ST EDMUND'S COLLEGE

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2016

St Edmund's College

Index

Page No

St Edmund's College

College Details

Year ended 30 June 2016

The College's full legal name is The Master, Fellows and Scholars of St Edmund's College in the University of Cambridge, a body incorporated under Royal Charter. 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	Mr Matthew Bullock*
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*(until 30th September 2015)
	Dr Kate Brett* (from 1st October 2015)

Professor Shahzad Ansari
Dr Sandra Brunnegger
Dr Folma Buss*
Dr Sean Butler*
Dr Charis Charalampous(elected 1st October 2015)
Dr Robin Chatterjee
Mr Gordon Chesterman*
Professor Edwin Chilvers
Dr Matthew Cole
Dr Alan Colli
Dr Fernando Constantino Casas
Dr Tiziana D'Angelo (elected 1st October 2015)
Dr Lucy Davison (elected 1st October 2015)
Professor David De Cremer
Dr Riccardo Di Pietro (elected 1st October 2015)
Dr Petà Dunstan
Dr Tabitha Freeman
Dr Christina Fuhr
Dr Anna Gannon
Professor Hill Gaston*
Dr Michele Gemelos
Dr George Gordon
Professor Peter Guthrie OBE
Dr Susan Haines (elected 1st October 2015)
Dr Andy Harter
Dr Peter Head
Professor Richard Horne
Dr Stephen Jenkins
Dr Richard Jennings (retired 30th September 2015)
Dr Dirk Jongkind
Dr Ann Kaminski
Dr Edward Kessler MBE*
Dr Antonina Kruppa
Professor Simon Lee
Dr Yi (Jessica) Li (resigned 24th March 2016)
Professor John Loughlin (retired 30th September 2015)
Dr Fiona Maine
Dr Helen Mason OBE
Dr Philip McCosker (elected 1st October 2015)
Dr Ian McCrone
Dr Silvia Milana (elected 1st October 2015)
Dr Andrea Mina (elected 9th February 2016, resigned 30th September 2016)
Dr Nicola Morrison
Dr Peter O'Donnell
Dr Richard Oosterhoff (elected 1st October 2015)
Dr Suzanne Paul
Dr Evan Reid
Dr Victoria Rennie
Dr Judith Rommel
Dr Mandy Swann
Ms Nathalie Walker (resigned 30th June 2016)
Dr Lena Wartosch
Professor Bob White
Dr Diana Wood*
Dr Eden Yin

* Member of Council and Trustee during 2015/16

Principal advisers:

Auditors:	Peters Elworthy & Moore Station Road Cambridge CB1 2LA
Investment Managers:	Waverton Investment Management Ltd 16 Babmaes Street London SW1Y 6AH
Legal Advisers:	Taylor Vinters Merlin Place Milton Road Cambridge CB4 0DP
Bankers:	Barclays 9-11 St Andrew's Street Cambridge CB2 3AA

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, 59 fellows and 499 junior members, of whom 120 are undergraduates and 379 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 and other study facilities, 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 a number of agreements with the Cambridge Commonwealth, European and International Trust to fund jointly:

- the St Edmund's Duke of Edinburgh Scholarships for overseas undergraduates and postgraduates;
- the Omid Cambridge Scholarship, which supports a masters student from Iran (jointly funded by the Omid Trust)

In 2015 the College awarded its second Luzio PhD Scholarship to support a further 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

In 2015, the College appointed its first stipendiary Toby Jackman Isaac Newton Trust Research Fellow for research in the humanities. The Fellowship is funded jointly through a generous legacy from a former visiting fellow matched by the Isaac Newton Trust. The College was in the final year of a three-year donation from the Cambridge Philosophical Society in support of a highly successful Henslow Research Fellowship.

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 of the Roman Catholic Church, including through the work of the Von Hügel Institute.

During 2016, the College celebrated the centenary of the construction of its chapel, the only Roman Catholic chapel in an Oxbridge college. As part of the centenary celebrations, the front entrance was rebuilt and enhanced, providing for disabled access and including within its design a sculpture of St Edmund. This was made possible through a generous donation from a member of the College, together with funds collected from the Chapel congregation.

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. Benefits received by fellows are reviewed by the Remuneration Committee, the majority of whom are not trustees and whose membership includes two external members. Without the employment of the Master and Fellows, the College would not be able to fulfil its charitable aims.

Achievements

The College's most significant long-term achievement has been the absorption of the growth in student numbers over the past two decades, which benefits the collegiate University as a whole by maintaining collegiate membership for all University students. In the last few years, numbers have stabilised, in line with the University's graduate population, although the College notes that the University's longer-term strategic plan is to increase the number of graduates.

During 2015-16, the College maintained a steadily improving financial position. The improvements in financial management, together with better operational management, means that the College continues to be in a position to maintain and 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 common, shared 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, as well as replacing its redundant family accommodation. In support of this, the College has undertaken further fundraising through the Master's Development Fund. During the year the College spent £297,000 on developing its detailed plans with the intention of submitting a planning application in the latter half of 2016.

In the previous year, 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. 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. At the end of the lease, the College would obtain the freehold of the site. Given the scarcity and high cost of land in Cambridge, this offers the College an unprecedented opportunity to extend its main site and secure increased and affordable 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. In July 2016, the developer submitted a planning application for the project with the support of the College.

Financial Review

The College has restated the prior year (2015) figures in line with the new Financial Reporting Standard (FRS102) to ensure that these are comparable with the current year financial information.

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 £191,000 to £5,728,000. This was due to a significant decrease in research income (linked to a new research grant – see below), offset by increases in fee income, donations and a larger grant from the Colleges Fund. The College has benefitted from new Graduate fee arrangements, where the College receives a share of University tuition fees. This means that College and University graduate fee income is aligned and is expected to grow for the foreseeable future. It has also benefitted from an increasing proportion of undergraduates who pay a separate undergraduate college fee (either overseas, or studying for a second undergraduate qualification). The rise in the level of donations was also welcome, driven by fundraising for the Master's Development Fund and the Chapel centenary.

Expenditure increased by £316,000 to £5,314,000. The increase was principally due to expenditure on the College's development plans, included under Other expenditure and which has been expensed in full. Such expenditure will be capitalised in the future, at a time when the College has obtained planning permission and the funding to proceed with the project.

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 30th June 2016 was £4,991,000 (2015: £4,769,000). The gross income yield was 4.2% and the total return was 7.7%.

The College took the opportunity under FRS102 to remove an internal loan on its endowment, which was previously disclosed as both a long-term debtor and creditor on the balance sheet. As a result, a more transparent value for its investments is shown on the face of the balance sheet.

Staff costs and pensions
Staff costs remained relatively unchanged during the year as the College's activities remained stable.

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. The future liability for the scheme is calculated on an actuarial basis by an actuary appointed by the College, using assumptions approved by the Scheme trustees. In addition, the College is an active member of the Universities Superannuation Scheme (USS), and, for the first time, an estimate of the future liabilities relating to the scheme has been included on the current year and prior year balance sheets, based on the discounted value of future deficit payments. The total liabilities of both schemes decreased by £11,000 during the year to £368,000.

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 £718,000, with the sum being added to the endowment. The grant is utilised to repay the College's debt on its operational buildings, with the remaining balance being added to the investment portfolio. The College is extremely grateful to the other colleges for their support, which is essential to the continuation of the collegiate system.

Cash Flow and capital expenditure

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 £377,000. During the year, the College spent £297,000 on detailed plans for its next phase of buildings, which will expand and improve facilities for students, fellows, research academics and staff.

Net cash inflow was £1,300,000 during the year, compared to a cash outflow of £388,000 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, and the phasing of research grant receipts. The underlying operations of the College remain cash positive.

Balance Sheet

Net assets at the year end rose from £38,359,000 to £38,948,000, driven by the contribution from the Colleges Fund and gain on investments, partly offset by a planned reduction in restricted reserves associated with the College's Research Institutes.

The adoption of FRS102 has seen a transformative change in the College's balance sheet, and in particular a very large increase in the value of its fixed assets. Under FRS102, the College was able to restate the value of its fixed assets, with the restatement valuation on a Deemed Replacement Cost basis being undertaken by a firm of professional valuers. As a result, the book value of the fixed assets grew by £25,124,000. There was also a corresponding increase in the value of the unrestricted reserves.

Funding

The expansion of the College in recent decades, essential in the support of the rise in University graduate 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 £529,000 plus interest, and the loan balance at the year end was £7,547,000 (2015: £8,075,000). The College had a significant cash balance at the year end of £2,815,000, and retains an £800,000 revolving credit facility.

Research Institutes

The Von Hügel Institute and the Faraday Institute for Science and Religion constitute important parts of the College. In April 2015, the Faraday Institute commenced a £2.4 million, 42 month grant from the Templeton World Charity Foundation. 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. The current year was the first full year of grant, and as a result there as significant deficit on the restricted reserves of the College, where a proportion of the research grant expenditure was funded from reserves.

In June 2016, the College's Governing Body approved a Memorandum of Understanding, which will result in the separation of the Faraday Institute from the College. Since its establishment in 2006, the Institute has been extremely successful in obtaining research grant funding. Through the generous support of the John Templeton Foundation, the Institute will move to a new building being constructed by the Woolf Institute in grounds of Westminster College in 2017. Legal separation from the College is expected to take place in 2018 at the end of the current Templeton grant, although it is anticipated that the Faraday will retain close links with the College.

Risk Management

The College Council, and its various sub-committees, are responsible for risk management, which is reported on formally to Council on an annual basis. The College is considering a major commitment with regard to the development of student accommodation on the neighbouring Mount Pleasant House site. The Council has established a separate risk register for this project, and has appointed a working group of fellows with particular expertise to advise and assist the senior College officers.

As a graduate college with a small endowment, St Edmund's is reliant financially for fee and accommodation income on the admission of graduate students by the University and on the relative take-up rates of graduates by other colleges. The College is working closely with the other colleges and the University to maintain a steady and sustainable growth in graduate numbers.

The result of the recent EU referendum has brought considerable strategic uncertainty to the College. Around 25% of its students and a significant number of its staff are EU citizens, who make an essential and very positive contribution to St Edmund's. It is not yet possible to ascertain what the consequences of 'Brexit' will be; however, the College is working closely with the rest of collegiate Cambridge to ensure that its interests are properly represented, and any negative impact is mitigated as far as possible.

The College's most significant financial liabilities, its long-term loans, are hedged at a fixed rate.

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 in partnership with the other Colleges and the University through its Collegiate Cambridge fundraising campaign. With the support of the University, the College is in the process of recruiting its first full-time Development Director, which will substantially increase its ability to attract major gifts.

Alongside developments in fundraising, the College is in the process of submitting a planning application for the first phase of its Strategic Plan. It anticipates that planning permission will be granted in 2016-17, which will further enhance its position to attract donations towards the cost of the new buildings. The College is also expecting significant progress on the Mount Pleasant House project, where its developer partner has already submitted a planning application. Once this is granted, then third-party funding will be sought and the College will enter into a long term lease to secure essential new accommodation and control over a strategically important neighbouring site.

Dr Richard Anthony
Bursar

29 November 2016

Statement of Internal Control

Year ended 30 June 2016

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 2016 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

29 November 2016

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 2016 are set out on page 1.

Dr Richard Anthony
Bursar

29 November 2016

Statement of Responsibilities of the College's Charity Trustees

Year Ended 30 June 2016

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

29 November 2016

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

Year Ended 30 June 2016

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 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 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 2016 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

9 December 2016

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 Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 8.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are provided in note 24.
A separate balance sheet and related notes for the College are not included in the accounts because the College's subsidiary company was dormant. 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.

b) Donations and endowments

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

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

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

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

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

c) **Investment income and change in value of investment assets**

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

d) Research Grant income

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

e) Other income

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

f) Cambridge Bursary Scheme

In 2015-16, payment of the bursaries to eligible students under the Cambridge Bursary Scheme was made directly by the Student Loans Company (SLC). As a consequence, Cambridge University reimbursed the SLC for the full amount and each College paid their portion (based on their own eligible students) to the University. However, to remain consistent with previous years' presentation as well as the system agreed for 2016-17 (where the College reimburses the SLC for the full amount and receives a contribution from the University), for 2015-16 the College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges", although strictly speaking this was not a College transaction for this year.

Foreign currency translation

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

Tangible fixed assets

a) Land and Buildings

Buildings are stated at deemed replacement cost less accumulated depreciation. Assets stated and deemed replacement cost are depreciated over the remaining useful life.
Freehold land is not depreciated as it is considered to have an indefinite useful life.
Leasehold land is depreciated over the remaining life of the lease (91 years at 30.6.14).
Additions to buildings are depreciated on a straight line basis over their expected useful lives as follows:

Structure	100 years
Internal finishes	35 years
Mechanical and electrical	35 years

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 on a straight line basis 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

a) Investments

Investments are shown at their fair 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.

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.

Transition to the 2015 RCCA

The College is preparing its financial statements in accordance with 2015 RCCA for the first time, amended for the adoption of FRS102, and consequently has applied the first time adoption requirements. An explanation of how the transition to the 2015 RCCA has affected the reported financial position, financial performance and cash flows of the results of the College is provided in note 23.

Application of first time adoption, grants certain exemptions from the full requirements of 2015 RCCA in the transition period. The following exemption have been taken into these financial statements:

> Fair value or revaluation as deemed cost at 30th June 2014, fair value has been used for deemed cost for properties measured at fair value.

Reserves

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

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

St Edmund's College

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2016

	note	Unrestricted £000	Restricted £000	Endowment £000	2015/16 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2014/15 Total £000
Income									
Academic fees and charges	1	1,655	10		1,665	1,493	15		1,508
Residence, Catering and conferences	2	2,152			2,152	2,210			2,210
Other investment income	3	149	55		204	154	65		219
Other Income – Research Grants	4		717		717		1,171		1,171
Total income before donations and endowments		**3,956**	**782**		**4,738**	**3,857**	**1,251**		**5,108**
Donations	5	38	234		272	14	176		190
New endowments				718	718			621	621
Total Income		**3,994**	**1,016**	**718**	**5,728**	**3,871**	**1,427**	**621**	**5,919**
Expenditure									
Education	6	1,249	1,051		2,300	1,284	1,007		2,291
Residence, catering and conferences	7	2,561			2,561	2,546			2,546
Other expenditure		156	297		453	161			161
Total Expenditure	**8**	**3,966**	**1,348**		**5,314**	**3,991**	**1,007**		**4,998**
Surplus/(deficit) before other gains and losses		**28**	**(332)**	**718**	**414**	**(120)**	**420**	**621**	**921**
Gains/(loss) on investments				162	162			(39)	(39)
Surplus/(deficit) for the year		**28**	**(332)**	**880**	**576**	**(120)**	**420**	**582**	**882**
Other comprehensive income									
Actuarial gain in respect of pension schemes						9			9
Total comprehensive income for the year		**28**	**(332)**	**880**	**576**	**(111)**	**420**	**582**	**891**

St Edmund's College

Consolidated Statement of Changes in Reserves

Year Ended 30 June 2016

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2015	**22,450**	**1,577**	**14,332**	**38,359**
Surplus/(deficit) from income and expenditure account	28	(332)	880	576
Prior year adjustment	13			13
Net release of restricted funds	14	(14)		
Balance at 30 June 2016	**22,506**	**1,230**	**15,212**	**38,948**

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2014	**(2,417)**	**1,157**	**13,750**	**12,489**
Surplus/(deficit) from income and expenditure account	(111)	420	582	891
Prior year adjustment	24,988			24,988
Pension adjustment	(9)			(9)
Balance at 30 June 2015	**22,450**	**1,577**	**14,332**	**38,359**

St Edmund's College

Consolidated Balance Sheet

As at 30 June 2016

	Note	2016 £000	2015 £000
Non-current assets			
Tangible assets	10	40,000	40,306
Investments	11	5,019	4,797
		45,019	45,103
Current assets			
Stocks	12	33	36
Debtors	13	404	1,465
Cash	14	2,815	1,515
		3,252	3,016
Creditors: amounts falling due within one year	15	(1,937)	(1,835)
Net current assets/(liabilities)		1,315	1,181
Total assets less current liabilities excluding pension liability		46,334	46,284
Creditors : amounts falling due in more than one year	16	(7,018)	(7,546)
Pension liability	17	(368)	(379)
Total net assets		38,948	38,359

Represented by:

		2016 Total £	2015 Total £
Restricted reserves			
Endowment	18	15,212	14,332
Restricted expendable endowment	19	1,230	1,577
Unrestricted reserves			
General reserves		22,506	22,450
Total Funds		38,948	38,359

The financial statements were approved by the Council and Governing Body on 14 November 2016 and are signed on their behalf by:

Mr M Bullock
Master

The notes on pages 19 to 31 form part of these accounts

St Edmund's College

Consolidated Cash Flow Statement

For the Year Ended 30 June 2016

	Note	2016 £000	2015 £000
Net cash inflow from operating activities	20	1,859	342
Cash flows from investing activities	21	(279)	(356)
Cash flows from financing activities	21	249	155
Cash inflow before management of liquid resources		1,829	141
Financing			
Loan repayment in year	21	(529)	(529)
Increase/(Decrease) in cash in the year		1,300	(388)

Reconciliation of net cash flow to movement in net debt

		2016 £000	2015 £000
Increase/(Decrease) in cash in year		1,300	(388)
Cash used to repay loan		529	529
Change in net debt		1,829	141
Net debt at beginning of the year		(6,560)	(6,701)
Net debt at end of the year		(4,731)	(6,560)

The notes on pages 19 to 31 form part of these accounts

1. Academic Fees and Charges

	2016 £000	2015 £000
College Fees:		
Fee Income paid on behalf of Undergraduates at the Publicly-funded Undergraduate rate (per capita rate £4,308/£4,500)	202	226
Privately-funded Undergraduate Fee Income (per capita fee £6,300)	568	460
Fee income on behalf of Graduates as an agreed share of University fees (per capita rate £2,842)	780	703
	1550	1389
Cambridge Bursary	82	73
Other income	33	46
Total	1,665	1,508

2. Income from Residences, Catering and Conferences

	2016 £000	2015 £000
Accommodation		
College members	1,585	1,499
Conferences	204	314
Catering		
College members	287	291
Conferences	76	106
Total	2,152	2,210

3. Endowment and Investment Income

Analysis

	2016 £000	2015 £000
Quoted securities	152	162
Fixed interest securities	43	50
Other interest receivable	9	7
Total	204	219

4. Research Grants

	2016 £000	2015 £000
Research grants received	1,014	887
Transfer (from)/to deferred income	(297)	284
Total	717	1,171

5. Donations

	2016 £000	2015 £000
Unrestricted donations	38	14
Restricted donations	234	176
Total	272	190

6. Education Expenditure

	2016 £000	2015 £000
Teaching	431	424
Tutorial	359	326
Admissions	135	125
Research	778	786
Scholarships and awards	194	226
Other educational facilities	403	404
Total	2,300	2,291

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £89,159 (2015: £119,981).

7. Residences, Catering and Conferences Expenditure

	2016 £000	2015 £000
Accommodation		
College members	1,530	1,555
Conferences	316	321
Catering		
College members	520	473
Conferences	195	197
Total	2,561	2,546

8a. Analysis of 2015/16 Expenditure by Activity

	Staff costs (note 9) £000	Other operating expenses £000	Dep'n £000	Total £000
Education	1,080	1,101	119	2,300
Residence, catering and conferences	384	1,614	563	2,561
Other	97	355	1	453
Total	1,561	3,070	683	5,314

8b. Analysis of 2014/15 Expenditure by Activity

	Staff costs (note 9) £000	Other operating expenses £000	Dep'n £000	Total £000
Education	1,092	1,080	119	2,291
Residence, catering and conferences	358	1,629	559	2,546
Other	97	63	1	161
Total	1,547	2,772	679	4,998

8c. Auditors' remuneration

	2016 £000	2015 £000
Other operating expense include:		
Audit fees payable to the College's external auditors	15	16
Other fees payable to the College's external auditors	13	

9. Staff

	College fellows £000	Other Academic £000	Non Academic £000	Total 2016 £000
Staff costs:				
Emoluments	353	309	656	1,318
Social security costs	21	27	56	104
Other pension costs (note 25)	31	49	59	139
	405	385	771	1,561

	2016 No.	2015 No.
Average staff numbers (full time equivalents):		
Academic	17	13
Non-academic	30	32
	47	45

The Governing Body comprises the Master and 59 fellows, of which 32 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.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The Council fulfil these functions for the College. Aggregated emoluments paid to members of the College Council:

	2016 £000	2015 £000
Key management personnel	188	181

10. Tangible Assets Consolidated

Group and College	Land & Buildings £000	Equipment £000	2016 Total £000	2015 Total £000
Cost				
At beginning of year	40,729	1,064	41,793	41,336
Additions at cost	366	11	377	457
Disposals	-	(69)	(69)	-
At end of year	41,095	1,006	42,101	41,793
Depreciation				
At beginning of year	610	877	1,487	809
Charge for the year	618	65	683	678
Eliminated on disposal	-	(69)	(69)	-
At end of year	1,228	873	2,101	1,487
Net book value				
At end of year	39,867	133	40,000	40,306
At beginning of year	40,119	187	40,306	40,527

The insured value of Freehold Land and Buildings as at 30 June 2016 was £36,952,057 (2015: £36,223,650)

11. Fixed Asset Investments

	2016 £000	2015 £000
Balance at beginning of year	4,769	4,773
Additions	638	799
Disposal	(1,114)	(773)
Net gains	153	
Increase in cash balances held at fund managers	545	(30)
Balance at end of year	4,991	4,769
Represented by:		
Quoted Securities	3,116	3,592
Fixed interest securities	1,241	1,088
Cash with investment managers	634	89
Works of art	28	28
	5,019	4,797

12. Stocks

	2016 £000	2015 £000
Other stocks	33	36

13. Debtors

	2016 £000	2015 £000
Members of the College	200	279
Other debtors	1	7
Prepayments and accrued income	203	1,179
	404	1,465

14. Cash

	2016 £000	2015 £000
Bank deposits	2,804	1,503
Current accounts	11	12
	2,815	1,515

15. Creditors: Amounts Failing Due within one year

	2016 £000	2015 £000
Bank Loan	529	529
Trade Creditors	258	100
Members of the College	226	477
University fees		37
Other creditors	62	45
Accruals & deferred income	862	647
	1,937	1,835

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

	2016 £000	2015 £000
Bank loans	7,018	7,546

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%.

17. Pension Liability
Group and College

CCFPS	2016 £000	2015 £000
Balance at beginning of year	240	229
Movement in year:		
Current service cost	34	36
Contributions	(22)	(16)
Actuarial loss/(gain) recognised in the Statement of Comprehensive Income and Expenditure		(9)
Balance at end of year	252	240
USS		
Balance at beginning of year	139	123
Increase in provision	(23)	16
Balance at end of year	116	139
Pension liabilities at beginning of year	379	352
Pension liabilities at end of year	368	379

18. Endowments

College

	Unrestricted Permanent £000	Restricted Permanent £000	2016 Total £000	2015 Total £000
Balance at beginning of year:	12,806	1,526	14,332	13,750
New endowments received	718	-	718	621
Net transfers				
Increase in market value of investments	113	49	162	(39)
Balance at end of year	13,637	1,575	15,212	14,332

Representing

	2016 Total £000	2015 Total £000
Fellowship Funds	979	947
Scholarship Funds	97	94
Prize Funds	31	30
Hardship Funds	207	201
Bursary Funds	33	32
Other Funds	228	221
General endowments	13,637	12,807
Group Total	15,212	14,332

19. Restricted Expendable

College

	2016 Total £000	2015 Total £000
Balance at beginning of year: Unspent Income	1,577	1,157
Income receivable from endowment asset investments	1,016	1,427
Expenditure	(1,348)	(1,007)
Net transfer from/(to) Income and expenditure account	(332)	420
Transfers	(15)	-
Balance at end of year: Unspent Income	1,230	1,577

Representing

	2016 Total £000	2015 Total £000
Fellowship Funds	159	140
Scholarship Funds	19	20
Prize Funds	11	11
Hardship Funds	79	73
Bursary Funds		34
Other Funds	962	1,299
Group Total	1,230	1,577

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

	2016 £000	2015 £000
Surplus/(deficit) on continuing operation	576	881
Depreciation of tangible fixed assets	683	678
Colleges Fund	(718)	(621)
Investment Income	(204)	(218)
Investment Asset appreciation	(162)	39
Interest Payable	475	502
Pension costs less contributions payable	10	27
Non-Cash adjustment (management fee)	33	37
Decrease/(increase) in Stocks	3	(6)
Decrease/(increase) in Debtors	1,061	(760)
Increase in Creditors	102	(217)
Net cash inflow from operating activities	1,859	342

21. Cash flows

	2016 £000	2015 £000
Returns on investments and servicing of finance		
Endowment and investment income received	196	146
Interest Paid	(475)	(502)
	(279)	(356)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(377)	(457)
Purchase of investments	(92)	(9)
New endowments received	718	621
Net cash outflow from capital expenditure and financial investment	249	155
Financing		
Repayment of long term loan	(529)	(529)
Net cash outflow	(529)	(529)

22. Analysis of changes in net debt

	At beginning of year £000	Cash flows £000	Other Changes £000	At end of year £000
Cash at bank and in hand	1,515	1,300	-	2,815
Debts due within one year	(529)	529	(529)	(529)
Debts falling due after more than one year	(7,546)	-	529	(7,018)
Net Funds	(6,560)	1,829	-	(4,731)

23. Transition to 2015 RCCA

As explained in the accounting policies, these are the College's first financial statements prepared in accordance with FRS102 and the 2015 RCCA. The accounting policies set out in Note 1 have been applied in preparing the comparative information for the year ended 30 June 2015 and the opening financial position at 1 July 2014 resulting in a restatement of these figures.

In accordance with FRS102 a reconciliation of opening balances is provided here

		30 June 2015 £000
Surplus for the year as previously stated		4
Additional depreciation		(106)
Deferred capital grant		(2)
Adjust for movement in pension deficit CCFPS		9
Adjust for movement in pension deficit funding provision of USS		(16)
		(111)
Adjustment for gains/(losses previously recognised in the Statement of Recognised Gains and Losses		
New endowments – Grant from Colleges Fund	621	
Unspent endowment fund income	420	
Unrealised losses on revaluation of fixed assets	(39)	
		1,002
Total comprehensive income and expenditure as restated		891

Reconciliation of reserves and balances	1 July 2014 £000	30 June 2015 £000
Reserves balances as previously stated	(2,493)	(2,490)
Revised treatment of deferred capital	76	74
Pension deficit funding provision	(123)	(123)
Valuation of fixed asset to Deemed Replacement Cost	25,124	25,124
Total comprehensive income 2014/2015	(111)	(111)
Change in Pension Provision	(9)	(9)
Reserve transfer	(14)	(15)
Reserve balances restated	22,450	22,450

24. Pension Schemes

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 £138,504 (2015: £139,755).

University Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016, which was 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 the 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 Section 28 of FRS 102 "Employee benefits", to account 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. Since the College has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the College recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

Critical accounting judgements

FRS102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the income and expenditure account. The Trustees are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Pension Costs

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

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

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

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

	2016	2015
Discount rate	3.6%	3.3%
Pensionable salary growth	n/a	3.5% in the first year and 4.0% thereafter
Pension increases (CPI)	2.2%	2.2%

24. Pension Schemes cont'd

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

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

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

	2016	**2015**
Males currently aged 65 (years)	24.3	24.2
Females currently aged 65 (years)	26.5	26.4
Males currently aged 45 (years)	26.4	26.3
Females currently aged 45 (years)	28.8	28.7

	2016	**2015**
Scheme assets	£49.8bn	£49.1bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%

The contribution rate payable by the institution was 16% of pensionable salaries to 31st March 2016 and then up to 18% from 1st April 2016.

Cambridge Colleges Federated Pension Scheme

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme (CCPFS).

The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee acting as Trustee of the CCPFS, at 31 March 2014 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	June 2016 % p.a.	**June 2015 % p.a.**
Discount rate	2.8	3.7
Increase in salaries	2.4*	2.75**
RPI assumption	2.9	3.25
CPI assumption	1.9	2.25
Pension increased in payment (RPI Max 5% p.a.)	2.7	3.05
Pension increases in payment (CPI Max 2% p.a.)	1.7	n/a

* 1.5% in 2016, 2.4% thereafter
** 1.5% in years 2015 and 2016; 2.75% thereafter

The underlying mortality assumption is based upon the standard table known as S2PA of a year of birth usage with CMI_2015 future improvements factors and a long-term rate of future improvement of 1% p.a. (2015: same base table with CMI_2014 future improvement factors and a long-term future improvement rate 1% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 22.3 years)
- Female age 65 now has a life expectancy of 23.9 years (previously 24.4 years)

24. Pension Schemes cont'd

- Male age 45 now and retiring in 20 years would have a life expectancy the of 23.2 years (previously 23.6 years)
- Female age 45 now and retiring in 20 years would have a life expectancy the of 25.4 years (previously 25.9 years)

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2016 (with comparative figures as at 30 June 2015) are as follows:

	2016	**2015**
	£000	£000
Present value of Scheme liabilities	(865)	(763)
Market value of Scheme assets	614	524
Deficit in the Scheme	**(251)**	**(239)**

The amounts to be recognised in the profit and loss for the year to 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	2016	**2015**
Current service cost	25	26
Interest on Scheme liabilities	9	10
Past service cost	-	-
Curtailment gain	-	-
Total	**34**	**36**

Changes in the present value of the plan liabilities for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	2016	**2015**
Present value of plan liabilities at beginning of period	763	696
Current service cost including Employee contributions	29	31
Benefits paid	(26)	(29)
Interest on plan liabilities	28	29
Actuarial losses/(gains)	71	36
(Gain)/loss on plan changes	0	0
Curtailment (gain)/loss	0	0
Present value of Scheme liabilities at end of period	**865**	**763**

Changes in the fair value of the plan assets for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	2016	**2015**
Market value of Scheme assets at beginning of period	524	468
Contributions paid by the College	22	16
Employee contributions	4	4
Benefits paid	(26)	(29)
Interest on plan assets	19	20
Return on assets, less interest included in Profit & Loss	71	45
Market value of Scheme assets at end of period	**614**	**524**
Actual return on plan assets	**90**	**64**

24. Pension Schemes cont'd

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	2016	**2015**
Equities	59%	69%
Bonds & Cash	35%	25%
Property	6%	6%
Market value of Scheme assets at end of period	**100%**	**100%**

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

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	2016 £000	**2015 £000**
Actual return less expected return on plan assets	70	45
Experience gains and losses arising on Scheme liabilities	18	8
Changes in assumptions underlying the present value of plan liabilities	(88)	(44)
Actuarial (loss)/gain recognized in OCI	**-**	**9**

Movement in surplus/(deficit) during the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	2016 £000	**2015 £000**
Surplus/(deficit) in plan at beginning of year	(239)	(228)
Recognised in Profit and Loss	(34)	(36)
Contributions paid by the College	22	16
Actuarial gain/(loss) recognised in OCI	-	9
Deficit in plan at the end of the year	**(251)**	**(239)**

Funding Policy

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

The last such valuation was as at 31 March 2014. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 4 March 2016 and are as follows:

- Annual contributions of not less than £2,597 p.a. payable for the period from 1 July 2015 to 31 March 2034.

These payments are subject to review following the next funding valuation, due as at 31 March 2017.

25. 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 historic activity was 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.

26. Future Capital Commitment

At 30 June 2016 the College was committed to expenditure amounting to £140,000 for roofing works.

26. Contingent liability

A contingent liability exists in relation to the pension valuation recovery plan, since the company 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 company's expenditure is similarly not recognised.