

CLARE HALL
CAMBRIDGE, CB3 9AL

Registered Charity Number 1137491

ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 30 JUNE 2015

Contents

	<u>Pages</u>
Governing Body and Advisors	1 - 2
Report of the Governing Body	3 - 9
Statement of Internal Control	10
Responsibilities of the Governing Body	11
Auditor's Report	12 - 13
Statement of Accounting Policies	14 - 17
Income and Expenditure Account	18
Statement of Total Recognised Gains and Losses	19
Balance Sheet	20
Cashflow Statement	21
Notes to the Accounts	22 - 32

Clare Hall

Governing Body Year ended 30 June 2015

Visitor: Chancellor of the High Court, Sir Terence Etherton

MEMBERS OF THE GOVERNING BODY

President: Professor David Ibbetson

Fellows under Titles A, B, C and D (in order of Election)

Dr Christopher Hope	1987	Dr John Regan	2012
Dr Rosemary Luff	1988	Dr Fernandos Skoulidis	2012
Professor Charles Smith	1993	Dr Riccardo Strobino	2012
Professor Maria Spillantini	1994	Dr Emila Wilton-Godberfforde	2012
Dr Robert Carlyon	1996	Professor Richard McMahon	2013
Professor Barbara Sahakian	1996	Dr Michael Evans	2013
Professor John Barrow	1999	Dr Karen Ersche	2013
Professor Andrew Blake	2000	Dr Emily Holmes	2013
Dr Trudi Tate	2001	Ms Helen Pennant	2013
Dr Jonathan Pines	2001	Dr Carlo Camilloni	2013
Mr Stephen Bourne	2001	Dr Joan Camps	2013
Professor Alan Short	2002	Dr Varodom Charoensawan	2013
Dr Anthony Street	2002	Dr Warren Dockter	2013
Dr Ian Farnan	2002	Dr Gabriele Ferrario	2013
Professor Hans-Friedrich Graf	2004	Dr Annamaria Montrescu-Mayes	2013
Professor Athanassios Fokas	2005	Dr Kate Orkin	2013
Dr Lori Passmore	2005	Dr Hyun Gwi Park	2013
Professor John Parker	2007	Dr Lucia Tantardini	2013
Dr Elizabeth Rowe	2009	Professor Peter Wadhams	2013
Dr Sohini Kar-Narayan	2009	Dr Edward Chouchani	2014
Professor Hasok Chang	2011	Dr Ryan McDonald	2014
Dr Katrin Müller-Johnson	2012	Dr Daniel Mitchell	2014
Dr Stephen Mawdsley	2012	Dr Marcella Sutcliffe	2014
Dr Amir Amel-Zadeh	2012	Ms Amanda Walker	2014
Dr Iain Black	2012	Dr Marie Janson	2015
Dr Eleftherios Karanasios	2012		

Two elected members of the Graduate Student Body

Graduate Student Body President: Ms Kritika Jerath
Graduate Student Body Vice-President: Ms Sara Trainor

Senior Officers of Clare Hall

President: Professor David Ibbetson
Vice-President: Mr Stephen Bourne
(Professor John Parker to October 2014)
Senior Tutor: Dr Iain Black
Bursar: Amanda Walker

Clare Hall

Professional Advisors

Auditors

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

Bankers

Barclays Bank plc
St Andrews Street
Cambridge
CB2 3AA

Investment Fund Managers

The Charities Property Fund
c/o Carr Sheppards Crosthwaite
2 Gresham Street
London
EC2V 7QN

Cambridge University Endowment Fund
University of Cambridge Investment Office
Daedalus House
26-30 Station Road
Cambridge
CB1 2RE

Solicitors

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

Clare Hall

Report of the Governing Body, Year ended 30 June 2015

The Members of the Governing Body who act as Charity Trustees, present the audited financial statements for the year ended 30 June 2015.

Founded in 1966 as a centre for advanced study, Clare Hall is a graduate college in the University of Cambridge and an exempt charity. It was incorporated by Royal Charter on 22 October 1984 and is an autonomous, self-governing community of scholars. In accordance with its Statutes, the control of the College as a place of education, learning and research is vested in the Governing Body, which is responsible for administering the College's estates and property. The Finance Committee consists of the President, the Vice President, the Bursar and four other members of the Governing Body elected by the Governing Body. The Finance Committee exercises the authority delegated to it by the Governing Body to manage, in accordance with general policies laid down from time to time by the Governing Body, the land, property and investments of the College and its financial affairs in general and to direct the Bursar in the performance of her financial duties.

Scope of the financial statements

The statements cover the activities of the College during the year ended 30 June 2015 and the net assets as at that date. The College has no subsidiaries.

In August 2010 the College's charitable status changed from Exempt Charity to Registered Charity, regulated by the Charity Commission.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which comply with the Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

Objects

The objects of the College are set out in its Royal Charter, effective from 1 January 1984. The College aims:

- To remain an independent graduate college within the University of Cambridge, dedicated to advanced study;
- To bring together research scholars of different nationalities and academic disciplines and to promote academic research of the highest quality by Fellows and postgraduate students;
- To integrate fully into the fabric of academic life senior visitors who come to Cambridge on study leave together with their spouses and partners;
- To encourage interdisciplinary links between scholars from all over the world;
- To achieve excellence in education at postgraduate level; and
- To maintain and enhance the endowments and benefactions, buildings and grounds of the College for the benefit of future generations.

Public Benefit

The following Public Benefit Statement was provided to the Charity Commission on first registration as a charity:

The College provides, in conjunction with the University of Cambridge, an education which is recognised internationally as being of the highest standard for some 180 fee paying graduate students. 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 the financial year under consideration, the College members graduating achieved 30 PhDs and 103 Masters-level degrees (2014: 31 and 67 respectively) between them.

Clare Hall

Report of the Governing Body, Year ended 30 June 2015, continued

In particular, the College provides:

- teaching facilities and pastoral, administrative and academic support for all students through its tutorial and mentoring systems;
- social, cultural, musical, recreational and sporting facilities which enable each of its students to realise their academic and personal potential to the full whilst studying at the College.

The College advances research through:

- providing 24 Research Fellowships to outstanding young academics in the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting the research work of its other Fellows by promoting interaction across disciplines and providing facilities for seminars;
- fostering academic networking by encouraging visits from outstanding academics from abroad as Visiting Fellows and Visiting Scholars.

The College maintains a Library which provides a valuable resource for students and Fellows of the College. The resident members of the College, both students and Fellows, are the primary beneficiaries and are directly engaged in education, learning or research. More widely, beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and visiting alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities. The general public is also able to attend various educational activities in the College such as lectures, seminars, concerts and art exhibitions. The College admits students who have the highest potential for benefiting from the education provided by the College and the University, regardless of their financial, social, religious or ethnic background:

- there are no geographical restrictions in the College's objects and students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects but students of the College are predominantly aged 21 years and above; and
- there are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

The focus of the College is strongly academic and students are required to satisfy high academic entry requirements. To support the costs of graduate students, the College provides various scholarships and bursaries, to help fund fees and living costs. The total awarded in 2014-2015 was £79,560 (2013-14 £89,962). The College also supports students through a grant scheme to assist with attendance at conferences and travel grants. The total awarded in 2014-2015 was £15,849 (2013-14 £10,969). In addition to its other programmes, the College operates a hardship scheme for students in financial hardship. The total awarded in 2014-2015 was £14,322 (2013-14 £10,231).

Clare Hall

Report of the Governing Body, Year ended 30 June 2015, continued

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to Clare Hall, the College provides guidance and information for prospective applicants on the College website and through staff in its Tutorial Office. In order to fulfil its charitable purposes of advancing education, learning and research, the College employs a number of Fellows as Tutors and senior administrative officers. All serve as charity trustees through being members of the College Governing Body. The employment of the President and Fellows is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the President and Fellows through salaries, stipends and employment-related benefits is objectively reasonable, measured against academic stipends generally; moreover annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

Funding

The College funds its activities through academic fees, by charging for student and Visiting Fellows accommodation and catering services, from investment income, and through individual and corporate donations and bequests.

Summary

This year's result is a surplus of £22,226 (2013-14 £122,797) before depreciation and a deficit of £367,491 (2013-14 £242,369) after depreciation. The balance sheet is stronger by £1,959,221 over the previous year and stands at £27,477,619.

Income and Expenditure Account

The Income and Expenditure Account shows a net deficit of £367,491 after the transfer of unspent restricted income. This is a deterioration on last year's deficit of £242,369 due in part to a slight lowering of income from academic fees and charges (fewer student numbers) and an increase in development office costs.

The increase in total income amounts to 8.3% attributable in part to the uplift in charges made for accommodation during the year plus an increase in endowment income, specifically an improvement in the dividends paid by the Cambridge University Endowment Fund alongside an upturn in the level of donations and benefactions.

The increase in total expenditure amounts to 10.8%. Incremental changes in expenditure headings include inflation pressures and specifically education costs which increased by £105,910 (2014 £64,440) due to a higher level of spending on research; residence and catering expenditure increases of £130,475 (2014 £38,268) although balanced by corresponding increases in revenue; and, other expenditure has increased by £107,775 which is substantially due to an increase in development office costs, marking a transition to more pro-active fundraising. A planned rolling maintenance programme seeks to ensure that the estate is maintained to the highest standard. Expenditure on routine repairs, maintenance, electrical, and painting works carried out during the year amounted to £258,500 (2014 £374,900).

Clare Hall

Report of the Governing Body, Year ended 30 June 2015, continued

Donations which are deemed to be restricted are included in the Income and Expenditure account amounting to £279,791 (2014 £217,569) of the Endowment Income total of £1,284,739 (2014 £1,056,987); donations, which are deemed to be unrestricted are included in the Income and Expenditure account amounting to £203,270 (2014 £75,238). The remainder of £801,678 (2014 £764,180) in Endowment Income represents the investment income (dividends and interest) and includes the release of deferred capital to income of £57,582 (2014 £57,582).

The allocation of fixed costs to the separate headings of expenditure within the Education Account has been calculated to reflect as accurately as possible the use of staff time and physical space.

Statement of Total Recognised Gains and Losses (STRGL)

The Statement of Total Recognised Gains and Losses (STRGL) shows the movements that affect the balance sheet, and in 2014-2015 shows an increase in the Capital and Reserves of the College of just over £2m bringing the closing balance to some £25m, before deferred capital grants.

Balance Sheet

No capital transactions have taken place during the year.

Creditors includes a payment of £179,945 due to the University for Composition Fees and which has since been paid.

In accordance with the guidelines laid down in FRS17, the Balance Sheet Net Assets now include the Cambridge College's Federated Pension Scheme position. The deficit of £446k last year has now increased to £456k following a change in valuation assumptions.

The closing value of the investment portfolio is split between investments and endowment assets and Capital and Reserves are divided into deferred capital grants, endowments and reserves.

Donations and Benefactions

The College records with gratitude the receipt of the capital grant from the Colleges Fund during the year totalling £285k (2014 £264k). There have been no specific capital donations during the year, although the income received reflects credit for the £63.8k from Professor Donald King as a much valued contribution to refurbishment of the new Mary Elizabeth & Donald West King Rooms.

The Endowment

Since June 2010 the major part of the College's endowment has been invested in the Cambridge University Endowment Fund (CUEF).

The CUEF is effectively a unit trust, in which the College has purchased units, and from which it receives a monthly dividend. The total number of units held with CUEF is 417,521 at £46.61 each, with a value of £19.5m. The distribution rate for the University's financial year to 31 July 2015 is 161.50 pence per unit. The fund's investment objective is to achieve or exceed a long run average annual rate of total return equal to the Retail Prices Index (RPI) for each calendar year plus 5.25%, net of investment management costs. The fund has adopted a total return policy, determined by a hybrid rule with a long-term rate of 4.25% of capital value, so the investment objective is RPI+1% after distribution and costs.

Clare Hall

Report of the Governing Body, Year ended 30 June 2015, continued

The asset allocation as at 31 July 2015 is shown below, but it must be remembered that this represents a transitional point towards a target asset allocation.

Asset Class	Allocation 2015 %	Allocation 2014 %
Public equities	61	63
Real assets (including property)	10	11
Absolute return (including hedge funds)	13	12
Credit	2	3
Fixed Income (including cash)	5	1
Private investments	9	10

The proportion of the College's endowment funds invested in the CUEF represent 92% of the total endowment funds (2014 92%) . The remaining 8% (2014 8%) continues to be held with the Charities Property Fund to add diversification to the asset allocation of investments.

Property is represented by investment in the Charities Property Fund. The day-to-day management of non-property assets is delegated to the Cambridge University Endowment Fund (CUEF). Performance is monitored against a customised benchmark made up of 50% FTSE All-Share Index, 25% MSCI AC World Index and 25% FTA UK Government All Stocks Index. The WM unconstrained ex property Charity Universe is used as an additional benchmark in order to compare the investment managers' performance with that of their peers.

Statement of Investment Principles, including Ethical Investment Policy

Clare Hall's Investment Policy reflects the belief that the interests of the College are, in general, best served by seeking to obtain the best financial return from investments, consistent with commercial prudence. Clare Hall follows the Charity Commission's guidance on ethical investments and will not engage financially with any company whose practices are considered to be in conflict with the purposes or aims of the College as a place of education, learning and research. The Finance Committee will seek to ensure that investments are not made that are judged likely to alienate the members or benefactors of the College. The non-property endowment assets are all invested through the CUEF.

Cash flow and Treasury Management

At the end of the financial year the College held a cash balance of £617k (2014 £912k). This included an amount of £179k (2014 £108k) due to the University in respect of the balance of fees for 2014-2015 and also the Colleges Fund grant of £285K (2014 £264k). At 30 June 2015, the College had an outstanding loan of £1.5m from Barclays Bank plc. £1m of this was taken out to help fund the acquisition and refurbishment of houses in Herschel Road, Cambridge in 2001. The balance was borrowed in January 2009. Short-term overdraft facilities have also been negotiated with Barclays Bank for use if required.

Clare Hall

Report of the Governing Body, Year ended 30 June 2015, continued

Reserves policy

The College aims to continue to meet its charitable objectives in perpetuity and to seek to build up its Reserves so as to support this aim.

Risk assessment

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and practice has been established to mitigate those risks. A Risk Register has been prepared for approval and continuing review by the Governing Body.

During the year the College has carried out its annual Health and Safety Review and a Fire Risk Assessment. Regular testing includes Fixed Wiring, Portable Appliances, Fire Alarms, emergency lighting and fire extinguishers. The system of Planned Preventative Maintenance continues to provide considerable benefit and there is improved maintenance and management of the pool and gym.

Energy Conservation

The College aims to reduce its energy consumption each year through use of energy-efficient boilers and lighting, improved insulation and reduced waste.

Corporate Governance

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

2. The College is a registered charity (registered number 1137491) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

3. The Governing Body is advised in carrying out its duties by a number of Committees.

- a) Council
- b) Finance
- c) Official Fellowship
- d) Fellowship

4. The principal officers of the College during the year were:

President: Professor David Ibbetson
Senior Tutor: Dr Iain Black
Bursar: Amanda Walker

Clare Hall

Report of the Governing Body, Year ended 30 June 2015, continued

5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Governing Body on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Finance Committee includes the President, Vice President and Bursar ex officio, plus 4 other members of the Governing Body, to include the Senior Tutor, or a Tutor with the Graduated Student Body President in attendance.
6. There are Registers of Interests of Members of the Governing Body, the Finance Committee and of the senior administrative officers. Declarations of interest are made systematically at meetings.
7. The College's Members of the Governing Body during the year ended 30 June 2015 are set out on page 1.

Clare Hall

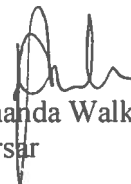
Statement of Internal Control

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 2015 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. As part of its supervision of the College's activities, Council identifies and considers the major risks to which the College is exposed, and establishes systems and procedures to manage those risks which have been categorised as follows: Governance, Academic, Financial Health, Operations.
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 Key Issues Memorandum and other reports.

On behalf of the Governing Body:



Professor David Ibbetson
President



Amanda Walker
Bursar

Clare Hall

Statement of Responsibilities of the Governing Body

The Finance Committee is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is the duty of the Bursar to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University, to the Governing Body.

In causing the financial statements to be prepared, the Governing Body has ensured that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent; and
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

Clare Hall

Independent Auditors' Report to the Governing Body of Clare Hall Year ended 30 June 2015

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

This report is made solely to the College's Governing Body, as a body, in accordance with College's Statutes and the Statutes of the University of Cambridge and with section 144 of the Charities Act 2011 and regulations under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's 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.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Responsibilities of the Governing Body on page 11, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2015 and of its income and expenditure 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.

Clare Hall

Independent Auditors' Report to the Governing Body of Clare Hall Year ended 30 June 2015 (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: *27 October 2015*

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

Clare Hall

Statement of Principal Accounting Policies Year ended 30 June 2015

Basis of preparation

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

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

Basis of accounting

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

Consolidation

The College has no subsidiaries. The financial statements do not include the activities of student societies.

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.

Restricted grant income

Grants received for restricted purposes are recognised as income to the extent that relevant expenditure has been incurred.

Donations and benefactions

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

Capital grants and donations

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

Other income

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

Endowment and investment income

All investment income is credited to the income and expenditure account in the period in which it is earned. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments.

Clare Hall

Statement of Principal Accounting Policies, Year ended 30 June 2015, continued

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 income and expenditure for the financial year.

Tangible fixed assets

Land and buildings

Operational land and buildings are stated at depreciated replacement cost. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 50 years. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to permanent capital.

Finance costs which are directly attributable to the construction of buildings are not 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. They are not depreciated until they are brought into use.

The cost of additions to operational property shown in the balance sheet includes the cost of land.

Maintenance of premises

The College has a five year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to the Income and Expenditure account as it is incurred. The College also sets aside sums on a regular basis to meet major maintenance costs which occur on an irregular basis.

Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £5,000 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Plant and machinery	4% per annum
Furniture and fittings	15% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	25% per annum

Rare books, silver, works of art and other assets not related to education

Assets deemed to be inalienable are not included in the balance sheet.

Leased assets

Fixed assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the lease. The excesses of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure in equal amounts over the periods of the leases.

Clare Hall

Statement of Principal Accounting Policies, Year ended 30 June 2015, continued

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical artistic or scientific importance. In accordance with FRS 15 and FRS 30 (Heritage assets) heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 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 investment and endowment assets are included in the balance sheet at market value.

Stocks

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

Provisions

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

Endowment funds

Endowment funds are classified under three headings:

- Where the donor has specified that the fund is to be permanently invested to generate an income stream for the general purposes of the College, the fund is classified as an unrestricted permanent endowment.
- Where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied for a restricted purpose, the fund is classified as a restricted permanent endowment.
- Where the donor has specified a particular objective other than the acquisition or construction of tangible fixed assets, and that the College must or may convert the donated sum into income, the fund is classified as a restricted expendable endowment.

Taxation

The College is a registered charity (number 1137491) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

Clare Hall

Statement of Principal Accounting Policies, Year ended 30 June 2015, continued

Contribution under Statute G, II

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

Pension costs

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

The College also participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme, the assets of which are held in a separate, trustee-administered fund. Pension costs are assessed on the latest actuarial valuation of the scheme. The contribution rates current as at 30 June 2014 were 15.06% employer and 5% employee.

Clare Hall
Income & Expenditure Account
Year ended 30 June 2015

		2015	2014
		£	£
INCOME	Note	<u>Total</u>	<u>Total</u>
Academic fees and charges	1	499,830	535,201
Residences, catering and conferences	2	1,520,987	1,462,033
Endowment income	3	1,284,739	1,056,987
Other income	4	5,012	3,127
		<hr/>	<hr/>
Total income		<u>3,310,568</u>	<u>3,057,348</u>
EXPENDITURE			
Education	5	1,069,650	963,740
Residences, catering and conferences	6	2,063,778	1,933,303
Other expenditure	7	384,187	276,412
		<hr/>	<hr/>
Total expenditure	8a	<u>3,517,615</u>	<u>3,173,455</u>
Operating (deficit)/surplus		(207,047)	(116,107)
Contribution under Statute G,II	8	-	-
Transfer from accumulated income within restricted expendable capital		(160,444)	(126,262)
		<hr/>	<hr/>
NET (DEFICIT)/SURPLUS		<u>(367,491)</u>	<u>(242,369)</u>

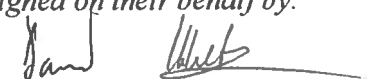
Clare Hall
Statement of Total Recognised Gains and Losses
Year ended 30 June 2015

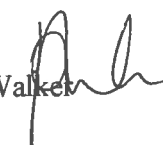
	Restricted funds	Unrestricted funds	Total 2015	Total 2014
	£	£	£	£
Balance b/f 1.7.2014	<u>7,952,244</u>	<u>15,044,949</u>	<u>22,997,193</u>	<u>21,790,012</u>
Appreciation/(depreciation) of investment assets	779,215	1,125,704	1,904,919	1,159,412
Retained (deficit)/surplus for the year	-	(367,491)	(367,491)	(242,369)
Unspent trust fund income retained by funds	-	1,315	1,315	3,528
Unspent restricted fund income retained by funds	160,444	-	160,444	126,262
Benefactions and donations	-	-	-	-
Capital Grants received from Colleges Fund	-	285,000	285,000	264,000
Actuarial return less expected return on pension scheme assets	-	85,250	85,250	(211)
Changes in assumptions underlying the present value of the scheme liabilities	-	(68,147)	(68,147)	(98,340)
Experience gains and losses arising on scheme liabilities	-	15,513	15,513	(5,101)
Total recognised gains for the year	<u>939,659</u>	<u>1,077,144</u>	<u>2,016,803</u>	<u>1,207,181</u>
Balance c/f 30.6.2015	<u>8,891,903</u>	<u>16,122,093</u>	<u>25,013,996</u>	<u>22,997,193</u>

Clare Hall
Balance Sheet as at 30 June 2015

	Note		2015 £		2014 £
FIXED ASSETS					
Tangible assets	9		7,841,054		8,003,212
Investments	10		4,961,944		4,533,904
			12,802,998		12,537,116
ENDOWMENT ASSETS					
	11		16,196,330		14,219,450
CURRENT ASSETS					
Stocks			52,628		64,699
Debtors	12		261,205		163,261
Cash	13		617,381		912,033
			931,214		1,139,993
Creditors: amounts falling due within one year	14		(496,619)		(431,718)
Net current assets			434,595		708,275
Total assets less current liabilities			29,433,923		27,464,841
Creditors: amounts falling due after more than one year	15		(1,500,000)		(1,500,000)
Net assets excluding pension (deficit)/surplus			27,933,923		25,964,841
Pension (deficit)/surplus of CCFPS	20		(456,304)		(446,443)
Net assets including pension (deficit)/surplus			27,477,619		25,518,398
CAPITAL AND RESERVES					
		Restricted funds	Unrestricted funds	2015	2014
		£	£	£	£
Deferred Capital Grants	16	2,463,622	-	2,463,622	2,521,204
Endowments					
Expendable endowments	17	1,685,085	-	1,685,085	1,482,246
Permanent endowments	17	7,206,818	7,304,427	14,511,245	12,737,205
		8,891,903	7,304,427	16,196,330	14,219,451
Reserves					
General reserves excluding pension reserve	18	-	9,273,971	9,273,971	9,224,186
Pension reserve	18	-	(456,304)	(456,304)	(446,443)
		-	8,817,667	8,817,667	8,777,743
Subtotal		8,891,903	16,122,094	25,013,997	22,997,194
TOTAL		11,355,525	16,122,094	27,477,619	25,518,398

Approved by the Governing Body on 21 October 2015
and signed on their behalf by:


Professor D Ibbetson
President


Amanda Walker
Bursar

Clare Hall
Cash Flow Statement
Year ended 30 June 2015

	Note	2015 £	2014 £
OPERATING ACTIVITIES			
Net (deficit)/surplus		(367,491)	(242,369)
Depreciation	9	389,717	365,166
Investment income	3	(744,096)	(706,598)
Interest payable		72,450	72,252
Movement in pension surplus		42,477	29,152
Decrease in stocks		11,901	1,165
Increase in debtors		(97,773)	(576)
Increase in creditors		64,902	67,823
Net outflow from operating activities		<u>(627,913)</u>	<u>(413,985)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Income from Endowments	3	744,096	706,598
Retained endowment income		161,759	129,790
Release from Deferred Capital		(57,582)	(57,582)
Interest paid		(72,450)	(72,252)
Net cash inflow from returns on investment and servicing of finance		<u>775,823</u>	<u>706,554</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Donations and benefactions		-	-
Capital Grant received from Colleges Fund		285,000	264,000
Total capital receipts		<u>285,000</u>	<u>264,000</u>
Payments to acquire tangible fixed assets		(227,562)	(215,115)
Payments to acquire investment assets		(500,000)	(600,000)
Total capital expenditure		<u>(727,562)</u>	<u>(815,115)</u>
Net cash (outflow)/inflow from investing activities		<u>(442,562)</u>	<u>(551,115)</u>
FINANCING			
Long term loans received		-	-
Net cash inflow from financing		<u>-</u>	<u>-</u>
(Decrease)/increase in cash in the period		<u>(294,652)</u>	<u>(258,546)</u>
Reconciliation of net cash flow to movement in net liquid assets			
(Decrease)/increase in cash in the period	13	(294,652)	(258,546)
Change in long term loan		-	-
Net change		<u>(294,652)</u>	<u>(258,546)</u>
Net debt at 1 July 2014		<u>(587,973)</u>	<u>(329,427)</u>
Net debt at 1 July 2015		<u>(882,625)</u>	<u>(587,973)</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

1 ACADEMIC FEES AND CHARGES		2015	2014
COLLEGE FEES		£	£
Undergraduate fee income		-	-
Graduate fee income			
per capita fee 2015 £2,474 (2014 £2,408)		<u>499,830</u>	<u>535,201</u>
Total		<u>499,830</u>	<u>535,201</u>
2 INCOME FROM RESIDENCES, CATERING AND CONFERENCES		2015	2014
		£	£
Accommodation	College members	1,374,102	1,326,927
	Conferences	-	-
Catering	College members	146,885	135,106
	Conferences	<u>-</u>	<u>-</u>
Total		<u>1,520,987</u>	<u>1,462,033</u>
3 ENDOWMENT INCOME		2015	2014
	Income from restricted funds for collegiate purposes	Income from unrestricted funds	Total
Income from:	£	£	£
Cambridge University Endowment Fund	269,771	389,975	659,746
Charity Property Fund	<u>34,491</u>	<u>49,859</u>	<u>84,350</u>
	304,262	439,834	744,096
Donations and benefactions	279,791	203,270	483,061
Release from Deferred Capital	<u>-</u>	<u>57,582</u>	<u>57,582</u>
Total	<u>584,053</u>	<u>700,686</u>	<u>1,284,739</u>
4 OTHER INCOME		2015	2014
		£	£
Net Finance income in respect of defined benefit pension scheme		<u>5,012</u>	<u>3,127</u>
Total		<u>5,012</u>	<u>3,127</u>
5 EDUCATION EXPENDITURE		2015	2014
		£	£
Teaching		42,321	41,084
Tutorial		140,044	136,722
Admissions		61,644	59,558
Research		507,417	404,463
Scholarships and awards		92,805	100,931
Other educational facilities		<u>225,419</u>	<u>220,982</u>
Total		<u>1,069,650</u>	<u>963,740</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

6 RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

		2015	2014
		£	£
Accommodation	College members	1,628,766	1,557,596
	Conferences	-	-
Catering	College members	435,012	375,707
	Conferences	-	-
Total		2,063,778	1,933,303

7 OTHER EXPENDITURE

	2015	2014
	£	£
Fellows Commons	44,867	34,789
Student Meals Subsidy	34,535	36,664
Development Office Salaries	141,252	114,178
Art Fund	828	953
Music Series	10,708	6,704
Misc.	35,606	2,384
Development Account	116,391	80,740
Total	384,187	276,412

8a ANALYSIS OF 2014/15 EXPENDITURE BY ACTIVITY

	Staff costs (note 19)	Other operating expenses	Depreciation	Interest	Total
	£	£	£	£	£
Education (note 5)	381,785	645,152	42,713	-	1,069,650
Residences, catering and conferences (note 6)	626,696	1,017,630	347,003	72,450	2,063,779
Other (note 7)	134,472	248,329	-	-	382,801
	1,142,953	1,911,111	389,716	72,450	3,516,230

8b ANALYSIS OF 2013/14 EXPENDITURE BY ACTIVITY

	Staff costs (note 19)	Other operating expenses	Depreciation	Interest	Total
	£	£	£	£	£
Education (note 5)	384,344	539,374	40,022	-	963,740
Residences, catering and conferences (note 6)	565,721	970,186	325,144	72,252	1,933,303
Other (note 7)	109,498	166,914	-	-	276,412
	1,059,563	1,676,474	365,166	72,252	3,173,455

Expenditure includes £257,643 as the costs of fund raising (2014: £194,918). This expenditure includes the costs of alumni relations.

8c AUDITORS' REMUNERATION

	2015	2014
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	10,000	10,000
Other fees payable to the College's external auditors	4,088	3,793
	14,088	13,793

The amounts above are stated inclusive of VAT.

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

9 TANGIBLE FIXED ASSETS	Freehold land and buildings	Infrastructure and equipment	Heritage assets	2015
	£	£	£	£
VALUATION				
As at 1st July 2014	10,313,731	1,296,661	150,000	11,760,392
Additions at cost	-	227,562	-	227,562
Eliminations	-	-	-	-
Valuation as at 30th June 2015	<u>10,313,731</u>	<u>1,524,223</u>	<u>150,000</u>	<u>11,987,954</u>
DEPRECIATION				
As at 1st July 2014	3,287,489	469,691	-	3,757,180
Charge for the year	298,615	91,102	-	389,717
Eliminations	-	-	-	-
Provision for depreciation as at 30th June 2015	<u>3,586,104</u>	<u>560,793</u>	<u>-</u>	<u>4,146,897</u>
Net book value as at 30th June 2015	<u>6,727,628</u>	<u>963,430</u>	<u>150,000</u>	<u>7,841,057</u>
Net book value as at 30th June 2014	<u>7,026,242</u>	<u>826,970</u>	<u>150,000</u>	<u>8,003,212</u>

The College's operational buildings are insured for a rebuilding cost of £31,156,250 (2014: £31,156,250). There has been no movement in heritage assets during the past five years.

10 INVESTMENT ASSETS	2015	2014
	£	£
Balance at 1st July 2014	18,753,354	16,993,941
Additions	500,000	600,000
Disposals	-	-
Appreciation/(depreciation) on revaluation	<u>1,904,920</u>	<u>1,159,413</u>
Balance at 30th June 2014	<u>21,158,274</u>	<u>18,753,354</u>
Represented by:		
Charities Property Fund	1,697,620	1,541,040
Cambridge University Endowment Fund	<u>19,460,654</u>	<u>17,212,314</u>
Total	<u>21,158,274</u>	<u>18,753,354</u>
Disclosed as:		
Investments	4,961,944	4,533,904
Endowment assets (see note 17)	<u>16,196,330</u>	<u>14,219,450</u>
	<u>21,158,274</u>	<u>18,753,354</u>

11 ENDOWMENT ASSETS	2015	2014
	£	£
Investments (see note 10)	<u>16,196,330</u>	<u>14,219,450</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

12 DEBTORS	2015	2014
	£	£
Members of College	123,694	71,526
Sundry debtors	<u>137,511</u>	<u>91,735</u>
	<u>261,205</u>	<u>163,261</u>
13 CASH	2015	2014
	£	£
Bank current accounts	615,129	910,093
Cash in hand	<u>2,252</u>	<u>1,940</u>
	<u>617,381</u>	<u>912,033</u>
14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2015	2014
	£	£
Members of College	70,525	127,367
Trade creditors	216,177	165,650
Cambridge Foundation exp. allocation	2,842	-
Tax and pension funds	27,129	30,747
University composition fees	<u>179,945</u>	<u>107,954</u>
	<u>496,618</u>	<u>431,718</u>
15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2015	2014
	£	£
Bank loans	<u>1,500,000</u>	<u>1,500,000</u>
	<u>1,500,000</u>	<u>1,500,000</u>
16 DEFERRED CAPITAL GRANTS	2015	2014
	Total	Total
	£	£
Buildings:		
Balance at beginning of year	2,521,204	2,578,786
Released to income and expenditure account	<u>(57,582)</u>	<u>(57,582)</u>
	<u>2,463,622</u>	<u>2,521,204</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

17 ENDOWMENTS

	Unrestricted Permanent	Restricted Permanent	Total Permanent	Restricted Expendable	Total 2015	Total 2014
	£	£	£	£	£	£
Balance at beginning of year:						
Capital	6,257,392	6,363,003	12,620,395	1,308,118	13,928,513	12,593,394
Unspent income	9,815	106,995	116,810	174,128	290,938	363,610
Transfers	-	-	-	-	-	-
	<u>6,267,207</u>	<u>6,469,998</u>	<u>12,737,205</u>	<u>1,482,246</u>	<u>14,219,451</u>	<u>12,957,004</u>
New Endowments received	285,000	-	285,000	-	285,000	264,000
Income received from endowment asset investment	248,231	263,782	512,013	320,271	832,284	741,018
Expenditure	(246,916)	(173,300)	(420,216)	(250,309)	(670,525)	(611,228)
Net transfer from income and expenditure account	1,315	90,482	91,797	69,962	161,759	129,790
Transfers	115,296	-	115,296	-	115,296	1,416
Increase/(decrease) in market value of investments	635,609	646,338	1,281,947	132,877	1,414,824	867,241
Balance at end of year	<u>7,304,427</u>	<u>7,206,818</u>	<u>14,511,245</u>	<u>1,685,085</u>	<u>16,196,330</u>	<u>14,219,451</u>
<i>Comprising:</i>						
Capital	7,304,427	7,074,841	14,379,268	1,475,199	15,854,467	13,928,513
Unspent income	-	131,977	131,977	209,886	341,863	290,938
Balance at end of year	<u>7,304,427</u>	<u>7,206,818</u>	<u>14,511,245</u>	<u>1,685,085</u>	<u>16,196,330</u>	<u>14,219,451</u>
<i>Representing:</i>						
Fellowship Funds	-	5,307,099	5,307,099	1,359,707	6,666,806	5,948,491
Scholarship Funds	-	1,736,166	1,736,166	222,039	1,958,205	1,729,574
Prize Funds	-	-	-	-	-	-
Hardship Funds	-	-	-	-	-	-
Bursary Funds	309,517	36,498	346,015	33,338	379,353	350,804
Other Funds	-	127,056	127,056	70,000	197,056	204,063
General Endowments	6,994,910	-	6,994,910	-	6,994,910	5,986,519
	<u>7,304,427</u>	<u>7,206,819</u>	<u>14,511,246</u>	<u>1,685,084</u>	<u>16,196,330</u>	<u>14,219,451</u>

18 RESERVES

	General Reserves £	Total 2015 £	Total 2014 £
Balance at beginning of year	8,777,743	8,777,743	8,833,009
(Deficit)/surplus retained for the year	(367,491)	(367,491)	(242,369)
Actuarial (loss)/gain	32,616	32,616	(103,652)
(Decrease)/increase in market value of investments	490,095	490,095	292,171
Benefactions and donations	285,000	285,000	264,000
Transfers	(400,296)	(400,296)	(265,416)
	<u>8,817,667</u>	<u>8,817,667</u>	<u>8,777,743</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

19 STAFF

	College fellows	Other academic	Non- academic	Total 2015	Total 2014
	£	£	£	£	£
Staff costs:					
Emoluments	163,416	-	786,456	949,872	881,278
Social security costs	14,189	-	65,040	79,229	76,703
USS pension costs	17,906	-	33,750	51,656	45,372
CCFPS pension costs	-	-	62,197	62,197	56,210
	<u>195,511</u>	<u>-</u>	<u>947,443</u>	<u>1,142,954</u>	<u>1,059,563</u>
Average staff numbers:					
Academic	56	-	-	56	57
Non-academic (full-time equiv.)	1	-	27	28	28
	<u>57</u>	<u>-</u>	<u>27</u>	<u>84</u>	<u>85</u>
				2015	2014
				£	£
Trustees' remuneration included above				181,322	192,268

The trustees receive no remuneration in their role as trustees of the charity.

Of the 57 fellows declared above 9 are stipendiary.

No officer or employee of the College, including the Head of House, received emoluments of over £70,000.

20 PENSION SCHEMES

The College's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The total pension cost for the period was £113,853 (2014: £101,582).

Universities Superannuation Scheme

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

The total cost charged to the income and expenditure account is £51,656 (2014: £45,372) as shown in note 19. There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements

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

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

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

20 PENSION SCHEMES continued

Universities Superannuation Scheme cont'd

FRS17 liability numbers have been produced using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.00% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

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

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

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

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6

Existing benefits	2015	2014
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

20 PENSION SCHEMES continued

Cambridge Colleges Federated Pension Scheme

The College is a member of a multi-employer defined benefit scheme, the Cambridge Colleges Federated Pension Scheme, in the United Kingdom. The Scheme is a defined benefit final salary pension scheme that was originally set up, under an interim Trust Deed, on 19 July 1977 as a defined benefit scheme. The scheme is deemed to be a registered pension scheme under the terms of Schedule 36 of the Finance Act 2004. The College's employees covered by the scheme are contracted into the State Second Pension (S2P).

The contribution made by the College, including PHI, in respect of the year ended 30 June was £62,197 (2014: £56,210). The contribution rate payable by the College was 15.06% of pensionable salaries.

A full valuation is being undertaken as at 31 March 2014 and updated to 30 June 2015 by a qualified independent Actuary.

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

	30 June 2015	30 June 2014
Discount rate	3.7%	4.2%
Expected long-term rate of return on Scheme assets	3.7%	6.2%
Rate of increase in salaries	2.8%*	2.8%*
Retail Prices Index (RPI) assumption	3.3%	3.3%
Consumer Prices Index (CPI) assumption	2.3%	2.3%
Rate of increase in pensions in payment	3.3%	3.3%

* 1.5% in 2014 to 2016; 2.8% thereafter

** 1.5% in 2015 to 2016; 2.8% thereafter

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

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

Employee Benefit Obligations

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

	30-Jun-15	30-Jun-14
	£	£
Present value of Scheme liabilities	(1,811,765)	(1,640,883)
Total market value of assets	<u>1,355,461</u>	<u>1,194,440</u>
Net pension (liability)/asset	<u>(456,304)</u>	<u>(446,443)</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

20 PENSION SCHEMES continued

Cambridge Colleges Federated Pension Scheme cont'd

The amounts recognised in profit and loss for the 12 months ending 30 June 2015 (with comparative figures for 12 months ending 30 June 2014) are as follows:

	30-Jun-15	30-Jun-14
	£	£
Current service cost (net of Employee contributions)	119,650	93,804
Interest on Scheme liabilities	70,025	66,352
Expected return on Scheme assets	(75,037)	(69,479)
Past service cost	-	-
Total	<u>114,638</u>	<u>90,677</u>
Actual return on scheme assets	<u>160,287</u>	<u>69,268</u>

Changes in the present value of the scheme liabilities for the 12 months ending 30 June 2015 (with comparative figures for 12 months ending 30 June 2014) are as follows:

	30-Jun-15	30-Jun-14
	£	£
Present value of Scheme liabilities at beginning of period	1,640,883	1,398,781
Service cost (including Employee contributions)	142,501	113,573
Interest cost	70,025	66,352
Actuarial losses/(gains)	52,634	103,441
Benefits paid	<u>(94,278)</u>	<u>(41,264)</u>
Present value of Scheme liabilities at end of period	<u>1,811,765</u>	<u>1,640,883</u>

Changes in the fair value of Scheme assets for the 12 months ending 30 June 2015 (with comparative figures for 12 months ending 30 June 2014) are as follows:

	30-Jun-15	30-Jun-14
	£	£
Market value of scheme assets at beginning of period	1,194,440	1,085,142
Expected return	75,037	69,479
Actuarial gains/(losses)	85,250	(211)
Contributions paid by College	72,161	61,525
Employee contributions	22,851	19,769
Benefits paid	<u>(94,278)</u>	<u>(41,264)</u>
Market value of Scheme assets at end of period	<u>1,355,461</u>	<u>1,194,440</u>

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

- From 1 July 2015 to 31 March 2016 16.98% of contribution pay
- From 1 April 2016 to 30 June 2016 17.65% of contribution pay

Plus: Recovery Plan payments of £2,823 and £7,909 to cover expenses.

The above rates exclude PHI and are subject to review at future actuarial valuations.

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

20 PENSION SCHEMES continued Cambridge Colleges Federated Pension Scheme cont'd

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

	30-Jun-15	30-Jun-14
Equities and Hedge Funds	69%	70%
Bonds & Cash	25%	23%
Property	6%	7%
Total	100%	100%

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

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL) for the 12 months ending 30 June 2015 (with comparative figures for the 12 months ending 30 June 2013) are as follows:

	30-Jun-15	30-Jun-14
	£	£
Actuarial return less expected return on scheme assets	85,250	(211)
Experience gains and losses arising on scheme liabilities	15,513	(5,101)
Changes in assumptions underlying the present value of Scheme liabilities	<u>(68,147)</u>	<u>(98,340)</u>
Actuarial (loss)/gain recognised in STRGL	<u>32,616</u>	<u>(103,652)</u>

Cumulative amount of actuarial gains and losses recognised in STRGL for the 12 months ending 30 June 2015 (with comparative figures for the 12 months ending 30 June 2014) are as follows:

	30-Jun-15	30-Jun-14
	£	£
Cumulative actuarial gain/(loss) at beginning of period	(450,799)	(347,147)
Recognised during the period	<u>32,616</u>	<u>(103,652)</u>
Cumulative actuarial gain/(loss) at end of period	<u>(418,183)</u>	<u>(450,799)</u>

Movement in surplus/(deficit) during the 12 months ending 30 June 2015 (with comparative figures for the 12 months ending 30 June 2014) are as follows:

	30-Jun-15	30-Jun-14
	£	£
(Deficit)/surplus in Scheme at beginning of year	(446,443)	(313,639)
Service cost (Employer only)	(119,650)	(93,804)
Contributions paid by the College	72,161	61,525
Finance cost	5,012	3,127
Actuarial (losses)/gains	<u>32,616</u>	<u>(103,652)</u>
(Deficit) in Scheme at the end of the year	<u>(456,304)</u>	<u>(446,443)</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2015:

20 PENSION SCHEMES continued

Cambridge Colleges Federated Pension Scheme cont'd

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

	30-Jun-15	30-Jun-14	30-Jun-13	30-Jun-12	30-Jun-11
	£	£	£	£	£
Present value of Scheme liabilities	(1,811,765)	(1,640,883)	(1,398,781)	(1,151,742)	(1,046,584)
Market value of Scheme assets	1,355,461	1,194,440	1,085,142	942,456	1,065,411
(Deficit)/surplus in the Scheme	(456,304)	(446,443)	(313,639)	(209,286)	18,827
Actuarial return less expected return on Scheme assets	85,250	(211)	61,431	(184,058)	28,123
Experience (loss)/gain arising on Scheme liabilities	15,513	(5,101)	(3,240)	(19,256)	3,006
Changes in assumptions underlying present value of Scheme liabilities	(68,147)	(98,340)	(147,794)	(19,755)	49,502

21 RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of the Governing Body, it is inevitable that transactions will take place with organisations in which a member of the Governing Body has an interest. Any transactions involving organisations in which a member of the Governing Body has an interest are conducted at arm's length and in accordance with the College's normal procedures.