

Charity Registration No: 01137463

RECOMMENDED CAMBRIDGE COLLEGE ACCOUNTS

ST CATHARINE'S COLLEGE, CAMBRIDGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2019

ST CATHARINE'S COLLEGE, CAMBRIDGE

GOVERNING BODY AND ADVISORS

Governance

St Catharine's College is a College within the University of Cambridge and a Registered Charity. Its registered office is at Trumpington Street, Cambridge CB2 1RL. The Governing Body, which comprises the Master and Official and Professorial Fellows, is responsible for the governance of the College. Unless otherwise stated throughout this Trustees Annual Report the words 'Fellow or Fellows' are synonymous with a member or members of the Governing Body.

The objectives of the College are to advance education, religion, learning and research in the arts, social sciences and sciences.

Further information about the College can be found at www.caths.cam.ac.uk.

Trustees

The Governing Body has concluded that for purposes of charity law, the Fellows are the Trustees of the College. The Fellows who served during the year are listed below:

Governing Body

Master	Professor Sir Mark Welland
President	Professor P Tyler
Senior Tutor:	Dr M Griffin
Bursar:	Mrs N Robert (Mr S P Summers until 6 th Jun 2019)
Operations Director:	Mrs H Hayward (Since 7 th Jan 2019)

Dr P N Hartle (until 30 th Sep 2019)	Ms I Borzym	Professor S Marciniak
Dr R B B Wardy (until 1 st Jan 2019)	Dr A S Brundin	Dr H Kandil
Professor J A Pyle (until 30 th Sep 2018)	Dr S Iyer	Dr M Hurley
Dr P R Palmer (until 30 th Sep 2018)	Dr M J Mason	Rev'd Dr D Neaum (until 4 th Jan 2019)
Professor E V Ferran	Dr S N Taraskin	Professor N Morrell
Professor H Van de Ven	Dr D J Bainbridge	Dr T Rogan (until 31 st Dec 2018)
Dr I C Willis	Dr H Wydra	Dr J Gwynne
Professor C M Clark	Dr H M M Lees-Jeffries	Dr C Psarras (until 30 th Sep 2018)
Dr G E Kantaris	Dr E Wickham	Dr M Kilkeny
Mr M F Kitson	Dr G Carr	Dr Y R Chen
Dr R A Melikan	Professor R Harrison	Professor M Nicholson
Professor M P F Sutcliffe	Professor J Dalley	Professor J Allwood
Dr J H Xuereb	Mrs D G Loveluck	Dr V Caldari
Professor A P Davenport	Dr I Scales	Dr C Higgins
Dr K J Dell	Professor W Sutherland	Dr L Shmilovits
Dr C J Gonda	Dr P Turner (until 30 th Sep 2019)	Dr S Qadiri
Professor N Berend	Dr J Neufeld	Dr C Ciccarelli
Dr D C Aldridge	Dr R Smith (until 30 th Sep 2018)	Professor O Akan (until 30 th Sep 2019)
Dr R W Dance	Dr S Taylor	Dr N Gallagher
Dr P D Wothers	Professor S Althorpe	Rev'd A Barrett
Professor M C Elliot	Dr M DeJong (until 30 th Sep 2018)	
	Dr F Santos	

ST CATHARINE'S COLLEGE, CAMBRIDGE

GOVERNING BODY AND ADVISORS (CONTINUED)

Finance Committee

Professor Sir Mark Welland
Mrs N Robert
Mrs H Hayward
Dr M Griffin
Mrs D G Loveluck
Dr P Wothers
Dr H Wydra
Dr A Davenport
Dr M Hurley
Dr S Taylor
Dr S Taraskin
Dr S Iyer

Master
Bursar (Mr S P Summers until 6th Jun 2019)
Operations Director (Since 7th Jan 2019)
Senior Tutor (Dr Hartle until 30th Sep 2018)
Development Director

Investments Committee

Professor Sir Mark Welland
Mrs N Robert
Professor P Tyler
Mr M Kitson
Dr S Iyer
Dr S Taylor
Professor W Sutherland
Dr A Davenport
Dr J Xuereb
Dr I Borzym
Dr T Rogan
Mr N R Haynes
Mr T Adams

Master
Bursar (Mr S P Summers until 6th Jun 2019)

Charity Registration Number

01137463

Auditors

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

Solicitors

Ashton KCJ
Chequers House
77-81 Newmarket Road
Cambridge
CB5 8EU

Chartered Surveyors

Bidwells Property Consultants
Trumpington Road
Cambridge
CB2 2LD

Bankers

Barclays Bank Plc
Cambridge Business Centre
Cambridge
CB2 3PZ

Investment Fund Managers

Stanhope Capital
35 Portman Square
London
W1H 6LR

Cambridge University Endowment Fund
30 Station Road
Daedalus House
Station Road
Cambridge
CB1 2RE

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OPERATING AND FINANCIAL REVIEW

Introduction

This Review provides an explanation of the mission of the College, an overview of the achievements during the Academic Year 2018-19, of the financial performance for the twelve months ending June 30th 2019, and the financial condition of the College at that date.

Alms and objectives of the College

The Objectives of the College are to advance education, religion, learning and research in the arts, social sciences and sciences.

Further information about the College can be found at www.caths.cam.ac.uk.

Public benefit

The College provides, in conjunction with the University of Cambridge, an education for over 600 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. In particular, the College provides:

- teaching facilities and individual or small-group undergraduate supervision, as well as pastoral, administrative and academic support through its tutorial system for all students;
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research through:

- providing Junior Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period as they prepare to undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from the UK and abroad;
- and encouraging the dissemination of research undertaken by members of the College through research seminars, supporting the publication of books and papers in academic journals, or other suitable means.

The College maintains an extensive Library, with a catalogue integrated into that of the University, so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely, external scholars and researchers, and the public through occasional exhibitions.

The College carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on religious 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 on weekdays and at weekends during term, which are open to the general public and visitors;
- Supports, through the College Chaplain, the emotional, mental and spiritual well-being of all members of the College community;

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- Maintains both a student choir, and a choir formed of girls from local schools, entry to which is by competitive singing test.

Achievements of 2018-2019

Academic

Student numbers were marginally higher than last year at 666 (462 undergraduates and 204 graduates). The College built on the academic success of the previous year, rising one place from tenth to ninth in the Tompkins table, showing undergraduate results across all colleges. With 121 firsts, just over 30% of our students achieved First Class marks, and just over 80% achieved a 2.1 or higher. There were outstanding performances in English, where every single graduating finalist achieved a First Class mark, Computer Science (where all but one student across all years in College achieved Firsts), and Natural Sciences (where several of our students were placed in the top ten of their courses). Students in Law and MML also turned in consistently excellent performances, with a St Catharine's student topping first year Tripos in Psychology and Behavioural Sciences. Our first-year cohort gave a very good account of themselves, with 23% firsts and some very promising results at Prelims, showing that this year still has a lot of potential to fulfil.

The first-year cohort of 2018-2019 are the successful applicants from the admissions round of 2017-18 in which the college saw 1,046 of applications – a record number for the College, and the second highest number of applications across all the Colleges that year. As the Office for Students places ever-increasing emphasis on Widening Participation, it is imperative that colleges across the university invest in outreach and access activities. Our Schools Liaison Officer works hard to reach as many young people as possible from backgrounds that do not traditionally send students to Oxbridge (or even university). As a result, 77% of the UK students we admitted in October 2018 came from the state sector. Looking to this year's admissions round, in October 2019, we received 936 applications. 74% of these applications from UK students were from the state sector; and 74% of our offers to UK students were to those from the state sector. The University's target for this sector is currently 62%-64%, and is set to rise in coming years. We also met or comfortably exceeded the university's other targets for admission of students from disadvantaged backgrounds, defined against a variety of measures.

At present, students who are admitted to Cambridge from EU countries are charged UK fees; the fees for overseas students from non-EU countries are considerably higher. In October 2018, non-UK students accounted for 5% of our intake, with this total being split fairly equally between EU and non-EU. This situation is likely to change in the wake of Brexit: those most adversely affected will be the exceptionally talented yet not wealthy students who apply to us every year from the EU, especially Eastern Europe.

The tutorial provision for postgraduates was reorganised this year, with the appointment of a third Graduate Tutor, the distribution of responsibilities between the three Graduate Tutors of Pastoral, Finance, and Admissions, and a new Graduate Administrator. This enhanced provision meant that our postgraduate students studying for doctorates or masters had clear lines of enquiry and support. St Catharine's took 12 students for the prestigious Executive MBA course, which is run from the Judge Business School. Attracting a different cohort, and charging a higher course fee, from those of conventional masters courses, the EMBA welcomes businesspeople who are already exceptionally successful in their current field from a wide range of countries.

Many of our graduating undergraduate students went on to continue their studies in St Catharine's or to secure postgraduate positions elsewhere. As usual, the graduating class of 2019 have gone to a wide variety of careers in finance, the Law, education, journalism, research, and the public sector. At St Catharine's, we emphasise the importance of contributing to the community, and we are proud to see our former students carrying this out in a wide range of activities beyond their undergraduate years at St Catharine's.

St Catharine's continues to invest in College teaching, and this year appointed new posts of Teaching and Research Fellows in Law, Mathematics and Economics. We are convinced that this College-based teaching is the best way to ensure that our students are assured education, guidance and advice of the best quality. All College Teaching Officers and Teaching and Research Fellows are now mentored and advised by the Senior Tutor, to ensure that they are able to dedicate time to their research: teachers who are also engaged in their own research are able to enthuse their students with up-to-date work in their discipline, and to innovate within

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their subject area. We have seen the benefit of this approach already in some outstanding undergraduate results in English, Law, MML, Natural Sciences and Economics. In addition, two of our long-serving College Teaching Officers this year secured University Lectureships, emphasising that maintaining focus on the interdependence between teaching and research is to the benefit of both educator and student.

Known as 'the friendly college', St Catharine's places emphasis on the support of our students' wellbeing. Thanks to the generosity of College members past and present, we continue to offer the fullest possible welfare and pastoral support to our students, including a growing number of Entrance Bursaries for financially disadvantaged students (both undergraduate and postgraduate) and Bursaries directed towards additional academic projects available to all students. Through its employment of professional Counsellors, the College offers mental health and well-being support to students in need. We also continue to increase the number of academic enrichment activities offered (notable this year has been the creation of an active and well-attended Knitting Society and support provided to student inventors).

St Catharine's position in central Cambridge and our open aspect means that we are visible to the city's residents and tourists. We take seriously our responsibility to engage with the outside world: our Fellows regularly speak at schools, theatres, literary festival and other venues around the UK and the world; and take part in the Cambridge Science Festival and the Festival of Ideas. Two events in particular stand out to demonstrate the College's public engagement: in March and April 2019, St Catharine's hosted an extraordinarily successful exhibition to commemorate the 150 years of the Periodic Table of Elements. The Periodic Table arranged on the lawn of Main Court attracted a large number of photographers, and the visitors' book of the exhibition showed how popular the displays and artefacts were with members of the public. In June 2019, the Environmental Audit Parliamentary Committee visited St Catharine's to take evidence in a public event as part of its inquiry into invasive species. The cross-party committee of MPs questioned researchers from the Biosecurity Research Initiative at St Catharine's, as well as practitioners, NGOs, border authorities and trade associations. The Committee will use the session to inform a major report with recommendations to Government, due to be published this autumn.

Sporting and Cultural

The College provides excellent sporting facilities which are heavily used and appreciated by all members of the College (students, Fellows, and staff), and, through arrangement, by other teams outside the University. The facilities include extensive sports fields, an all-weather hockey pitch, squash and badminton courts, boathouse, and gym. All facilities are available to members of the college for no additional charge and some are also used by Christ's College. The College makes available to external institutions its cricket, football and its popular all-weather hockey pitch, and also some of the facilities at the boathouse for town clubs, including the hire of boats for specific events outside of term. External use of the hockey pitch has once again been high, bringing in useful revenue which helps with its upkeep.

The College continues to update its equipment needed for the upkeep of the sports fields and is pleased to have moved towards using electric mowers this year which are quieter and less polluting.

The different College clubs again enjoyed great success with many reaching the semi-finals in the Cuppers competition. Interest in rowing continues to be healthy and the College Boat Club fielded a good number of boats in the Lent and May Bumps. We have been particularly pleased with our new Rowing Coach and Boathouse Manager who has brought new life to the club.

Our students contributed enormously to University sport with one of the largest, if not the largest, number of blues or half-blues per capita for any college. Financial assistance is provided for students competing at a high level, or if their involvement at a college level is posing a considerable burden.

Music

St Catharine's is noted for its strong musical tradition, and in particular for the range and inclusiveness of its activities. The College supports two choirs - one for graduate and undergraduate students, the other for girls aged 7-15 - which in the past year have participated in BBC broadcasts, given concerts and made two CD recordings. The Girls' Choir is particularly note-worthy, not least for the fact that was until recently the only ensemble of its kind in the country, and is open to girls from all schools in the area. Participants benefit from a musical training of the highest quality, and most will continue their music-making into higher education and

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beyond. The choirs have in the past year contributed to a number of charity concerts; and the College has for several years now hosted the Cambridge Singing School course in all three vacations, each course attracting up to fifty children aged 8-13.

College music is the responsibility of the Director of College Music, Dr Edward Wickham. In addition to its choral activities, the College also hosts a busy schedule of student and professional concerts, under the banner of the Kellaway Concert Series. These performances, which are free to students, have included world music, jazz and classical artists. Last year the College hosted the second 'Christmas Luminaria': an outdoor musical experience in Main Court which is free and open to all. The event raised money for the charity Camfed.

Music contributes significantly to the outreach ambitions of the College; most notably in the past year the Girls' Choir developed its Science/Music project - Stem in Song – which aims to encourage girls to engage with science through music, with performances in Cambridge and the Science Museum in London. A project video was also released and has attracted wide attention from national and local media.

Operational

The College provides a wide range of services and facilities to its students, notably accommodation and catering within a historic estate located in the Island site on Trumpington Street and several satellite sites around the city. In recognition of the increased complexity of these operations, including the need for major estate upgrades and improved processes and procedures, the College created a new role of Operations Director. Helen Hayward started in January 2019 and has already made a significant contribution to the College getting to know staff and how the teams work, helping them work together and efficiently, and supporting them in their development. Helen has also made progress in helping College in planning the rebuilding of the College's central social spaces including the dining hall.

Scope of the financial statements

The College's consolidated results, which are discussed in this section of the Report, are the net effect of the College's own business and that of the subsidiary companies, which are described in Note 26 to the Accounts.

Financial review

Highlights

The year included two major financial developments for the College.

In December 2018 the College took advantage of low interest rates to borrow £20 million through a 45 year private placement. Of this loan, £12 million was immediately invested to generate income to cover interest on the total borrowing alongside long term capital growth to repay the principal and £8 million will be used to fund refurbishment of the College estate over the next five years. The interest cost is fully covered by increased investment income and the management of this cost and the repayment fund is being closely monitored by both the Investments and Finance committees.

In February 2019 the College launched a major new development campaign 'Our College Our Future' aiming to raise £50 million for buildings, education and people by 2024. The major first gift to the campaign was £25 million from David and Claudia Harding as part of their £100 million total gift to Cambridge University (the largest gift ever made to a university in the UK by a British philanthropist as well as the largest gift ever made to the College). The gift will support St Catharine's students on the Distinguished Postgraduate Scholars Programme, starting in October 2019. Undergraduates at St. Catharine's will also benefit from the wider purposes of the donation.

Comprehensive Income & Expenditure

Income before Donations and new Endowments grew from £10 million to £11.5 million. The majority of this increase (£1.1 million) came from increased investment income arising from new investments made with the

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Harding gift and the private placement funds. Income from residences, catering and conferences grew by a further £0.3 million with conferences delivering a 12% year on year increase.

Thanks to the Harding gift and further donations from many other generous supporters Total Income grew from £12.6 million to £42.4 million.

Total Expenditure amounted to £15 million, an increase of £2.3 million or 18% compared to the previous year. The key elements of this increase were:

Item	£
Higher payroll costs reflecting our commitment to following up on the 2017 review into college staffing with appropriate structures and real living wages	£690,000
An additional charge for the USS pension scheme reflecting increased deficit payments and a change to the discount rate. Post 30 June 2019 this charge was decreased by £329,000 as described in Note 28, Post Balance Sheet Events	£557,000
Private Placement loan	
- interest December 2018-June 2019	£340,000
- one-off professional fees	£161,000
Increased grants to students and new research on Biosecurity (all fully funded from existing funds or new income)	£339,000

As a result of these income and expenditure figures the College achieved a surplus before other gains and losses of £27.4 million compared to a small deficit last year. Below the line, investment gains of £2.6 million were lower than previously enjoyed (£5.3 million in 2017/18 and £6.3 million in 2016/17) with property assets decreasing in value for the first time in many years. There was a loss on pension schemes of £0.6 million reflecting an increased liability as assessed by actuarial calculations taking into account discount rates and life expectancy. After these items, the bottom line of Total Comprehensive Income was a surplus of £29.3 million compared to £5.7 million last year.

Although the total picture for the College has been extremely positive this year, the balance between restricted and unrestricted funds remains a concern. There was a £1.8 million deficit before other gains and losses on unrestricted funds in the year. This line is highly sensitive to the amount of unrestricted donations received (£1 million lower than the previous year) and to increases in core operating costs such as buildings maintenance which are not covered by associated income. The College strives to ensure that its unrestricted performance is as robust as possible (for example by optimising income from its residential, catering and conference activities and by controlling/phasing costs) and this will be a key focus in the coming year.

Investment returns in the year are recognised both as Investment Income and as Gains on Investments. These totalled £4.9 million compared to £6.5 million last year representing a total return of 4% compared to 9% last year.

Pensions

The College's share of the deficits in three pension schemes increased by 29% in the year to £5.4 million. The most significant element of this figure is the deficit in the CCFPS staff pension scheme which increased from £3.9 million to £4.6 million. The College is also a member of the defined benefit University Superannuation Scheme (USS) for academic staff which has a deficit of £0.8 million compared to £0.3 million last year.

The College has in place an agreed 20-year deficit reduction programme for CCFPS and the deficit may be mitigated by future investment returns. The scheme is no longer open to new members; instead, the College offers a high-quality defined contribution pension scheme to all non-Academic staff. The accounting deficit does not reflect risk hedging by the Scheme, which is expected to result in a lower ultimate cost to the College than would otherwise be the case, if current low nominal and real interest rates were perpetuated.

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The methodologies which the College is required to use to calculate its share of these two pension deficits differ significantly, because of the nature of the Schemes, and the USS number quoted is not expected to reflect the true costs of paying the benefits accrued by members working for the College if present macroeconomic conditions persist. The College and members have been making increased contributions to USS since April 2016.

Both Schemes undertook triennial revaluations as at March 2017 resulting in increased deficits and higher employer and employee contribution rates. Following lengthy discussion with its stakeholders, USS subsequently undertook a further valuation at March 2018 and continues to consult on the extent and timing of contribution increases.

Donations and legacies

Donations, legacies and capital grants received or notified during the year amounted to the substantial sum of £30.9 million compared to £2.6 million last year thanks to the successful launch of the 'Our College, Our Future' development campaign. The College is extremely grateful to all its donors, and also to those who have made arrangements to remember the College in their wills.

Endowment and investment performance

The value of the College investment portfolio rose from £72 million to £113 million. The increase of £41 million was driven by £39 million of new money from donations and the private placement being invested into the financial portfolio. The property portfolio value was almost static compared to previous years. All investment income received is applied in pursuit of the charitable objectives of the College.

On a rolling five year basis the return was 8.4% and therefore still in excess of the long term RPI +4.5% target. However, the Investment Committee expects future returns to be lower than those enjoyed in the past decade and it will be increasingly challenging to generate a post inflation real return at acceptable levels of volatility. A period of increased volatility and poor or negative returns is also expected given global economic and political conditions. To reflect this more negative outlook the College will reduce its investment spend rule from 4% to 3.75% in 2019/20.

The portfolio is diversified with the following asset allocation:

Asset Allocation %					
	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<i>Owned Property</i>	24	24	16	18	10
<i>Property Funds</i>	7	7	8	8	6
<i>Real assets in CUEF</i>	1	1	2	3	4
Total Property	32	32	26	29	20
Equities	44	44	46	40	45
Private equity	6	6	5	7	8
Bonds	6	6	6	6	3
Hedge Funds	2	3	4	5	5
Commodities	2	2	2	3	1
Cash	6	6	8	9	15
Other	2	1	3	1	3
Total	100	100	100	100	100

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Key asset allocation changes during the year were:

- the decrease in the property allocation from 29% to 20% driven simply by the increase in the total amount of financial assets with no new investments to the property portfolio;
- the increase in the cash holding to 15% driven by £8 million from the long term loan being held in anticipation of several major building projects. The nominal returns on those deposits depressed total returns;
- the increase in the equity allocation from 40-45% driven by the new money invested in financial assets.

Total borrowing now stands at £31 million, which remains manageable when compared with both the College's resources and its opportunities.

Fundraising report

The College is registered with the Fundraising Regulator. The College has a professional Alumni and Development Office whose responsibilities include co-ordinating, managing and monitoring all of the College's fundraising activities. The College does not employ external professional fundraisers. The Office conforms to all recognised applicable fundraising standards and its activities are monitored by the Governing Body through a combination of regular review committee meetings and reports. This includes ensuring that vulnerable people are protected from unreasonably intrusive, pressured or persistent fundraising approaches. The College has received no complaints about its fundraising activities, during 2018-19 or the prior year.

Principal risks and uncertainties

The Governing Body as charity trustees has a responsibility to monitor, disclose and where feasible manage the major risks and uncertainties facing the College. The College maintains a Risk Register which is reviewed at least annually by the Finance Committee who report to the Governing Body. The major risks identified are:

- The College operates in a very competitive market for the best academic talent and the most promising students, and must continue to maintain its competitiveness.
- The College attaches the greatest importance to the Safeguarding of its students, staff and visitors.
- Health and Safety issues for all people on College premises
- The uncertainties and consequences of Brexit
- IT, Data Protection and Cybersecurity risks
- The macroeconomic climate impacts investment returns, external income and the rate of giving by our alumni. The College must guard against assuming that the recent long period of predominantly good investment performance is any guide to future returns, or that there has been any long-lasting reduction in market volatility. Indeed, the opposite could easily be the case, as evidenced in some recent time periods. We are confident of our ability to continue to compete successfully, but are constrained by our financial resources, and are working constantly to build the College endowment and reserves.
- The College also faces a range of operational risks in its daily affairs, and has both established processes and an experienced and well-resourced management team in place to address them.

Through its structure of Committees reporting to the Governing Body, the College monitors and manages all these risks to the best of its ability.

Reserves Policy

The College has a policy of holding sufficient free reserves which are readily available in case of a revenue shortfall or other need for liquidity, and which therefore are invested in liquid assets within the College's overall investment portfolio. The policy target for free reserves is a minimum level of 20% of annual expenditure, or currently ca. £3.0m.

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In setting this policy the College has had regard to the highly predictable nature of its core educational revenues, the persistent performance of its external catering and conference business and the level of income earned in recent years on its investments by way of dividends, rents and interest.

The College's level of liquid reserves has satisfied this test at all times during the previous five years. The value of the College's free reserves as at June 30th 2019 was £6.6 million after deducting endowment and restricted funds, and reserves committed to operating and heritage assets (£11.6 million on June 30th 2018).

Staff

Once again, the College's staff have worked hard to deliver a very high quality all-round experience to our students, and at the same time to preserve and enhance the quality of our buildings. The Fellows, as the College's charity trustees, are very grateful to all the staff and students of the college for their contributions to this year's achievements.

Overall Summary

Both in terms of our academic mission and financially, 2018-19 was another successful year. We will continue to invest for the long-term success of the College within the University of Cambridge.

Nicola Robert
Bursar
On behalf of the Trustees
15 November 2019



ST CATHARINE'S COLLEGE, CAMBRIDGE
STATEMENT OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2019

Corporate Governance Statement

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 corporate body consisting of the Master, the Fellows and the Scholars. It is a registered charity (number 1137463) and subject to regulation by the Charity Commission for England and Wales. The Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Governing Body consists of the Master and Professorial and Official Fellows, and exercises control over all matters concerning the College.
4. The Governing Body is advised in carrying out its duties by a number of Committees, comprised mostly or entirely of Fellows appointed by the Governing Body. These include:
 - a. The Finance Committee, consisting of the Master, Bursar, Operations Director, Senior Tutor, Development Director and up to twelve other Fellows. It meets at least once each term and monitors income and expenditure against the Budget and reports to the Governing Body at the next College meeting thereafter.
 - b. The Audit Committee, comprising the Master and at least ten Fellows, which acts as the internal auditors to the accounts, as required by the Statutes of the College. The Audit Committee reports to the Governing Body annually on the financial statements, and also advises the Governing Body on the appointment of external auditors.
 - c. The Investments Committee, consisting of the Master, Bursar and at least five other Fellows. There are also two Members of the College who have offered their services as advisors to the Committee and attend its meetings, which are held once each term. The Investments Committee oversees the management of the College's estates and investments and reports to the Governing Body.
 - d. The Buildings & Services Committee, consisting of the President, the Bursar, the Operations Director and several other Fellows and departmental heads. The Committee monitors the condition of the College's operational estate and recommends maintenance and improvement projects. It also reports to the Governing Body on Health & Safety and Environmental matters, and on aspects of the domestic services, which the College provides to students and others.
 - e. The Fellowships Committee, consisting of the Master, the President, the Senior Tutor and at least eight other Fellows, makes recommendations for the recruitment of additional Fellows according to the teaching and other needs of the College, and has also made recommendations for the membership of College Committees. The latter activity has been assumed by a New Nominations Committee in the past year, chaired by the Master.
 - f. The Education Committee, consisting of the Master, the Senior Tutor, twelve other Fellows and the College Librarian, reports to the Governing Body on many aspects of the Educational work of the College and its students.
 - g. The Strategic Policy Committee, which consists of the Master, President, Bursar, Operations Director, Senior Tutor, Development Director and at least seven other Fellows.A number of additional Committees support the work of the Governing Body in other areas.
5. Registers of Interests are maintained of all Trustees. Declarations of interest are made at all meetings of Committees and of the Governing Body.
6. The College's trustees are listed at the front of these Financial Statements.

ST CATHARINE'S COLLEGE, CAMBRIDGE
STATEMENT OF INTERNAL CONTROLS
FOR THE YEAR ENDED 30 JUNE 2019

Statement of Internal Control

1. The Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with 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 system of internal control is 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 2019 and up to the date of approval of the financial statements.
4. The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
 - a. A comprehensive system of independent committees monitor and evaluate the College's performance against legal requirements and general good practice.
 - b. A rigorous set of internal financial controls are used to protect the College's assets, to identify and manage the risk of conflicts of interest, loss, waste, bribery, fraud etc.
 - c. Systems are in place to ensure that financial reporting is robust and of a high quality and to ensure that trustees comply with charity law and other regulations.
 - d. Where possible there is a segregation of duties so that no single individual has sole responsibility for any single transaction from authorisation to completion and review.
5. The Governing Body's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

ST CATHARINE'S COLLEGE, CAMBRIDGE
RESPONSIBILITIES OF GOVERNING BODY
FOR THE YEAR ENDED 30 JUNE 2019

Responsibilities of the Governing Body

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

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

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

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

ST CATHARINE'S COLLEGE, CAMBRIDGE
INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF
ST CATHARINE'S COLLEGE, CAMBRIDGE

Opinion

We have audited the financial statements of St Catharine's College (the 'College') for the year ended 30 June 2019 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report of the Trustees other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ST CATHARINE'S COLLEGE, CAMBRIDGE
INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF
ST CATHARINE'S COLLEGE, CAMBRIDGE

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the Operating and Financial Review is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 11, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

ST CATHARINE'S COLLEGE, CAMBRIDGE
INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF
ST CATHARINE'S COLLEGE, CAMBRIDGE

Use of our report

This report is made solely to the College's Governing Body as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 19 November 2019

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

ST CATHARINE'S COLLEGE, CAMBRIDGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2019

Statement of Principal Accounting Policies

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 6.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and certain fixed assets 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 set out in note 26. Intra-group balances are eliminated on consolidation.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

Grant income

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income and to the extent that performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Donations and endowments

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

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts (notes 16 & 17).

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.

ST CATHARINE'S COLLEGE, CAMBRIDGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Statement of Principal Accounting Policies

Recognition of Income (continued)

Donations and endowments (continued)

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

Investment income and change in value of investment assets

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

Transfers between Unrestricted and Restricted Income

Income from permanent endowments that is not expended in the year in which it is receivable is, at the year-end, transferred from unrestricted income to restricted income. When there is subsequent expenditure of accumulated income from a permanent endowment, income is credited back to unrestricted income from that fund to match the expenditure.

Total Return

St Catharine's College operates a Total Return investment accounting policy. The College allocates a proportion of the investment earnings, net of expenses, and capital appreciation, to the income and expenditure account each year. The allocation of income is determined by a spending rule, which the College has set at 4% of the average annual value of the College's investment portfolio over the three-year period up to the commencement of the relevant financial year. The purpose of the policy is to stabilise annual spending levels from the endowment investment portfolio, and the target long run outcome is to maintain the real value of the endowment.

Other income

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

Cambridge Bursary Scheme

In 2018-19, payment of Cambridge Bursaries by the College was made directly to the Student Loan Company (SLC), who then pay on the relevant amounts to eligible students. Subsequently, the College receives a contribution from Cambridge University. In both 2018-19 and 2017-18, the amount receivable from the University is shown within income and the amount payable to SLC is shown within expenditure.

The amounts shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (included in note 1 as part of other income)	£191,000 (2018: £220,000)
Expenditure	£339,000 (2018: £342,000)

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.

ST CATHARINE'S COLLEGE, CAMBRIDGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Fixed assets

Land and buildings

The main College buildings are stated at depreciated replacement cost, as determined by professional valuers. The valuation for accounts purposes was carried out by Gerald Eve, Surveyors as at 30 September 2003. An amount has been deducted from the replacement cost to reflect their accumulated obsolescence in use depending on the age of the property to give a sum for their depreciated replacement cost. All College buildings on the main sites are depreciated on a straight-line basis over 50 years. Freehold land is capitalised at its estimated market value and is not depreciated.

Finance costs that are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

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

Land held specifically for development, investment and subsequent sale is included in current assets at the lower of cost and net realisable value.

Maintenance of buildings

The cost of any routine maintenance costing less than £20,000 is charged to the Income and Expenditure Account as it is incurred. The cost of major refurbishment and maintenance costing more than £20,000 is capitalised and depreciated over the useful economic life of the asset concerned. The College may also set aside sums to meet future maintenance costs, these being disclosed within general reserves. Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

Furniture and equipment

Furniture and equipment including books in the College's working library are not capitalised as they are deemed to be immaterial. Such expenditure is written off in the year of acquisition.

Leased assets

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

ST CATHARINE'S COLLEGE, CAMBRIDGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets were brought into the accounts on first adoption of the RCCA format in 2005, at insurance value. Acquisitions since 1 July 2011 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Freehold property was valued by Bidwells Property Consultants, Chartered Surveyors, at open market value at 30 June 2019.

Stocks

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

Provisions

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

Contingent liabilities and assets

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes if applicable.

Taxation

The College is a registered charity (number 01137463) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

ST CATHARINE'S COLLEGE, CAMBRIDGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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 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.

Pension costs

The College participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The College also operates a defined benefits plan for the College's employees of the Cambridge Colleges Federated Pension Scheme (CCFPS). 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.

There is a third defined benefit plan, The Church of England Funded Pension Scheme (CCEFPS). However, because of the mutual nature of CCEFPS, the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore 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 schemes in respect of the accounting period and expenses accrued in that year, plus any impact of deficit contributions. Since the College has entered into a 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 result expense in the income and expenditure account in accordance with Section 28 of FRS 102.

The College also operates defined contribution pension schemes and the pension charge represents the amounts payable by the College to the fund in respect of the year.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

ST CATHARINE'S COLLEGE, CAMBRIDGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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.

The College's reserves are invested in property, both direct property holdings and in property unit trusts, and in cash, equities and alternative instruments, according to a Statement of Investment Principles which is reviewed by the Investments Committee and the Governing Body from time to time. Cash balances are maintained at a level to fund recurring expenditure.

Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income and expenditure in accordance with section 28 of FRS 102. The trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

ST CATHARINE'S COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 30 JUNE 2019

	Unrestricted £000s	Income and expenditure reserve Restricted £000s	Endowment £000s	Total £000s
Balance at 1 July 2018	69,859	6,800	39,925	116,584
Surplus/(Deficit) from income and expenditure statement	(681)	5,153	25,545	30,017
Other comprehensive income	(649)	-	-	(649)
Release of restricted capital funds spent in the year	124	(124)	-	-
Transfers between Funds & Reserves	(2,872)	653	2,219	-
Balance at 30 June 2019	65,781	12,482	67,689	145,952

	Unrestricted £000s	Income and expenditure reserve as restated Restricted £000s	Endowment £000s	Total £000s
Balance at 1 July 2017	70,816	5,411	35,327	111,554
Prior Year Adjustment	(695)	-	-	(695)
Balance at 1 July 2017 - as restated	70,121	5,411	35,327	110,859
Surplus/(Deficit) from income and expenditure statement	1,605	1,394	2,242	5,241
Other comprehensive income	484	-	-	484
Release of restricted capital funds spent in the year	198	(198)	-	-
Transfers between Funds & Reserves	(2,549)	193	2,356	-
Balance at 30 June 2018	69,859	6,800	39,925	116,584

The Consolidated and College figures are not materially different; hence, separate statements for each are not produced. The notes on pages 28 to 46 form part of these accounts.

ST CATHARINE'S COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2019

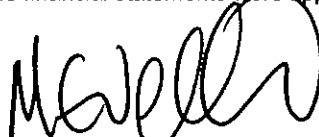
The notes on pages 28 to 46 form part of these accounts.

	Note	Unrestricted £000s	Restricted £000s	Endowment £000s	2019 Total £000s	Unrestricted £000s	Restricted £000s	Endowment £000s	2018 Total £000s
Income									
Academic fees and charges	1	3,050	256	-	3,306	2,921	354	-	3,275
Residences, catering and conferences	2	5,782	-	-	5,782	5,461	-	-	5,461
Investment income	3	518	-	1,840	2,358	-	-	1,252	1,252
Endowment return transferred	3	922	1,749	(2,671)	-	1,183	1,319	(2,502)	-
Other income		78	11	-	89	49	1	-	50
Total income before donations and endowments		10,350	2,016	(831)	11,535	9,614	1,674	(1,250)	10,038
Donations & Legacies									
New endowments	16	374	566	-	940	1,338	362	-	1,700
Capital grant from Colleges Fund		-	-	25,241	25,241	-	-	285	285
Other capital grants for assets		-	-	-	-	-	-	-	-
		-	4,719	-	4,719	-	581	-	581
Total income		10,724	7,301	24,410	42,435	10,952	2,617	(965)	12,604
Expenditure									
Education	4	5,399	2,201	-	7,600	4,508	1,532	-	6,040
Residences, catering and conferences	5	6,651	-	-	6,651	5,867	-	-	5,867
Other expenditure		473	-	262	735	378	-	367	745
Contribution under Statute G.II		7	-	-	7	10	-	-	10
Total expenditure	6	12,530	2,201	262	14,993	10,763	1,532	367	12,662
(Deficit)/Surplus before other gains and losses		(1,806)	5,100	24,148	27,442	189	1,085	(1,332)	(58)
Gain/(loss) on disposal of fixed assets	8	-	-	-	-	-	-	-	-
Gain on investments	9	1,125	53	1,397	2,575	1,416	309	3,574	5,299
Surplus/(deficit) for the year		(681)	5,153	25,545	30,017	1,605	1,394	2,242	5,241
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	15	(649)	-	-	(649)	484	-	-	484
Total comprehensive income for the year		(1,330)	5,153	25,545	29,368	2,089	1,394	2,242	5,725

ST CATHARINE'S COLLEGE, CAMBRIDGE
CONSOLIDATED AND COLLEGE BALANCE SHEETS AS AT 30 JUNE 2019

		2019	2019	2018	2018
		Consolidated	College	Consolidated	College
	Note	£000s	£000s	£000s	£000s
Non-current Assets					
Fixed assets	8	56,045	56,088	55,258	55,248
Heritage assets	8	3,126	3,126	2,997	2,997
Investments	9	113,286	113,286	71,868	71,868
		172,457	172,500	130,123	130,113
Current assets					
Stocks	10	200	200	221	221
Trade and other receivables	11	11,027	10,997	1,778	1,875
Investments	9	-	-	-	-
Cash and cash equivalents	12	630	592	1,740	1,452
		11,857	11,789	3,739	3,548
Creditors: amounts falling due within one year	13	(1,971)	(1,914)	(2,111)	(1,894)
Net current assets		9,886	9,875	1,628	1,654
Total Assets less current liabilities		182,343	182,375	131,751	131,767
Creditors: amounts falling due after more than one year	14	(31,000)	(31,000)	(11,000)	(11,000)
Provisions					
Pension provisions	15	(5,391)	(5,391)	(4,167)	(4,167)
Total net assets		145,952	145,984	116,584	116,600
Restricted reserves					
Income and expenditure reserve – endowment reserve	16	67,689	67,689	39,925	39,924
Income and expenditure reserve – restricted reserve	17	12,482	12,482	6,800	6,800
		80,171	80,171	46,725	46,724
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		65,781	65,813	69,859	69,876
Total Reserves		145,952	145,984	116,584	116,600

The financial statements were approved by the Governing Body on 15 November 2019 and signed on its behalf by:


Professor Sir M Welland
Master


N Robert
Bursar

The notes on pages 28 to 46 form part of these accounts.

ST CATHARINE'S COLLEGE, CAMBRIDGE
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
	Note	£000s	£000s
Net cash inflow from operating activities	19	18,236	(374)
Cash flows from investing activities	20	(38,503)	1,275
Cash flows from financing activities	21	19,157	(440)
Increase/(decrease) in cash and cash equivalents in the year		(1,110)	461
Cash and cash equivalents at beginning of the year		1,740	1,279
Cash and cash equivalents at end of the year	12	630	1,740

The Consolidated and College figures are not materially different; hence, separate statements for each are not produced. The notes on pages 28 to 46 form part of these accounts.

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

1	Academic fees and charges	2019	2018
		£000s	£000s
	Colleges fees:		
	Fee income received at the Regulated Undergraduate rate	1,943	1,925
	Fee income received at the Unregulated Undergraduate rate	353	370
	Fee income received at the Graduate rate	754	626
	Sub-total	3,050	2,921
	Other income	256	354
	Total	3,306	3,275

2	Income from residences, catering and conferences	2019	2018
		£000s	£000s
	Accommodation:		
	College members	2,661	2,530
	Conferences	1,216	1,049
	Sub-total	3,877	3,579
	Catering:		
	College members	1,140	1,165
	Conferences	765	717
	Sub-total	1,905	1,882
	Total	5,782	5,461

3	Endowment return and investment income	2019	2018
		£000s	£000s
3a	Analysis of Investment Income		
	Total return contribution (see note 3c)	2,671	2,502
	Other Investment Income	518	-
	Net income transferred to income and expenditure reserve	-	-
	Total	3,189	2,502

3b	Analysis of Investment Gains	2019	2018
		£000s	£000s
	Gains/(losses) on endowment assets:		
	Land and buildings	(483)	2,056
	Quoted and other securities and cash	2,094	3,243
		1,611	5,299
	Gains/(losses) on other assets:		
	Quoted and other securities and cash	964	-
	Total	2,575	5,299

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

3c	Summary of Total Return	2019	2018
		£000s	£000s
	Income from:		
	Land and buildings	298	294
	Quoted securities	1,217	681
	Unit Trusts	293	261
	Income from short-term investments	32	16
		1,840	1,252
	Gains/(losses) on endowment assets (see note 3b)	1,611	5,299
	Investment management costs and loan interest (see note 3d)	(262)	(367)
	Total return for year	3,189	6,184
	Total return transferred to income and expenditure reserve (see note 3a)	(2,671)	(2,502)
	Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 18)	518	3,682

3d	Investment management costs and loan interest	2019	2018
		£000s	£000s
	Land and buildings	81	101
	Quoted securities - equities	181	219
	Endowment Loan Interest	-	47
		262	367
	Other Loan Interest and costs	501	-
	Total	763	367

4	Education expenditure	2019	2018
		£000s	£000s
	Teaching	3,246	2,587
	Tutorial	1,152	928
	Admissions	1,409	1,298
	Research	808	604
	Scholarships and awards	624	346
	Other educational facilities	361	277
	Total	7,600	6,040

5	Residences, catering and conferences expenditure	2019	2018
		£000s	£000s
	Accommodation:		
	College members	2,598	2,334
	Conferences	1,217	953
	Sub-total	3,815	3,287
	Catering:		
	College members	1,344	1,319
	Conferences	1,492	1,261
	Sub-total	2,836	2,580
	Total	6,651	5,867

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

6a	Analysis of 2018/2019 expenditure by activity				
		Staff costs (note 7)	Other operating expenses	Depreciation	Total
		£000s	£000s	£000s	£000s
	Education	2,926	4,365	309	7,600
	Residences, catering and conferences	3,020	2,838	793	6,651
	Other	211	524	-	735
	Statute G,II	-	7	-	7
	Totals	6,157	7,734	1,102	14,993
	Expenditure includes fundraising costs of £423,603. This expenditure excludes the costs of alumni relations.				

6b	Analysis of 2017/2018 expenditure by activity				
		Staff costs (note 7)	Other operating expenses	Depreciation	Total
		£000s	£000s	£000s	£000s
	Education	2,600	3,124	316	6,040
	Residences, catering and conferences	2,681	2,375	811	5,867
	Other	187	558	-	745
	Statute G,II	-	10	-	10
	Totals	5,468	6,067	1,127	12,662
	Expenditure includes fundraising costs of £259,000. This expenditure excludes the costs of alumni relations.				

6c	Auditors' remuneration	2019	2018
		£000s	£000s
	Other operating expenses include:		
	Audit fees payable to the College's external auditors	21	22
	Other fees payable to the College's external auditors	1	1
	Totals	22	23

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

7	Staff costs					
	Consolidated	College Fellows	Other academic	Non-academic	2019 Total	2018 Total
		£000s	£000s	£000s	£000s	£000s
	Staff costs:					
	Emoluments	1,335	-	3,695	5,030	4,446
	Social security costs	127	-	294	421	371
	Other pension costs	187	-	519	706	651
		1,649	-	4,508	6,157	5,468
	Average staff numbers (full-time equivalents):					
	Academic (numbers of stipendiary staff)	57	-	-	57	55
	Non-academic (full time equiv.)	3	-	135	138	130
	Total	60		135	195	185
	The Governing Body comprises 68 (2018: 62) Fellows, of which 58 (2018: 58) are stipendiary.					
	No officer or employee of the College, including Head of House, received emoluments including reimbursement of expenses incurred, of over £100,000 during this year or the previous year.					
	Key management personnel					
	Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. These are the Master, Senior Tutor, Bursar, Operations Director, Development Director and Chaplain. This cost includes aggregated emoluments paid to key management personnel.					
	Aggregated emoluments consists of salary, taxable benefits and any employers' pension contributions.					
					2019 Total	2018 Total
					£000s	£000s
	Key management personnel				528	386

During the year, emoluments paid to Trustees in their capacity as College Officers were as follows. The members of the Governing Body have been identified as Trustees of the College	2019 Total	2018 Total
	£000s	£000s
Aggregate Emoluments	1,704	1,581

The Trustees received no emoluments in their capacity as Trustees of the Charity.

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

8	Fixed assets					
	Consolidated	College buildings and Site	College houses and hostels	Assets Under Construction	2019 Total	2018 Total
		£000s	£000s	£000s	£000s	£000s
	Cost or valuation					
	At beginning of year	49,413	15,150	3,289	67,852	66,352
	Additions	220	53	1,616	1,889	1,500
	Transfers	6	1,839	(1,845)	-	-
	Disposals	-	-	-	-	-
	At end of year	49,639	17,042	3,060	69,741	67,852
	Depreciation					
	At beginning of year	10,437	2,157	-	12,594	11,467
	Charge for the year	878	224	-	1,102	1,127
	Eliminated on disposals	-	-	-	-	-
	At end of year	11,315	2,381	-	13,696	12,594
	Net book value					
	At end of year	38,324	14,661	3,060	56,045	55,258
	At beginning of year	38,976	12,993	3,289	55,258	54,885
	College					
	Cost or valuation					
	At beginning of year	49,413	15,150	3,279	67,842	66,352
	Additions	220	53	1,669	1,942	1,490
	Transfers	6	1,883	(1,889)	-	-
	Disposals	-	-	-	-	-
	At end of year	49,639	17,086	3,059	69,784	67,842
	Depreciation					
	At beginning of year	10,437	2,157	-	12,594	11,467
	Charge for the year	878	224	-	1,102	1,127
	Eliminated on disposals	-	-	-	-	-
	At end of year	11,315	2,381	-	13,696	12,594
	Net book value					
	At end of year	38,324	14,705	3,059	56,088	55,248
	At beginning of year	38,976	12,993	3,279	55,248	54,885
	The insured value of freehold land and buildings as at 30 June 2019 was £151,036,000 (2018: £145,820,000).					
	The cost to the group of freehold buildings and assets under construction consists of the costs incurred by the College less the surplus recorded in the accounts of St Catharine's College Events Limited, a subsidiary undertaking, and eliminated on consolidation.					

Included within College Buildings and Houses is freehold land valued at £8 million, which is not depreciated.

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

8	Fixed assets (continued)		
	Heritage assets		
	The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.		
	As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2011 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date and as reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they were brought into the accounts at insurance value on first adoption of the RCCA format. As a result the total included in the balance sheet is partial.		
	Amounts for the current and previous years were as follows:		
		2019	2018
		£000s	£000s
	Acquisitions purchased with specific donations	113	202
	Acquisitions purchased with College funds	16	11
	Total cost of acquisitions purchased	129	213
	Value of acquisitions by donation	-	-
	Total acquisitions capitalised	3,126	2,997

9	Investments				
		Consolidated	College	Consolidated	College
		2019	2019	2018	2018
		£000s	£000s	£000s	£000s
	Balance at beginning of year	71,868	71,868	68,307	68,307
	Additions	38,315	38,315	22,066	22,066
	Disposals	(6,982)	(6,982)	(24,522)	(24,522)
	Transfer to Operational Buildings	-	-	-	-
	Gain/(loss)	2,528	2,528	4,849	4,849
	Increase/(decrease) in cash balances held at fund managers	7,557	7,557	1,168	1,168
	Balance at end of year	113,286	113,286	71,868	71,868
	Represented by:				
	Property	11,304	11,304	12,775	12,775
	Quoted securities – equities	26,424	26,424	24,538	24,538
	Fixed interest securities	-	-	-	-
	Investments in subsidiary undertakings	-	-	-	-
	Cash in hand and at investment managers	13,495	13,495	5,937	5,937
	Other investments	62,063	62,063	28,618	28,618
	Total	113,286	113,286	71,868	71,868
	Analysed by:				
	Fixed Asset Investments	113,286	113,286	71,868	71,868
	Current Asset Investments	-	-	-	-
	Total	113,286	113,286	71,868	71,868

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

10	Stocks and work in progress				
		Consolidated	College	Consolidated	College
		2019	2019	2018	2018
		£000s	£000s	£000s	£000s
	Goods for resale	200	200	221	221
	Work in progress	-	-	-	-
	Other stocks	-	-	-	-
	Totals	200	200	221	221

11	Trade and other receivables				
		Consolidated	College	Consolidated	College
		2019	2019	2018	2018
		£000s	£000s	£000s	£000s
	Members of the College	19	19	29	29
	Amounts due from subsidiary undertakings	-	10	-	240
	Other receivables	256	241	496	372
	Prepayments and accrued income	10,752	10,727	1,253	1,234
	Totals	11,027	10,997	1,778	1,875

12	Cash and cash equivalents				
		Consolidated	College	Consolidated	College
		2019	2019	2018	2018
		£000s	£000s	£000s	£000s
	Short-term money market investments	-	-	-	-
	Bank deposits	-	-	6	6
	Current accounts -Interest earning	628	590	1,727	1,439
	Cash in hand	2	2	7	7
	Totals	630	592	1,740	1,452

13	Creditors: amounts falling due within one year				
		Consolidated	College	Consolidated	College
		2019	2019	2018	2018
		£000s	£000s	£000s	£000s
	Bank overdraft	-	-	-	-
	Trade creditors	227	227	170	170
	Members of the College	241	241	228	228
	Amounts due to subsidiary undertakings	-	81	-	-
	University fees	68	68	379	379
	Contribution to Colleges Fund	10	10	10	10
	Other creditors (e.g. VAT)	307	307	346	346
	Accruals and deferred income	1,118	980	978	761
	Totals	1,971	1,914	2,111	1,894

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

14	Creditors: amounts falling due after more than one year				
		Consolidated	College	Consolidated	College
		2019	2019	2018	2018
		£000s	£000s	£000s	£000s
	Bank loans	6,000	6,000	6,000	6,000
	Other Loans	25,000	25,000	5,000	5,000
	Totals	31,000	31,000	11,000	11,000

During 2018-19, the College borrowed a further £20 million from Pension Insurance Corporation. The loan is unsecured and is repayable in full in 2063 and has a fixed interest rate of 2.97%.

In 2013-14, the College borrowed from institutional investors, collectively with other colleges, the College's share being £5 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges.

In addition, the College has existing other unsecured borrowings of £6 million from a bank, repayable in 2048, at a fixed interest rate of 4.93%.

15	Pension provisions					
					Total	Total
	Consolidated & College	USS	CCFPS	CEFPS	2019	2018
		£000s	£000s	£000s	£000s	£000s
	Balance at beginning of year	291	3,852	24	4,167	4,521
	Movement in year:					
	Current service cost including life assurance	727	293	(2)	1,018	442
	Contributions	(203)	(348)	(3)	(554)	(443)
	Other finance cost	6	105	-	111	131
	Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	-	649	-	649	(484)
	Balance at end of year	821	4,551	19	5,391	4,167

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

16	Endowment funds				
	Restricted net assets relating to endowments are as follows:				
	Consolidated & College	Restricted permanent endowments	Unrestricted permanent endowments	Total 2019	Total 2018
		£000s	£000s	£000s	£000s
	Balance at beginning of year				
	Capital	34,746	5,179	39,925	35,327
	New donations and endowments	25,207	34	25,241	285
	Increase/(decrease) in market value of investments	296	8	304	1,957
	Transfer between Funds	6,223	(4,004)	2,219	2,356
	Balance at end of year	66,472	1,217	67,689	39,925
	Analysis by type of purpose				
	Fellowship Funds	24,686	-	24,686	22,934
	Prizes	1,037	143	1,180	738
	Travel Awards	227	710	937	918
	Home Bursaries	5,396	-	5,396	5,113
	Graduate Bursaries	28,784	-	28,784	3,756
	Overseas Bursaries	4,069	-	4,069	4,040
	Grants	302	364	666	628
	Other	1,384	-	1,384	1,219
	General Endowment	587	-	587	579
	Group Total	66,472	1,217	67,689	39,925
	Analysis by asset				
	Property	6,633	121	6,754	7,096
	Investments	51,921	951	52,872	29,530
	Cash	7,918	145	8,063	3,299
	Group Total	66,472	1,217	67,689	39,925

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

17	Restricted Reserves					
	Reserves with restrictions are as follows:					
	Consolidated & College	Capital grants unspent	Permanent unspent and other restricted income	Restricted expendable endowment	2019 Total	2018 Total
		£000s	£000s	£000s	£000s	£000s
	Balance at beginning of year					
	Capital	383	-	1,344	1,727	800
	Accumulated income	-	5,073	-	5,073	4,611
	New grants	4,719	-	-	4,719	581
	New donations	-	302	530	832	717
	Endowment return transferred	4	1,685	60	1,749	1,319
	Other investment income					
	Increase/(decrease) in market value of investments	3	38	12	53	309
	Expenditure	-	(1,956)	(245)	(2,201)	(1,532)
	Capital grants utilised	(124)	-	-	(124)	(198)
	Transfer between Funds	96	263	294	653	193
	Balance at end of year					
	Capital	5,082	-	1,935	7,017	1,727
	Accumulated income	-	5,370	95	5,465	5,073
	Analysis of other restricted funds/donations by type of purpose					
	Fellowship Funds	-	2,178	1,192	3,370	2,734
	Prizes	-	246	6	252	270
	Travel Awards	-	240	-	240	236
	Home Bursaries	-	649	28	677	580
	Graduate Bursaries	-	493	-	493	500
	Overseas Bursaries	-	1,193	-	1,193	1,250
	Grants	5,082	44	417	5,543	924
	Other	-	290	387	677	270
	General Endowment	-	37	-	37	36
	Group Total	5,082	5,370	2,030	12,482	6,800

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

18	Memorandum of Unapplied Total Return		
	Included within reserves the following amounts represent the Unapplied Total Return of the College:		
		2019	2018
		£000s	£000s
	Unapplied Total Return at beginning of year	25,165	21,483
	Unapplied Total Return for year (see note 3b)	518	3,682
	Unapplied Total Return at end of year	25,683	25,165

19	Reconciliation of consolidated surplus for the year to net cash inflow from operating activities		
		2019	2018
		£000s	£000s
	Surplus for the year	30,017	5,241
	Adjustment for non-cash items		
	Depreciation	1,102	1,127
	Investment income	-	-
	Loss/(gain) on endowments, donations and investment property	(2,575)	(5,295)
	Decrease/(increase) in stocks	21	11
	Decrease/(increase) in trade and other receivables	(9,249)	(282)
	Increase/(decrease) in creditors	(141)	(493)
	Increase/(decrease) in provisions	-	-
	Pension costs less contributions payable	576	129
	Adjustment for investing or financing activities		
	Investment income	(2,358)	(1,252)
	Interest payable	843	440
	Loss/(Profit) on the sale of non-current assets	-	-
	Net cash inflow from operating activities	18,236	(374)

20	Cash flows from investing activities		
		2019	2018
		£000s	£000s
	Proceeds from sales of non-current fixed assets	-	-
	Non-current investment disposal	88	2,246
	Investment income	2,196	1,247
	Endowment funds invested	(38,770)	(505)
	Withdrawal of deposits	-	-
	Payments made to acquire non-current assets	(2,017)	(1,713)
	Total cash flows from investing activities	(38,503)	1,275

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

21	Cash flows from financing activities		
		2019	2018
		£000s	£000s
	Interest paid	(843)	(440)
	Interest element of finance lease rental payment	-	-
	New secured loans	20,000	-
	Repayments of amounts borrowed	-	-
	Capital element of finance lease rental payments	-	-
	Total cash flows from financing activities	19,157	(440)

22	Analysis of cash and cash equivalents			
		At beginning of year	Cash flows	At end of year
		£000s	£000s	£000s
	Bank overdrafts & Other Loans	(11,000)	(20,000)	(31,000)
	Cash at bank and in hand	1,740	(1,110)	630
	Net Funds	(9,260)	(21,110)	(30,370)

23	Capital commitments		
		2019	2018
		£000s	£000s
	Capital commitments at 30 June 2019 are as follows:		
	Authorised and contracted:		
	Building works	1,787	1,114
	Collective investment with Cambridge University & other Cambridge Colleges	80	77
	Collective investment schemes through investment managers	217	217
		2,084	1,408
	Authorised but not yet contracted for	-	-
	Commitments under finance leases entered into but not yet provided for in the financial statements	-	-

24	Lease obligations		
	At 30 June 2019 the College had annual commitments under non-cancellable operating leases as follows:		
		2019	2018
		£000s	£000s
	Land and buildings:		
	Expiring within one year	271	222
	Expiring between two and five years	84	43
	Expiring in over five years	23	-
		378	265
	Other		
	Expiring within one year	17	11
	Expiring between two and five years	6	24
	Expiring in over five years	-	-
		23	35

ST CATHARINE'S COLLEGE, CAMBRIDGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

25 Pension schemes

In addition to the defined contribution schemes for assistant staff the College participates in three defined benefit schemes, the Universities Superannuation Scheme (USS), the Cambridge Colleges Federation Pension Scheme (CCFPS), and the Church of England Funded Pension Scheme (CEFPS). The total pension cost for the year ended 30 June was as follows:

	2019	2018
	£000	£000
USS: Charged to income and expenditure	203	165
CCFPS: Charged to income and expenditure account	398	340
Other pension schemes: Contributions	105	146
	706	651

University Superannuation Scheme

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2018 is underway but not yet complete. The 2018 actuarial valuation was finalised after the year end which indicated a shortfall of £3.6 billion.

Since the institution cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2017 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and funding ratio of 89%.

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

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI – 0.53% reducing linearly to CPI – 1.32% Years 11-20: CPI +2.56% reducing linearly to CPI +1.7% by year 21 Years 21 +: CPI +1.7%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2017 Valuation
Mortality base table	Pre-Retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

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University Superannuation Scheme (Continued)

The current life expectancies on retirement at age 65 are:

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

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

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

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 30 June 2019, and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £493,000, a decrease of £329,000 from the current year end provision and a lower charge through the Statement of Comprehensive Income of £404,000.

Cambridge Colleges Federation Pension Scheme

The College is also a member of a multi-employer defined benefits plan, the Cambridge Colleges' Federated Pension Scheme (CCFPS). The liabilities of the plan have been calculated, at 30 June 2019, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date were as follows:

	2019 % p.a.	2018 % p.a.
Discount rate	2.25	2.70
Increase in salaries	2.90	2.75
Retail Price Index (RPI) assumption	3.40	3.25
Consumer Price Index (CPI) assumption	2.40	2.25
Pension increases in payment (RPI max 5% p.a.)	3.30	3.15
Pension increases in payment (CPI max 2.5%)	1.90	1.80

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2018 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2018: S2PA with CMI_2017 future improvement factors and a long-term improvement rate of 1.25% p.a.).

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Cambridge Colleges Federation Pension Scheme (continued)

This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 21.8 years (previously 21.9 years)
- Female age 65 now has a life expectancy of 24.0 years (previously 23.8 years)
- Male age 45 now and retiring in 20 years would have a life expectancy of 23.1 years (previously 23.3 years).
- Female age 45 now and retiring in 20 years would have a life expectancy of 25.5 years (previously 25.4 years).

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

	Male	Female
Active Members – Option 1 Benefits	65	63
Deferred Members – Option 1 Benefits	62	60

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

The amounts recognised in the balance sheet as at 30 June 2019 (with comparative figures as at 30 June 2018) are as follows:

	2018 £000s	2018 £000s
Market value of plan assets	9,389	8,520
Present value of plan liabilities	(13,940)	(12,372)
Net defined benefit asset/(liability)	(4,551)	(3,852)

The amounts to be recognised in Income and Expenditure for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	2019 £000s	2018 £000s
Current service cost	266	276
Administrative expenses	18	17
Interest on net defined benefit (asset)/liability	105	109
(Gain)/loss on plan changes	24	-
Total charge	413	402

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

	2019 £000s	2018 £000s
Present value of plan liabilities at beginning of period	12,372	12,410
Current service cost	266	276
Employee contributions	28	28
Benefits paid	(343)	(294)
Interest on plan liabilities	333	323
Actuarial losses/(gains)	1,260	(371)
(Gain)/loss on plan changes	24	-
Curtailment (gain)/loss	-	-
Present value of Scheme liabilities at end of period	13,940	12,372

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Cambridge Colleges Federation Pension Scheme (continued)

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

	2019 £000s	2018 £000s
Market value of plan assets at beginning of period	8,520	8,233
Contributions paid by the College	348	243
Employee contributions	28	28
Benefits paid	(344)	(294)
Administrative expenses paid	(27)	(27)
Interest on plan assets	229	214
Return on assets, less interest included in Profit and Loss	635	123
Market value of Scheme assets at end of period	9,389	8,520
Actual return on plan assets	864	337

The major categories of plan assets as a percentage of total Scheme assets at 30 June 2019 (with comparative figures at 30 June 2018) are as follows:

	2019	2018
Equities	57%	64%
Bonds & Cash	34%	30%
Properties	9%	6%
Total	100%	100%

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	2019 £000s	2018 £000s
Return on assets, less interest included in Income & Expenditure	635	123
Expected less actual plan expenses	(9)	(11)
Experience gains and losses arising on plan liabilities	144	(183)
Changes in assumptions underlying the present value of plan liabilities	(1,404)	555
Remeasurement of net defined benefit liability recognised in OCI	(634)	484

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

	2019 £000s	2018 £000s
Net defined benefit asset/(liability) at beginning of year	(3,852)	(4,177)
Recognised in Income and Expenditure	(413)	(402)
Contributions paid by the College	348	243
Remeasurement of net defined benefit liability recognised in OCI	(634)	484
Surplus/(deficit) in plan at the end of the year	(4,551)	(3,852)

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Cambridge Colleges Federation Pension Scheme (continued)

Funding Policy

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

The last such actuarial valuation was as at 31 March 2017. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 28 June 2018 and are as follows:

Annual contributions of not less than £116,522 per annum payable for the period from 1 July 2018 to 31 March 2034.

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

Church of England Funded Pensions Scheme

The college participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOCIE in the year, are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2015. A valuation at 31 December 2018 is currently under way, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement.
- Investment returns equivalent to 2.6% pa on gilts and 4.6% pa on return-seeking assets;
- RPI inflation of 3.2% pa (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% pa; and
- Mortality in accordance with 80% of the S2NFA and S2NMA tables, with allowance for future improvements in mortality rates in line with the CMI 2015 core projections, with a long term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) are set out in the table below.

% of pensionable stipends	1 January 2016 to December 2017	1 January 2018 to 31 December 2025
Deficit repair contributions	14.1%	11.9%

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Church of England Funded Pensions Scheme (Continued)

The deficit recovery contributions under the recovery plan in force as at 31 December 2016, 31 December 2017 and 31 December 2018 were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2018	2017
	£000s	£000s
Balance sheet liability at 1 January	(24)	(23)
Deficit contribution paid	3	3
Interest cost (recognised in SOCIE)	-	-
Remaining change to the balance sheet liability* (recognised in the SOCIE)	2	(4)
Balance sheet liability at 31 December	(19)	(24)

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2018	December 2017	December 2016
Discount rate	2.1% pa	1.4% pa	1.5% pa
Price inflation	3.1% pa	3.0% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.5% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, St Catharine's College (Cambridge) could become responsible for paying a share of that Responsible Body's pension liabilities.

26 Principal subsidiary and associated undertakings and other significant investments

The College holds more than 20% of the share capital of the following companies:

	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings:			
St Catharine's College Development Ltd	UK	Ordinary	100
St Catharine's College Events Ltd	UK	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves	Result for the year
		2019	2019
	Principal activity	£000s	£000s
St Catharine's College Development Ltd	Development contractor	-	-
St Catharine's College Events Ltd	Functions and events	18	-

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27 Related Party Transactions

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 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.

No disclosure of transactions with St Catharine's College Development Limited or St Catharine's College Events Limited has been made as those financial statements at 30 June 2019 have been consolidated.

Like some other Colleges, the College offers a shared equity housing assistance scheme to Fellows, in order to attract them to work in Cambridge, which is a high cost residential area. As at June 30th 2019 2 (2018: 2) Fellows benefited from assistance and the College's contribution was £270,000 (2018: £270,000).

28 Post Balance Sheet Event – USS Pension Provision Valuation

As set out in Note 25 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed post year end. This results in a decrease of £329,000 in the provision for the obligation to fund the deficit on the USS pension which would instead be £493,000. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2020.