

ST CATHARINE'S COLLEGE, CAMBRIDGE

Charity Registration No: 01137463

RECOMMENDED CAMBRIDGE COLLEGE ACCOUNTS

ST CATHARINE'S COLLEGE, CAMBRIDGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2018

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 P N Hartle
Bursar:	Mr S P Summers

Dr R B B Wardy
Professor J A Pyle
Dr P R Palmer
Professor E V Ferran
Professor H Van de Ven
Dr P Oliver
Dr I C Willis
Professor C M Clark
Dr G E Kantaris
Mr M F Kitson
Dr R A Melikan
Professor M P F Sutcliffe
Dr J H Xuereb
Dr A Davenport
Dr K J Dell
Dr C J Gonda
Dr N Berend
Dr D C Aldridge
Dr R W Dance
Dr P D Wothers

Professor M C Elliott
Ms I Borzym
Dr A S Brundin
Dr S Iyer
Dr M J Mason
Dr S N Taraskin
Dr D J Bainbridge
Dr H Wydra
Dr H Lees-Jeffries
Dr E Wickham
Dr G Carr
Dr M Griffin
Professor R Harrison
Professor J Dalley
Mrs D G Loveluck
Dr I Scales
Professor W Sutherland
Dr P Turner
Professor S Althorpe
Dr M DeJong

Dr F Santos
Dr J Neufeld
Professor S Marciniak
Dr M Hurley
Dr H Kandil
Professor N Morrell
Rev'd Dr D Neaum
Dr T Rogan
Dr R Smith
Dr J Gwynne
Dr M Amior
Dr C Psarras
Dr S Taylor
Dr M Kilkenny
Dr R Chen

ST CATHARINE'S COLLEGE, CAMBRIDGE

GOVERNING BODY AND ADVISORS (CONTINUED)

Finance Committee

Professor Sir Mark Welland	Master
Mr S P Summers	Bursar
Dr P N Hartle	Senior Tutor
Mrs D G Loveluck	Development Director
Dr P Wothers	
Dr P Turner	
Dr H Wydra	
Dr A Davenport	
Dr M Hurley	
Dr S Taylor	
Dr S Taraskin	
Dr M Amior	
Dr S Iyer	

Investments Committee

Professor Sir Mark Welland	Master
Mr S P Summers	Bursar
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	

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
---------------------------------	--	--

ST CATHARINE'S COLLEGE, CAMBRIDGE

CONTENTS

	Page
Annual Report of the Trustees	4 -10
Statement of Corporate Governance	11
Statement of Internal Controls	12
Responsibilities of the Governing Body	13
Independent auditors' report	14 -16
Statement of principal accounting policies	17 -22
Consolidated statement of comprehensive income and expenditure	23
Consolidated statement of changes in reserves	24
Consolidated and College Balance sheets	25
Consolidated cash flow statement	26
Notes to the accounts	27 - 45

**ANNUAL REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2018**

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 2017-18, of the financial performance for the twelve months ending June 30th 2018, and the financial condition of the College at that date.

Aims 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:

ST CATHARINE'S COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

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

Achievements of 2017-2018

Academic

The academic year 2017-2018 was one of the most successful in recent years for the College. Our position in the academic league tables moved sharply upwards, being ranked tenth (as opposed to eighteenth in the previous two years) of all colleges. In absolute terms, our performance was in some ways the strongest on record, with the second-highest number of first-class results ever (117 in all, the highest since 2005 and constituting a little over 30% of all students, an even higher percentage than in that year), unfortunately partially offset by a slight increase in the number of Third Class results. There were outstandingly strong results in Asian and Middle Eastern Studies, English and Medicine, with some exceptional year-cohorts in Modern and Medieval Languages and Engineering. A number of outstanding students topped the whole University Tripos, for example in Archaeology and Materials Science, whilst there were remarkably high achievers in first-year Medical and Natural Sciences Tripos.

At the other end of the student experience, St Catharine's also enjoyed great success in the admissions round in 2017. We received 1046 applications, the second highest number of applications across all the Colleges (second to Trinity). St Catharine's had the most applicants across the University in Natural Sciences, History, English and Modern and Medieval Languages. In a year that saw a 7.6% increase in applicants to Cambridge overall, St Catharine's applications rose by 31%. We interviewed slightly over 800 candidates. The College's investment in Outreach activity was rewarded by a high proportion of candidates from the UK state sector: of our UK applicants, 77% were from the state sector. Of the offers we made to UK applicants, 78% were to state school applicants, showing a high standard of quality as well as quantity in these applicants.

The College invests much of its relatively modest endowment in educational support, especially in its Teaching Officers. This strategy has been rewarded this year with the strong showings in English, Natural Sciences and Modern Languages. Many of those graduating in the past 2/3 years have succeeded in obtaining places on Masters and PhD courses, while others have taken up employment in highly competitive positions. The College has successfully supported the needs of young future academics and also young future high flyers in commerce and in industry.

The overwhelming majority of our postgraduate students obtained their degrees successfully, several with marks of Distinction on Masters' courses, especially in History.

Meanwhile, often through 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 Life Drawing Society and support provided to student film-makers) both to cohorts of students and, via the excellent St Catharine's Lecture Series (given by distinguished external speakers from the Arts and Sciences, and open to all), to the wider public.

ST CATHARINE'S COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

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 has continued to update its equipment needed for the upkeep of the sports fields, this year with a new 'spiker' to assist aeration and drainage. External use of the hockey pitch has once again been high, bringing in useful revenue which helps with its upkeep. Similarly, a number of town crews make use of our facilities at the boathouse.

The different College clubs again enjoyed great success with many reaching the semi-finals in the Cuppers competition. The hockey teams in particular dominated other Colleges winning the mens', womens' and mixed events.

Interest in rowing continues to be healthy and the College Boat Club fielded a good number of boats in the Lent and May Bumps. This year we have recruited a Rowing Coach and Boathouse Manager to replace our long-serving Boatman. We are hoping for great things from the club in the future!

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.

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.

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 beyond. The choirs have in the past year contributed to a number of charity concerts; and the College has for six 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 professional Director of College Music (financially supported wholly by the College), 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 first of what is intended as an annual project: an outdoor Christmas event - Christmas Luminaria - 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; for the past two years, Dr Wickham has managed the University's major choral outreach initiative – the Cambridge Choral Experience – involving over 100 children from non-fee-paying schools. He and the Girls' Choir are currently embarked on a Science/Music project – Stem in Song – which aims to encourage girls to engage with science through music.

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.

ST CATHARINE'S COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

Financial review

Format of accounts

The format complies with Financial Reporting Standard 102 ("FRS 102"). The standard new format is not especially informative for endowed charities, especially those like the College, which are fortunate enough to benefit from significant gifts and legacies on a regular basis.

Therefore, Colleges have provided a breakdown within the 'Statement Of Comprehensive Income and Expenditure' ('SOCIE') between transactions within the Endowment and those which would have previously been presented in an Income and Expenditure account. The latter are also divided between Restricted and Unrestricted activities.

Comprehensive Income & Expenditure

Considering firstly the 'Total' columns, Income before Donations and Endowments grew by a satisfactory 4.6%. During the year, new Donations and Endowments were at very good levels of over £2.5 million but below the two prior years, and as a result Total income dipped by 1.8% to £12.6 million. Expenditure as defined grew by over 6%, faster than the related revenues. As in the prior year, the largest increases in costs occurred through a series of improvements in our operating properties, especially student residences, and also because we rented more rooms for our additional students on the external market. In addition the College responded to competitive pressures in the local labour market by increasing pay levels during the year, to recognise our highest performing staff, which will also have an effect on cost growth in 2018/19. The net effect of these factors resulted in a deficit before gains and losses of £58,000, a reduction from the prior year's surplus of £928,000. Investment gains of £5.3 million were very satisfactory once again though below the exceptional amount of £6.3 million in 2016/17. This year a modest reduction in pension fund deficits was reported instead of a somewhat increased deficit in 2016/17. After these items, the bottom line of 'Total Comprehensive Income' was once again a substantial surplus, of £5.7 million for the year. Because FRS 102 requires the College to report all investment returns in the SOCIE, this bottom line outcome should be expected to be a much more volatile number, and less helpful in understanding the underlying operating performance of the College, than the equivalent number in the Income and Expenditure account as reported under the previous accounting standard.

In the FRS 102 format, investment returns in the year are recognised both as Investment Income and as Gains on Investments. These totalled over £6.5 million representing a total return of significantly over 9%, lower than last year's 11% but still in excess of our long term expectations, which is further discussed below. These returns are exceptionally high, thanks to both further rises in global stock markets and individual events within the College's property portfolio, and will not be sustained at these levels in future years.

The College continues to state its investment returns in the 'total return' format this year. The investment portfolio has been managed on that basis for a number of years. The effect of the change can be seen in the 'endowment return transferred' line of the SOCIE and is discussed in more detail in the Statement of Principal Accounting Policies and in note 3 of the accounts.

Key points to note in the 'Unrestricted' comparison are a further small 2% rise in Academic income deriving once again from small fee increases and slightly higher graduate student numbers. With substantially all undergraduates paying the £9,250, or the earlier £9,000, fee last year, the scope for further fee income growth is limited by regulation. Residential, catering and conference income grew by over 6%, with growth arising from a combination of additional College members, both via accommodation charges and through greater internal catering sales to students, and continued growth of the external conference and catering business.

Unrestricted donations increased, and the College is grateful to all alumni who continue to support us through both donations and legacies.

The College has benefitted once again from external support from both the Newton Trust and the Cambridge Philosophical Society, enabling the continuation of two Junior Research Fellowships in the Social Sciences. We are most grateful for this assistance.

ST CATHARINE'S COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

Staff costs, which are discussed in Note 7 to the accounts, grew by 7.2%, as investment continued in improved service and to grow our external activities. The College rented more rooms externally than in the past, to accommodate the increased graduate numbers, offsetting the higher revenue noted above. Other costs were generally well controlled although rising building maintenance costs and utility bills are a cause for concern and continue to be closely monitored.

The 2016-17 accounts have been restated to reflect a write-off of interest costs of £129,000, incurred and previously capitalised. There is also a prior year adjustment to opening reserves of £567,000, to reflect interest capitalised in years prior to 2016-17. These costs were capitalised during the period when the College considered, and ultimately declined, the opportunity to participate in the development of the Old Press Site in central Cambridge. Further information is given in Note 28 to the Accounts.

Pensions

The College's share of the deficits in two pension schemes declined by 8% in the year to £4.17 million. The share of the deficit in the CCFPS staff pension scheme reduced to £3.9 million. The College has in place an agreed 20-year deficit reduction programme.

This deficit is a sizeable one, and may yet be mitigated by future investment returns in the Scheme, but the impact will accrue over a number of financial years, and the College intends to ensure that it does not impact on the ability to support each successive cohort of our students. 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.

The College is also a member of the defined benefit University Superannuation Scheme (USS) for academic staff. That Scheme also has a sizeable deficit, the College's share of which is accounted for in the balance sheet at £300,000. 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 are currently undertaking triennial revaluations as at March 2017 and indications are that recent reductions in long term interest rates will result in increased deficits, though CCFPS has as described taken steps to hedge some of those risks. National negotiations over future costs of the USS Scheme have not yet reached a stage when the amount of future contributions can be accurately assessed but they are not expected to reduce from recent levels. Employer contribution rates for both schemes for the three-year period beginning in 2018/9 are likely to be higher than current levels.

Donations and legacies

Donations, legacies and capital grants received or notified during the year amounted to the substantial sum of £2.6 million. The College is extremely grateful to all its donors, and also to those who have made arrangements to remember the College in their wills.

While the nature of donation and legacy income is that it is unpredictable as to both timing and amount, and therefore fluctuates significantly from year to year, it is very gratifying to see that members continue to make new pledges for both restricted and unrestricted purposes, and we are confident of continuing support.

Endowment and investment performance

All investment income received is applied in pursuit of the charitable objectives of the College.

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018**

The value of the College investment portfolio rose by over 5% to £71.8 million, thanks to a combination of donations and good investment returns. During the year, £2.1 million of investment assets which were acquired temporarily funded by borrowings were redeemed. This sum is being expended in developing additional student accommodation.

Total investment return on the portfolio in 2017-18 was once again well above the expected long-term average. Returns from property (including investments in property funds) were improved this year thanks to a number of successful initiatives, and exceeded 15%, while those from all other securities investments together continued to perform well with total returns over 8%. The College once again held elevated levels of cash during the year for prudence and the nominal returns on those deposits depressed total returns. Over a rolling five year measurement period, total returns increased to over 10% per annum which, given the persistently low levels of inflation, is significantly ahead of our real total return target. Property nominal total returns over that period were 13%pa and other assets (including somewhat nominal returns on cash balances) returned an average of over 7%pa.

Apart from the transfer of investment assets mentioned above, few changes were made to the composition of the College investment portfolio during the year. Property represents approximately one quarter of the portfolio. Cash balances are at slightly elevated levels, and the College continues to hold a securities portfolio comprising primarily equity funds, complimented by some corporate and government bonds of short duration.

In the longer term, we must continue to invest wisely, if we are to generate at least the 4% per annum real return on which our financial forecasts are based, at acceptable levels of volatility. In the short term, recent high returns and the condition of the global economy could easily result in poor or negative returns in future periods.

Total borrowing is unchanged at £11 million, which remains a very prudent level 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 2017-18 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's Finance Committee maintains and reviews regularly a Risk Register. 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.

**ANNUAL REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018**

- 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. The College maintains a Risk Register which is reviewed at least annually by the Finance Committee who report to the Governing Body.

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. £2.5m.

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 2018 was £11.6 million after deducting endowment and restricted funds, and reserves committed to operating and heritage assets (£12.5 million on June 30th 2017). At the same date the College held £3.2M in cash deposits (of less than three months duration) over and above expected needs to fund its working capital and commitments to capital expenditure. It also held £3M in high- grade short duration bonds, and over £5M in widely traded stocks, both of which in the opinion of its investment managers are realisable within five working days.

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, 2017-18 was another successful year.

We will continue to invest for the long-term success of the College within the University of Cambridge.



Simon Summers

Bursar

On behalf of the Trustees

9th November 2018

**STATEMENT OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED 30 JUNE 2018**

Corporate Governance

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, 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, 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 in the past made recommendations for the membership of College Committees. A Nominations Committee, chaired by the Master, has assumed the latter activity.
 - 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, 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.

**STATEMENT OF INTERNAL CONTROLS
FOR THE YEAR ENDED 30 JUNE 2018**

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 2018 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.

**RESPONSIBILITIES OF GOVERNING BODY
FOR THE YEAR ENDED 30 JUNE 2018**

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 2018 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 2018 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.

**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.

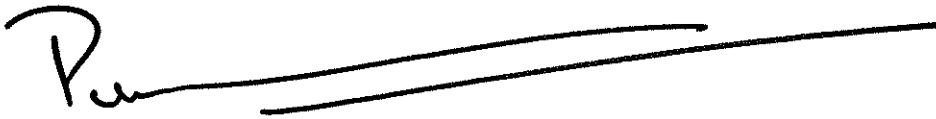
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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.

A handwritten signature in black ink, appearing to read 'Peters Elworthy & Moore', is written over a long, thin horizontal line.

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 13 November 2018

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

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2018**

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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

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 2017-18, 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 2017-18 and 2016-17, 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)	£220,000 (2017: £225,000)
Expenditure	£342,000 (2017: £333,000)

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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

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 2018

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 2018.

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.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018**

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 also 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.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018**

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 directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognized 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 COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2018**

The notes on pages 27 to 45 form part of these accounts.

	Note	2018				2017 - As Restated			
		Unrestricted £000s	Restricted £000s	Endowment £000s	Total £000s	Unrestricted £000s	Restricted £000s	Endowment £000s	Total £000s
Income									
Academic fees and charges	1	2,921	354	-	3,275	2,808	387	-	3,195
Residences, catering and conferences	2	5,461	-	-	5,461	5,112	-	-	5,112
Investment income	3	-	-	1,252	1,252	-	-	1,200	1,200
Endowment return transferred	3	1,183	1,319	(2,502)	-	970	1,348	(2,318)	-
Other income		49	1	-	50	85	3	-	88
Total income before donations and endowments		9,614	1,674	(1,250)	10,038	8,975	1,738	(1,118)	9,595
Donations & Legacies		1,338	362	-	1,700	1,143	872	-	2,015
New endowments	16	-	-	285	285	-	-	1,102	1,102
Capital grant from Colleges Fund		-	-	-	-	-	-	-	-
Other capital grants for assets		-	581	-	581	-	121	-	121
Total income		10,952	2,617	(965)	12,604	10,118	2,731	(16)	12,833
Expenditure									
Education	4	4,508	1,532	-	6,040	4,168	1,621	-	5,789
Residences, catering and conferences	5	5,867	-	-	5,867	5,499	-	-	5,499
Other expenditure		378	-	367	745	305	-	302	607
Contribution under Statute G.II		10	-	-	10	10	-	-	10
Total expenditure	6	10,763	1,532	367	12,662	9,982	1,621	302	11,905
(Deficit)/Surplus before other gains and losses		189	1,085	(1,332)	(58)	136	1,110	(318)	928
Gain/(loss) on disposal of fixed assets	8	-	-	-	-	-	-	-	-
Gain on investments	9	1,416	309	3,574	5,299	2,071	-	4,264	6,335
Surplus/(deficit) for the year		1,605	1,394	2,242	5,241	2,207	1,110	3,946	7,263
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	15	484	-	-	484	(685)	-	-	(685)
Total comprehensive income for the year		2,089	1,394	2,242	5,725	1,522	1,110	3,946	6,578

ST CATHARINE'S COLLEGE, CAMBRIDGE

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 30 JUNE 2018

	Income and expenditure reserve - as restated			
	Unrestricted £000s	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	-
Other	-	-	-	-
Balance at 30 June 2018	69,859	6,800	39,925	116,584

	Income and expenditure reserve as restated			
	Unrestricted £000s	Restricted £000s	Endowment £000s	Total £000s
Balance at 1 July 2016	69,076	4,447	31,324	104,847
Prior Year Adjustment	(567)	-	-	(567)
Balance at 1 July 2016 - as restated	68,509	4,447	31,324	104,280
Surplus/(Deficit) from income and expenditure statement	2,207	1,110	3,946	7,263
Other comprehensive income	(685)	-	-	(685)
Release of restricted capital funds spent in the year	121	(121)	-	-
Transfers between Funds & Reserves	(32)	(25)	57	-
Other	-	-	-	-
Balance at 30 June 2017	70,120	5,411	35,327	110,858

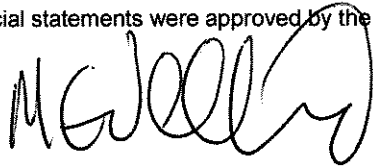
The Consolidated and College figures are not materially different; hence, separate statements for each are not produced. The notes on pages 27 to 45 form part of these accounts.

ST CATHARINE'S COLLEGE, CAMBRIDGE

CONSOLIDATED AND COLLEGE BALANCE SHEETS AS AT 30 JUNE 2018

	Note	2018	2018	2017 -as restated	
		Consolidated £000s	College £000s	Consolidated £000s	College £000s
Non-current Assets					
Fixed assets	8	55,258	55,248	54,885	54,885
Heritage assets	8	2,997	2,997	2,784	2,784
Investments	9	71,868	71,868	68,307	68,307
		130,123	130,113	125,976	125,976
Current assets					
Stocks	10	221	221	232	232
Trade and other receivables	11	1,778	1,875	1,496	1,579
Investments	9	-	-	-	-
Cash and cash equivalents	12	1,740	1,452	1,279	938
		3,739	3,548	3,007	2,749
Creditors: amounts falling due within one year	13	(2,111)	(1,894)	(2,604)	(2,364)
Net current assets		1,628	1,654	403	385
Total Assets less current liabilities		131,751	131,767	126,379	126,361
Creditors: amounts falling due after more than one year	14	(11,000)	(11,000)	(11,000)	(11,000)
Provisions					
Pension provisions	15	(4,167)	(4,167)	(4,521)	(4,521)
Total net assets		116,584	116,600	110,858	110,840
Restricted reserves					
Income and expenditure reserve – endowment reserve	16	39,925	39,925	35,327	35,327
Income and expenditure reserve – restricted reserve	17	6,800	6,800	5,411	5,411
		46,725	46,724	40,738	40,738
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		69,859	69,876	70,120	70,102
Total Reserves		116,584	116,600	110,858	110,840

The financial statements were approved by the Governing Body on 09 November 2018 and signed on its behalf by:



Professor Sir M Welland
Master



S P Summers
Bursar

The notes on pages 27 to 45 form part of these accounts.

ST CATHARINE'S COLLEGE, CAMBRIDGE

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

		2018	2017 -as restated
	Note	£000s	£000s
Net cash inflow from operating activities	19	(374)	1,347
Cash flows from investing activities	20	1,275	(2,102)
Cash flows from financing activities	21	(440)	(517)
Increase/(decrease) in cash and cash equivalents in the year		461	(1,272)
Cash and cash equivalents at beginning of the year		1,279	2,551
Cash and cash equivalents at end of the year	12	1,740	1,279

The Consolidated and College figures are not materially different; hence, separate statements for each are not produced. The notes on pages 27 to 45 form part of these accounts.

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

1	Academic fees and charges	2018	2017
		£000s	£000s
	Colleges fees:		
	Fee income received at the Regulated Undergraduate rate	1,925	1,924
	Fee income received at the Unregulated Undergraduate rate	370	325
	Fee income received at the Graduate rate	626	559
	Sub-total	2,921	2,808
	Other income	354	387
	Total	3,275	3,195

2	Income from residences, catering and conferences	2018	2017
		£000s	£000s
	Accommodation:		
	College members	2,530	2,334
	Conferences	1,049	929
	Sub-total	3,579	3,263
	Catering:		
	College members	1,165	1,105
	Conferences	717	744
	Sub-total	1,882	1,849
	Total	5,461	5,112

3	Endowment return and investment income	2018	2017
		£000s	£000s
3a	Analysis		
	Total return contribution (see note 3b)	2,502	2,318
	Net income transferred to income and expenditure reserve (see note 3b)	-	-
	Total	2,502	2,318

3b	Summary of total return	2018	2017
		£000s	£000s
	Income from:		
	Land and buildings	294	375
	Quoted securities	681	572
	Unit Trusts	261	239
	Income from short-term investments	16	14
		1,252	1,200
	Gains/(losses) on endowment assets:		
	Land and buildings	2,056	815
	Quoted and other securities and cash	3,243	5,520
		5,299	6,335
	Investment management costs and loan interest (see note 3c)	(367)	(302)
	Total return for year	6,184	7,233
	Net income transferred to income and expenditure reserve (see note 3a)		
	Total return transferred to income and expenditure reserve (see note 3a)	(2,502)	(2,318)
	Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 18)	3,682	4,915

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

3c	Investment management costs and loan interest	2018	2017
		£000s	£000s
	Land and buildings	101	(10)
	Quoted securities - equities	219	218
	Other Investments	0	1
	Loan Interest	47	93
	Total	367	302

4	Education expenditure	2018	2017 -as restated
		£000s	£000s
	Teaching	2,587	2,949
	Tutorial	928	877
	Admissions	1,298	1,067
	Research	604	286
	Scholarships and awards	346	303
	Other educational facilities	277	307
	Total	6,040	5,789

5	Residences, catering and conferences expenditure	2018	2017 -as restated
		£000s	£000s
	Accommodation:		
	College members	2,334	2,577
	Conferences	953	689
	Sub-total	3,287	3,266
	Catering:		
	College members	1,319	1,233
	Conferences	1,261	1,000
	Sub-total	2,580	2,233
	Total	5,867	5,499

6a	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.					

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

6b	Analysis of 2016/2017 expenditure by activity - as restated			
	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000s	£000s	£000s	£000s
Education	2,491	3,005	293	5,789
Residences, catering and conferences	2,437	2,308	754	5,499
Other	175	432	-	607
Statute G,II	-	10	-	10
Totals	5,103	5,755	1,047	11,905
Expenditure includes fundraising costs of £263,000. This expenditure excludes the costs of alumni relations.				

6c	Auditors' remuneration	2018 £000s	2017 £000s
	Other operating expenses include:		
	Audit fees payable to the College's external auditors	22	19
	Other fees payable to the College's external auditors	1	1
	Totals	23	20

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

7	Staff costs				2018 Total	2017 Total
	Consolidated	College Fellows	Other academic	Non-academic	2018 Total	2017 Total
		£000s	£000s	£000s	£000s	£000s
	Staff costs:					
	Emoluments	1,246	-	3,200	4,446	4,151
	Social security costs	121	-	250	371	341
	Other pension costs	179	-	472	651	611
		1,546	-	3,922	5,468	5,103
	Average staff numbers (full-time equivalents):					
	Academic (numbers of stipendiary staff)	55	-	-	55	59
	Non-academic (full time equiv.)	3	-	127	130	121
	Total	58	-	127	185	180
The Governing Body comprises 62 (2017: 62) Fellows, of which 58 (2017: 59) 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, Senior Bursar, 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.						
					2018	2017
					Total	Total
					£000s	£000s
	Key management personnel				351	330
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					2018 Total	2017 Total
					£000s	£000s
Aggregate Emoluments					1,581	1,584

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 2018

8	Fixed assets					
	Consolidated	College buildings and Site	College houses and hostels	Assets Under Construction	2018 Total	2017 Total - as restated
		£000s	£000s	£000s	£000s	£000s
	Cost or valuation					
	At beginning of year	48,859	14,967	3,221	67,047	60,274
	Prior year adjustment	-	-	(695)	(695)	(567)
	At beginning of year - as restated	48,859	14,967	2,526	66,352	59,707
	Additions	203	183	1,114	1,500	2,495
	Transfers	351	-	(351)	-	4,150
	Disposals	-	-	-	-	-
	At end of year	49,413	15,150	3,289	67,852	66,352
	Depreciation					
	At beginning of year	9,565	1,902	-	11,467	10,420
	Charge for the year	872	255	-	1,127	1,047
	Eliminated on disposals	-	-	-	-	-
	At end of year	10,437	2,157	-	12,594	11,467
	Net book value					
	At end of year	38,976	12,993	3,289	55,258	54,885
	At beginning of year -as restated	39,294	13,065	2,526	54,885	49,287
	College					
	Cost or valuation					
	At beginning of year	48,859	14,967	3,221	67,047	60,274
	Prior Year Adjustment			(695)	(695)	(567)
	At beginning of year -as restated	48,859	14,967	2,526	66,352	59,707
	Additions	203	183	1,104	1,490	2,495
	Transfers	351	-	(351)	-	4,150
	Disposals	-	-	-	-	-
	At end of year	49,413	15,150	3,279	67,842	66,352
	Depreciation					
	At beginning of year	9,565	1,902	-	11,467	10,420
	Charge for the year	872	255	-	1,127	1,047
	Eliminated on disposals	-	-	-	-	-
	At end of year	10,437	2,157	-	12,594	11,467
	Net book value					
	At end of year	38,976	12,993	3,279	55,248	54,885
	At beginning of year -as restated	39,294	13,065	2,526	54,885	49,287
	The insured value of freehold land and buildings as at 30 June 2018 was £145,820,000 (2017: £141,277,000).					
	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 2018**

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:		
		2018	2017
		£000s	£000s
	Acquisitions purchased with specific donations	202	-
	Acquisitions purchased with College funds	11	19
	Total cost of acquisitions purchased	213	19
	Value of acquisitions by donation	-	-
	Total acquisitions capitalised	2,997	2,784

9	Investments	Consolidated	College	Consolidated	College
		2018	2018	2017	2017
		£000s	£000s	£000s	£000s
	Balance at beginning of year	68,307	68,307	64,348	64,348
	Additions	22,066	22,066	8,385	8,385
	Disposals	(24,522)	(24,522)	(6,950)	(6,950)
	Transfer to Operational Buildings	-	-	(4,150)	(4,150)
	Gain/(loss)	4,849	4,849	6,782	6,782
	Increase/(decrease) in cash balances held at fund managers	1,168	1,168	(108)	(108)
	Balance at end of year	71,868	71,868	68,307	68,307
	Represented by:				
	Property	12,775	12,775	10,931	10,931
	Quoted securities – equities	24,538	24,538	37,032	37,032
	Fixed interest securities	-	-	-	-
	Investments in subsidiary undertakings	-	-	-	-
	Cash in hand and at investment managers	5,937	5,937	4,769	4,769
	Other investments	28,618	28,618	15,575	15,575
	Total	71,868	71,868	68,307	68,307
	Analysed by:				
	Fixed Asset Investments	71,868	71,868	68,307	68,307
	Current Asset Investments	-	-	-	-
	Total	71,868	71,868	68,307	68,307

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

10	Stocks and work in progress	Consolidated	College	Consolidated	College
		2018	2018	2017	2017
		£000s	£000s	£000s	£000s
		Goods for resale	221	221	232
Work in progress	-	-	-	-	
Other stocks	-	-	-	-	
Totals	221	221	232	232	

11	Trade and other receivables	Consolidated	College	Consolidated	College
		2018	2018	2017	2017
		£000s	£000s	£000s	£000s
		Members of the College	29	29	41
Amounts due from subsidiary undertakings	-	240	-	163	
Other receivables	496	372	277	236	
Prepayments and accrued income	1,253	1,234	1,178	1,139	
Totals	1,778	1,875	1,496	1,579	

12	Cash and cash equivalents	Consolidated	College	Consolidated	College
		2018	2018	2017	2017
		£000s	£000s	£000s	£000s
		Short-term money market investments	-	-	-
Bank deposits	6	6	456	456	
Current accounts -Interest earning	1,727	1,439	820	479	
Cash in hand	7	7	3	3	
Totals	1,740	1,452	1,279	938	

13	Creditors: amounts falling due within one year	Consolidated	College	Consolidated	College
		2018	2018	2017	2017
		£000s	£000s	£000s	£000s
		Bank overdraft	-	-	-
Trade creditors	170	170	210	210	
Members of the College	228	228	207	207	
Amounts due to subsidiary undertakings	-	-	-	-	
University fees	379	379	318	318	
Contribution to Colleges Fund	10	10	10	10	
Other creditors (e.g. VAT)	346	346	360	360	
Accruals and deferred income	978	761	1,499	1,259	
Totals	2,111	1,894	2,604	2,364	

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

14	Creditors: amounts falling due after more than one year	Consolidated	College	Consolidated	College
		2018	2018	2017	2017
		£000s	£000s	£000s	£000s
	Bank loans	6,000	6,000	6,000	6,000
	Other Loans	5,000	5,000	5,000	5,000
	Totals	11,000	11,000	11,000	11,000

During 2014, 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	USS	CCFPS	CEFPS	Total	Total
		2018	2018	2017	2018	2017
		£000s	£000s	£000s	£000s	£000s
	Balance at beginning of year	321	4,177	23	4,521	3,712
	Movement in year:					
	Current service cost including life assurance	161	277	4	442	461
	Contributions	(197)	(243)	(3)	(443)	(442)
	Other finance cost	6	125	-	131	105
	Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	-	(484)	-	(484)	685
	Balance at end of year	291	3,852	24	4,167	4,521

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

16	Endowment funds				
	Restricted net assets relating to endowments are as follows:				
	Consolidated & College	Restricted permanent endowments	Unrestricted permanent endowments	Total 2018	Total 2017
		£000s	£000s	£000s	£000s
	Balance at beginning of year				
	Capital	32,796	2,531	35,327	31,324
	New donations and endowments	161	124	285	1,102
	Increase/(decrease) in market value of investments	1,824	133	1,957	2,844
	Transfer between Funds	(35)	2,391	2,356	57
	Balance at end of year	34,746	5,179	39,925	35,327
	Analysis by type of purpose				
	Fellowship Funds	18,930	4,004	22,934	19,305
	Prizes	596	142	738	1,010
	Travel Awards	214	704	918	858
	Home Bursaries	5,113	-	5,113	4,446
	Graduate Bursaries	3,756	-	3,756	3,575
	Overseas Bursaries	4,040	-	4,040	3,827
	Grants	299	329	628	624
	Other	1,219	-	1,219	1,152
	General Endowment	579	-	579	530
	Group Total	34,746	5,179	39,925	35,327
	Analysis by asset				
	Property	6,176	920	7,096	5,653
	Investments	25,699	3,831	29,530	27,207
	Cash	2,871	428	3,299	2,467
	Group Total	34,746	5,179	39,925	35,327

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

17	Restricted Reserves					
	Reserves with restrictions are as follows:					
	Consolidated & College	Capital grants unspent	Permanent unspent and other restricted income	Restricted expendable endowment	2018 Total	2017 Total
		£000s	£000s	£000s	£000s	£000s
	Balance at beginning of year					
	Capital	-	-	800	800	-
	Accumulated income	-	4,611	-	4,611	4,447
	New grants	581	-	-	581	121
	New donations	-	355	362	717	1,262
	Endowment return transferred	-	1,284	35	1,319	1,348
	Other investment income					-
	Increase/(decrease) in market value of investments	-	256	53	309	-
	Expenditure	-	(1,468)	(64)	(1,532)	(1,621)
	Capital grants utilised	(198)	-	-	(198)	(121)
	Transfer between Funds	-	-	193	193	(25)
	Balance at end of year					
	Capital	383	-	1,344	1,727	800
	Accumulated income	-	5,038	35	5,073	4,611
	Analysis of other restricted funds/donations by type of purpose					
	Fellowship Funds	-	1,859	875	2,734	2,520
	Prizes	-	264	6	270	326
	Travel Awards	-	236	-	236	221
	Home Bursaries	-	580	-	580	455
	Graduate Bursaries	-	500	-	500	462
	Overseas Bursaries	-	1,250	-	1,250	1,140
	Grants	383	43	498	924	31
	Other	-	270	-	270	239
	General Endowment	-	36	-	36	17
	Group Total	383	5,038	1,379	6,800	5,411

18	Memorandum of Unapplied Total Return		
	Included within reserves the following amounts represent the Unapplied Total Return of the College:		
		2018	2017
		£000s	£000s
	Unapplied Total Return at beginning of year	21,483	16,568
	Unapplied Total Return for year (see note 3b)	3,682	4,915
	Unapplied Total Return at end of year	25,165	21,483

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

19	Reconciliation of consolidated surplus for the year to net cash inflow from operating activities	2018	2017 -as restated
		£000s	£000s
	Surplus for the year	5,241	7,263
	Adjustment for non-cash items		
	Depreciation	1,127	1,047
	Investment income	-	-
	Loss/(gain) on endowments, donations and investment property	(5,295)	(6,335)
	Decrease/(increase) in stocks	11	14
	Decrease/(increase) in trade and other receivables	(282)	322
	Increase/(decrease) in creditors	(493)	(405)
	Increase/(decrease) in provisions	-	-
	Pension costs less contributions payable	129	124
	Adjustment for investing or financing activities		
	Investment income	(1,252)	(1,200)
	Interest payable	440	517
	Loss/(Profit) on the sale of non-current assets	-	-
	Net cash inflow from operating activities	(374)	1,347

20	Cash flows from investing activities	2018	2017 -as restated
		£000s	£000s
	Proceeds from sales of non-current fixed assets	-	-
	Non-current investment disposal	2,246	106
	Investment income	1,247	1,192
	Endowment funds invested	(505)	(886)
	Withdrawal of deposits	-	-
	Payments made to acquire non-current assets	(1,713)	(2,514)
	Total cash flows from investing activities	1,275	(2,102)

21	Cash flows from financing activities	2018	2017 -as restated
		£000s	£000s
	Interest paid	(440)	(517)
	Interest element of finance lease rental payment	-	-
	New secured loans	-	-
	Repayments of amounts borrowed	-	-
	Capital element of finance lease rental payments	-	-
	Total cash flows from financing activities	(440)	(517)

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

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)	-	(11,000)
	Cash at bank and in hand	1,279	461	1,740
	Net Funds	(9,721)	461	(9,260)

23	Capital commitments		
		2018	2017
		£000s	£000s
	Capital commitments at 30 June 2018 are as follows:		
	Authorised and contracted:		
	Building works	1,114	623
	Collective investment with Cambridge University & other Cambridge Colleges	77	217
	Collective investment schemes through investment managers	217	420
		1,408	1,260
	Authorised but not yet contracted for	-	-
	Commitments under finance leases entered into but not yet provided for in the financial statements	-	-

24	Lease obligations		
		2018	2017
		£000s	£000s
	At 30 June 2018 the College had annual commitments under non-cancellable operating leases as follows:		
	Land and buildings:		
	Expiring within one year	222	49
	Expiring between two and five years	43	-
	Expiring in over five years	-	-
		265	49
	Other		
	Expiring within one year	11	7
	Expiring between two and five years	24	30
	Expiring in over five years	-	-
		35	37

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

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:

	2018	2017
	£000	£000
USS: Contributions	165	236
CCFPS: Charged to income and expenditure account	340	332
Other pension schemes: Contributions	146	43
	651	611

University Superannuation Scheme

The latest available full actuarial valuation of the Retirement Income Builder section of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway.

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

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the scheme for accounting purposes have been produced using the following assumptions as at 31 March 2017 and 2018:

	2018	2017
Discount Rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pensions increases (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated 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:

	2018	2017
Mortality base table – Pre-retirement	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females	98% of SAPS S1NA "light" YOB unadjusted for males.
Mortality base table – Post-retirement	96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females	99% of SAPS S1NA "light" YOB with a -1 year adjustment 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	CMI_2014 with a long term rate of 1.5% p.a.

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

University Superannuation Scheme (Continued)

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0

	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72.0bn	£77.5bn
FRS 102 total scheme deficit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

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 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:

	2018 % p.a.	2017 % p.a.
Discount rate	2.70	2.60
Increase in salaries	2.75	2.85
Retail Price Index (RPI) assumption	3.25	3.35
Consumer Price Index (CPI) assumption	2.25	2.35
Pension increases in payment (RPI max 5% p.a.)	3.15	3.25
Pension increases in payment (CPI max 2.5%)	1.80	1.85

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2017 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2017: S2PA with CMI_2016 future improvement factors and a long-term improvement rate of 1.25% p.a.). This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 21.9 years (previously 22.1 years)
- Female age 65 now has a life expectancy of 23.8 years (previously 23.9 years)
- Male age 45 now and retiring in 20 years would have a life expectancy of 23.3 years (previously 23.5 years).
- Female age 45 now and retiring in 20 years would have a life expectancy of 25.4 years (previously 25.4 years).

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

Cambridge Colleges Federation Pension Scheme (continued)

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 2018 (with comparative figures as at 30 June 2017) are as follows:

	2018 £000s	2017 £000s
Market value of plan assets	8,520	8,233
Present value of plan liabilities	(12,372)	(12,410)
Net defined benefit asset/(liability)	(3,852)	(4,177)

The amounts to be recognised in Income and Expenditure for the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018 £000s	2017 £000s
Current service cost	276	219
Administrative expenses	17	16
Interest on net defined benefit (asset)/liability	109	96
Total charge	402	331

Changes in the present value of the plan liabilities for the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018 £000s	2017 £000s
Present value of plan liabilities at beginning of period	12,410	10,659
Current service cost	276	219
Employee contributions	28	25
Benefits paid	(294)	(247)
Interest on plan liabilities	323	298
Actuarial losses/(gains)	(371)	1,456
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of Scheme liabilities at end of period	12,372	12,410

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

Cambridge Colleges Federation Pension Scheme (continued)

Changes in the fair value of plan assets for the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018 £000s	2017 £000s
Market value of plan assets at beginning of period	8,233	7,261
Contributions paid by the College	243	238
Employee contributions	28	26
Benefits paid	(294)	(247)
Administrative expenses paid	(27)	(27)
Interest on plan assets	214	203
Return on assets, less interest included in Profit and Loss	123	779
Market value of Scheme assets at end of period	8,520	8,233
Actual return on plan assets	337	982

The major categories of plan assets as a percentage of total Scheme assets at 30 June 2018 (with comparative figures at 30 June 2017) are as follows:

	2018	2017
Equities	64%	67%
Bonds & Cash	30%	27%
Properties	6%	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 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018 £000s	2017 £000s
Return on assets, less interest included in Income & Expenditure	123	779
Expected less actual plan expenses	(11)	(10)
Experience gains and losses arising on plan liabilities	(183)	(6)
Changes in assumptions underlying the present value of plan liabilities	555	(1,448)
Remeasurement of net defined benefit liability recognised in OCI	484	(685)

Movement in the net defined benefit asset/(liability) during the year ending 30 June 2018 (with comparative figures for the year ending 30 June 2017) are as follows:

	2018 £000s	2017 £000s
Net defined benefit asset/(liability) at beginning of year	(4,177)	(3,398)
Recognised in Income and Expenditure	(402)	(332)
Contributions paid by the College	243	238
Remeasurement of net defined benefit liability recognised in OCI	484	(685)
Surplus/(deficit) in plan at the end of the year	(3,852)	(4,177)

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2018

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.

The college participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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. 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%

As at December 2015, the deficit recovery contributions under the recovery plan in force at that time were 14.1% of pensionable stipends until December 2025. As at December 2016 and December 2017 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

ST CATHARINE'S COLLEGE, CAMBRIDGE

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

Church of England Funded Pensions Scheme (Continued)

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 provision is set out in the table below.

	2017	2016
	£000s	£000s
Balance sheet liability at 1 January	(23)	(28)
Deficit contribution paid	3	3
Interest cost (recognised in SOCIE)	-	(1)
Remaining change to the balance sheet liability* (recognised in the SOCIE)	(4)	3
Balance sheet liability at 31 December	(24)	(23)

* 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 2017	December 2016	December 2015
Discount rate	1.4% pa	1.5% pa	2.5% pa
Price inflation	3.0% pa	3.1% pa	2.4% pa
Increase to total pensionable payroll	1.5% pa	1.6% pa	0.9% 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:

	Principal activity	Capital and reserves	Result for the year
		2018	2018
		£000s	£000s
St Catharine's College Development Ltd	Development contractor	-	-
St Catharine's College Events Ltd	Functions and events	18	-

ST CATHARINE'S COLLEGE, CAMBRIDGE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2018

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 2017 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 2018 2 (2017: 2) fellows benefited from assistance and the College's contribution was £270,000 (2017: £270,000).

28 Prior Year Adjustment

The College had since 2013, been an investor in the Old Press Site consortium of colleges looking to develop student accommodation in central Cambridge. By the end of 2016 a decision was made to exit this consortium and to sell the College's investment in the site. The monies invested in the costs incurred in buying a share of the land and buildings are expected to be fully recovered on sale, however the interest cost on loans taken out to fund the purchase are considered irrecoverable and as such that portion of irrecoverable interest rolled-up into the capital cost of the asset under construction needs to be written-off through income and expenditure in 2016-17 and a further adjustment to opening reserves. This should have happened at 30th June 2017, but no adjustment was made. To correct for this a prior year adjustment to 2016-17 has been made as shown in the Statement of Reserves on page 24 and within note 8, Fixed Assets on page 31.

Prior Year Adjustment Reconciliation		
		30 June 2017 £000s
Total comprehensive income for the year as previously stated		6,707
Adjustment for loan interest previously capitalised		(129)
Total Comprehensive Income/(Expenditure) as restated		6,578
	01 July 2016 £000s	30 June 2017 £000s
Reconciliation of Reserves and Balances		
Reserve balances as previously stated	104,847	111,554
Revised treatment of capitalised loan interest	(567)	(695)
Reserve Balances Restated	104,280	110,859