b>	<b>(184,421)</b>

Movement in surplus/(deficit) during the year ending 30 June 2015 (with comparative figures for the year ending 30 June 2014) are as follows:

	2015 £	2014 £
Surplus/(deficit) in Scheme at beginning of year	(228,605)	(176,036)
Service Cost (Employer Only)	(26,107)	(24,655)
Contributions paid by the College	16,400	17,346
Finance Cost	(536)	(1,041)
Actuarial gain/(loss)	(591)	(44,219)
<b>Deficit in Scheme at the end of the year</b>	<b>(239,439)</b>	<b>(228,605)</b>

**Notes to the Accounts**

**Year Ended 30 June 2015**

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**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. Future Capital Commitment**

At 30 June 2015 the College was committed to expenditure amounting to £65,000 for chapel refurbishment works.

**28. Contingent liability**

A contingent liability exists in relation to the pension valuation recovery plan, since the College is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the reimbursement of the College's expenditure is similarly not recognised.