

**CLARE HALL
CAMBRIDGE, CB3 9AL**

Registered Charity Number 1137491

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 30 JUNE 2016**

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Governing Body
Year ended 30 June 2016

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 Rosemary Luff*	1988	Dr Karen Ersche	2013
Professor Charles Smith	1993	Dr Emily Holmes	2013
Professor Maria Spillantini	1994	Ms Helen Pennant	2013
Dr Robert Carlyon	1996	Dr Joan Camps	2013
Professor Barbara Sahakian	1996	Dr Varodom Charoensawan	2013
Professor John Barrow	1999	Dr Warren Dockter	2013
Professor Andrew Blake	2000	Dr Gabriele Ferrario	2013
Dr Trudi Tate	2001	Dr Annamaria Motrescu-Mayes	2013
Mr Stephen Bourne*	2001	Dr Hyun Gwi Park	2013
Professor Alan Short*	2002	Dr Lucia Tantardini	2013
Dr Anthony Street*	2002	Professor Peter Wadhams	2013
Dr Ian Farnan	2002	Dr Edward Chouchani	2014
Professor Hans-Friedrich Graf	2004	Dr Ryan McDonald	2014
Professor Athanassios Fokas	2005	Dr Daniel Mitchell	2014
Dr Lori Passmore*	2005	Dr Marcella Sutcliffe	2014
Professor Peter Markowich	2009	Ms Amanda Walker*	2014
Dr Elizabeth Rowe	2009	Dr Stefano Recchia	2015
Dr Sohini Kar-Narayan*	2009	Dr Marie Janson	2015
Dr Wai Yi Feng	2010	Dr Gabriel Byng	2015
Professor Hasok Chang*	2011	Dr Claire Chewapreecha	2015
Dr Katrin Müller-Johnson*	2012	Dr Romain Guilbaud	2015
Dr Stephen Mawdsley	2012	Dr Daniel Jolowicz	2015
Dr Amir Amel-Zadeh	2012	Dr Alison Mather	2015
Dr Iain Black*	2012	Dr Timothy Stuart-Buttle	2015
Dr John Regan	2012	Dr Catalina Taltavull	2015
Dr Emilia Wilton-Godberfforde	2012	Dr Keri Wong	2015
Professor Richard McMahon	2013	Dr Keiko Yata	2015
Dr Michael Evans	2013	Dr Mene Pangalos	2016
		Professor Frances Spalding	2016
		President of GSB*	
		Vice-President of GSB*	

*Members who are also members of Council

Senior Officers of Clare Hall

President	Professor David Ibbetson
Vice- President	Mr Stephen Bourne
Senior Tutor	Dr Iain Black
Bursar	Amanda Walker

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Professional Advisers

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
Savills Investment Management LLP
33 Margaret Street
London W1G 0JD

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

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Report of the Governing Body, Year ended 30 June 2016

The Members of the Governing Body who act as Charity Trustees, present the audited financial statements for the year ended 30 June 2016.

Founded in 1966 as a centre for advanced study, Clare Hall is a graduate college of 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 Council members are nominated by the Governing Body and act as Charity Trustees of the College and manage all operational matters. 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 2016 and the net assets as at that date. The College has no subsidiaries.

As a registered charity, the College is regulated by the Charity Commission.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which comply with the Further and Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education, adopted for accounting periods beginning after 1 January 2015.)

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

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 15 PhDs and 63 Masters-level degrees (2015: 30 and 103 respectively).

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Report of the Governing Body, Year ended 30 June 2016

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 26 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 2015-2016 was £90,294 (2014-15 £79,560). The College also supports students through a grant scheme to assist with attendance at conferences and travel grants. The total awarded in 2015-2016 was £14,436 (2014-15 £15,849). In addition to other programmes, the College operates a scheme for students in financial hardship. The total awarded in 2015-2016 was £17,070 (2014-15 £14,322). 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.

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Report of the Governing Body, Year ended 30 June 2016

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 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.

Achievements and Performance

The College's goal is to promote an international community of Cambridge academics, post-graduate students & visiting scholars to make Clare Hall an outstanding College.

The five key performance objectives were set by the Governing Body in 2015 and achievements during the financial year have been as follows:

(i) To raise £20m

This is to ensure there is a free endowment of £10m to cover risks and contingencies, and to contribute to future key projects including major building works. Also to provide student support, scholarships, bursaries, prizes, and awards to enrich the environment and academic experience. During 2015-16 the newly established Development Office has secured an effective alumni base, strengthened communications with stakeholders and contributed to the generation of £412k in total donations (2015 £483k) which combined with the £1.5m Boak legacy shows £1.9m of benefactions overall. Council agreed a cost of 10% from restricted gifts to cover the administration, reporting and fulfilment of the donation, to be applied in future, as appropriate.

(ii) Visiting Fellows of International Standing

Throughout 2015-16 the College has continued to attract top quality people alongside the offer of excellent accommodation and facilities. These senior academics with established reputations are one of the most important constituents of the College.

(iii) Ensure students enjoy the Clare Hall experience

In 2015-16 a Master Planning process has been commissioned, and, subject to attracting suitable benefactions, the College is currently prioritising improvements in infrastructure to continue to secure high calibre students, including the post-doctoral community.

(iv) The College operates efficiently and effectively

During the year the governance has been strengthened including enhanced reporting, risk, legal & compliance matters; new forms of reporting to ensure the finances are transparent and openly managed; management standardised and staff appraisals implemented ~ demonstrating to staff they are valued; information technology developments include outsourcing IT provision to the University Information Service; domestic services have been refreshed with new appointments to key posts, alongside a new website designed to ensure the college is accessible.

(v) Progress with the project to spruce up communal space is currently dependant on attracting benefactions.

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Report of the Governing Body, Year ended 30 June 2016

Financial Review

Changes to the Financial Statements

The financial statements are presented in a new format in accordance with the Recommended Cambridge Colleges Accounts (RCCA). The statements comply with the FE/HE SORP and FRS102.

Statement of Comprehensive Income and Expenditure

The new single Statement of Comprehensive Income and Expenditure replaces the Income and Expenditure Account and the Statement of Recognised Gains and Losses which featured in the previous version of the RCCA. This new statement features three columns: Unrestricted, Restricted and Endowment so that the various income and expenditure flows can be shown separately. This is important because all donations and investment gains are essentially presented as income.

The Unrestricted column ~ this is broadly comparable with the former Income and Expenditure account. The bottom line shows a net deficit of £328,220 compared to the 2014-15 surplus of £51,983. This is principally due to substantially lower investment gains credited in 2015-16 of £152,742 (2014-15 £490,095). There has also been a slight lowering of income from academic fees and charges (fewer student numbers); a fall in unrestricted donations, and an increase in education (tutorial) costs. 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 attributed to unrestricted and restricted activities.

The Restricted column ~ this includes all the restricted transactions and shows donations which are deemed to be restricted which are included in the Statement of Comprehensive Income and Expenditure. There have been several specific donations during the year amounting to £1,778,016 (2015 £279,791) which includes a substantial credit for £1.5m from Professor Boak; this is a much valued contribution to the scholarship funds.

The Endowment column ~ this shows £796,920 (2015 £744,096) being the income from all invested endowment funds i.e. funds where the capital cannot be spent as income. Included in the Unrestricted column is £474,885 (2015 £439,834) and included in the Restricted column is £322,035 (2015 £304,262). The College records with gratitude the receipt of the capital grant from the Colleges Fund during the year totalling £265k (2015 £285k) and is a permanent addition to the College endowment.

Maintenance of buildings ~ 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 £269,200 (2015 £258,500).

Statement of Changes in Reserves

The new Statement of Changes in Reserves shows total funds of £29.4m held by the college at 30 June 2016 comprising £11m in unrestricted funds (of which £3.5m is free reserves); £3.5m is attributable to restricted funds and £14.9m endowment. No material amounts have been designated or otherwise committed at the year end. There have been no material additions to the unrestricted endowment since 2007. The strategic objectives of the College include raising further unrestricted funds to further bolster reserves and to cover eventualities such as future capital acquisitions, exceptional items and emergencies as well as a general buffer. In planning for the future, the trustees have commissioned a review of the Clare Hall estate to ensure there are priorities in the development of the College captured in a master plan.

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Report of the Governing Body, Year ended 30 June 2016

Balance Sheet

The operational fixed assets continue to be carried at historical cost or existing depreciated replacement cost values. The changes to the re-presented Balance sheet now include Heritage assets using a reasonably ascertained (partial) valuation and the estimated share of the University Superannuation Scheme liability. No accrual has been made for holiday pay as this is deemed immaterial.

The deferred capital treatment for capital donations has been eliminated and these are now treated as restricted donations until spent. Creditors includes a payment of £129,562 due to the University for Composition Fees and which has since been paid.

The Balance Sheet liabilities includes provisions for pension scheme liabilities as follows:

The deficit for the Cambridge College's Federated Pension Scheme [CCFPS] of £456k last year has now decreased to £442k following a change in valuation assumptions.

The deficit for the Universities Superannuation Scheme is shown in the accounts for the first time this year with a prior year adjustment made to reflect the impact on the the previous year; the deficit stands at £102k.

Capital expenditure ~ The additions to fixed assets amount to £27k in the year.

The balance sheet is stronger by £2m over the previous year arising mainly from receipt of the Boak legacy of £1.5m which is included in restricted reserves.

The Endowment and Investment Performance

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 449,268 at £47.77 each, with a value of £21.5m. The distribution rate for the University's financial year to 31 July 2016 is 168.67 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. The proportion of the College's endowment funds invested in the CUEF represents 92.5% of the total endowment funds (2015 92%). The remaining 7.5% (2015 8%) continues to be held with the Charities Property Fund to add diversification to the asset allocation of investments.

The asset allocation of the CUEF as at 30 June 2016 is shown below; this represents a transitional point towards a target asset allocation.

Asset Class	Allocation 2016, %	Allocation 2015, %
Public equities	60	61
Real assets (including property)	12	10
Absolute return (including hedge funds)	13	13
Credit	1	2
Fixed Income (including cash)	12	5
Private investments	2	9

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Report of the Governing Body, Year ended 30 June 2016

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. The year end investment commentary on the CUEF performance was driven by a sharp fall in sterling and domestic UK equities such as banks, housebuilders and property companies after the UK referendum vote to leave the European Union on 23rd June made clear that this outcome was broadly unexpected. While the fund has exposure to these sectors, it was shielded from the fallout by its sterling reporting base and the fact that only around half of its diversified pool of global assets is denominated in, or hedged back to, the pound. Consequently the fund enjoyed a return for the fiscal year close to its primary UK inflation-linked investment objective. Passive over active manager returns have been favoured. The CUEF has negligible exposure to the now extraordinarily expensive conventional and inflation-linked government bond markets.

Cash flow and Treasury Management

At the end of the financial year the College held a cash balance of £872k (2015 £617k). This included an amount of £129k (2015 £179k) due to the University in respect of the balance of fees for 2015-2016, the Colleges Fund grant of £265K (2014 £285k) and a number of student fees paid in advance of the new academic year. At 30 June 2016, 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.

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.

Principal Risks and Uncertainties

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 with the main strategic risks grouped under four headings: Governance, Academic, Financial Health and Operations. 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.

Future Plans

The five key performance objectives (considered under Achievements and Performance above) will continue to form the basis of future planning, augmented by the imminent completion of the Master plan. This will support the work of the Development Office in ensuring potential benefactors have full information on the strategic priorities for the Clare Hall Estate.

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Report of the Governing Body, Year ended 30 June 2016

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 Council are the Charity Trustees; overall management and control are delegated to them by the Governing Body, and they are responsible for ensuring compliance with charity law, other statutory duties and operational matters. It is the duty of the Council to keep under review the effectiveness of the operating processes, performance, systems and controls.
3. The Governing Body is assisted by a number of Committees.
Council
Finance
Official Fellowship
Fellowship
4. 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 Graduate Student Body President in attendance.
5. The principal officers of the College during the year were:
President Professor David Ibbetson
Vice President Stephen Bourne
Senior Tutor Dr Iain Black
Bursar Amanda Walker
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 Members of the Governing Body during the year ended 30 June 2016 are set out on page 1. [Members of Council are identified with an asterisk.]

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Report of the Governing Body, Year ended 30 June 2016


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 2016 and up to the date of approval of the financial statements.
4. The Governing Body is responsible for reviewing the overall 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

19 October 2016


Amanda Walker
Bursar

19 October 2016

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Report of the Governing Body, Year ended 30 June 2016

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, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2016

Independent Auditors' Report to the Governing Body of Clare Hall

We have audited the financial statements of Clare Hall for the year ended 30 June 2016 which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves, 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, the Statutes of the University of Cambridge and with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's 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 GOVERNING BODY AND AUDITORS

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

We have been appointed as auditors under section 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 Governing Body; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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Independent Auditors' Report to the Governing Body of Clare Hall

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2016 and of the 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.

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 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: 1 November 2016

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

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2016

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 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.

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

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

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

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

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

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Annual Report and Financial Statements for the year ending 30 June 2016

Statement of Principal Accounting Policies

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.

Other income

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

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.

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 Statement of Comprehensive 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, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2016

Statement of Principal Accounting Policies

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 after making provision for slow moving or 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 benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Taxation

The College is a registered charity (number 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.

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 (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", 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. Since the College has entered into

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2016

Statement of Principal Accounting Policies

an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the College recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

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 2016 were 18.63% employer and 5% employee.

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 material unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Transition to the 2015 RCCA

The College is preparing its financial statements in accordance with 2015 RCCA for the first time, amended for the adoption of FRS 102. An explanation of how the transition to the 2015 RCCA has affected the reported financial position, financial performance and cash flows is provided at note 23 to the accounts.

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 fund

STATEMENT OF COMPREHENSIVE INCOME & EXPENDITURE
YEAR ENDED 30 JUNE 2016

					2016 £ <u>Total</u>				2015 £ <u>Total</u>
INCOME	Note	Unrestricted	Restricted	Endowment		Unrestricted	Restricted	Endowment	
Academic fees and charges	1	485,130	-	-	485,130	499,830	-	-	499,830
Residences, catering and conferences	2	1,523,966	-	-	1,523,966	1,520,987	-	-	1,520,987
Investment Income	3	-	-	796,920	796,920	-	-	744,096	744,096
Endowment return transferred		474,885	322,035	(796,920)	-	439,834	304,262	(744,096)	-
Other income	4	-	-	-	-	5,012	-	-	5,012
Total income before donations and endowments		2,483,981	322,035	-	2,806,016	2,465,663	304,262	-	2,769,925
Donations		134,245	1,778,016	-	1,912,261	203,270	279,791	-	483,061
Capital grant from Colleges Fund		-	-	265,000	265,000	-	-	285,000	285,000
Total Income		2,618,226	2,100,051	265,000	4,983,277	2,668,933	584,053	285,000	3,537,986
EXPENDITURE									
Education	5	702,478	493,712	-	1,196,190	646,041	423,609	-	1,069,650
Residences, catering and conferences	6	2,138,171	-	-	2,138,171	2,063,778	-	-	2,063,778
Other expenditure	7	323,132	-	-	323,132	429,842	-	-	429,842
Total expenditure	8	3,163,781	493,712	-	3,657,493	3,139,661	423,609	-	3,563,270
(Deficit)/surplus before other gains and losses		(545,555)	1,606,339	265,000	1,325,784	(470,728)	160,444	285,000	(25,284)
Gain/(loss) on investments	11	152,742	43,338	399,115	595,195	490,095	132,877	1,281,947	1,904,919
(Deficit)/surplus for the year		(392,813)	1,649,677	664,115	1,920,979	19,367	293,321	1,566,947	1,879,635
Other Comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	20	64,593	-	-	64,593	32,616	-	-	32,616
Total comprehensive income for the year		(328,220)	1,649,677	664,115	1,985,572	51,983	293,321	1,566,947	1,912,251

Clare Hall
Statement of Changes in Reserves
Year ended 30 June 2016

	Income and expenditure reserve			
	Unrestricted £	Restricted £	Endowment £	Total £
Balance at 1 July 2015	11,312,816	1,882,562	14,187,342	27,382,720
Surplus/(Deficit) from Income and expenditure statement	(392,813)	1,649,677	664,115	1,920,979
Other Comprehensive income	64,593	-	-	64,593
Balance at 30 June 2016	<u>10,984,596</u>	<u>3,532,239</u>	<u>14,851,457</u>	<u>29,368,292</u>

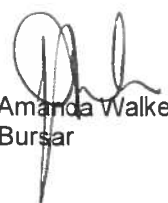
	Income and expenditure reserve			
	Unrestricted £	Restricted £	Endowment £	Total £
Balance at 1 July 2014	8,787,558	1,589,241	12,620,395	22,997,194
Prior year adjustment: deferred capital opening balance	2,521,204	-	-	2,521,204
Prior year adjustment: USS provision	(47,929)	-	-	(47,929)
Surplus/(Deficit) from Income and expenditure statement	19,367	293,321	1,566,947	1,879,635
Other Comprehensive income	32,616	-	-	32,616
Balance at 30 June 2015	<u>11,312,816</u>	<u>1,882,562</u>	<u>14,187,342</u>	<u>27,382,720</u>

Clare Hall
Balance Sheet as at 30 June 2016

	Note	2016 £	2015 £
NON-CURRENT ASSETS			
Fixed assets	9	7,335,258	7,691,058
Heritage assets	10	150,000	150,000
Investments	11	23,210,469	21,158,274
		<u>30,695,727</u>	<u>28,999,332</u>
CURRENT ASSETS			
Stocks		71,331	52,624
Trade and other receivables	12	245,008	261,205
Cash and cash equivalents	13	872,606	617,380
		<u>1,188,945</u>	<u>931,209</u>
Creditors: amounts falling due within one year	14	<u>(471,777)</u>	<u>(496,618)</u>
Net current assets		717,168	434,591
Total assets less current liabilities		31,412,895	29,433,923
Creditors: amounts falling due after more than one year	15	<u>(1,500,000)</u>	<u>(1,500,000)</u>
Net assets excluding pension (deficit)/surplus		29,912,895	27,933,923
Pension (deficit)/surplus of CCFPS	16	(442,203)	(456,304)
Other Provisions (USS)	17	<u>(102,400)</u>	<u>(94,899)</u>
Net assets including pension (deficit)/surplus		<u>29,368,292</u>	<u>27,382,720</u>
CAPITAL AND RESERVES			
Restricted reserves			
Income and expenditure reserve – endowment	18	14,851,457	14,187,342
Income and expenditure reserve – restricted	19	3,532,239	1,882,562
		<u>18,383,696</u>	<u>16,069,904</u>
Unrestricted reserves			
Income and expenditure reserve – unrestricted		10,984,596	11,312,816
TOTAL		<u>29,368,292</u>	<u>27,382,720</u>

19 000000
 Approved by the Governing Body on2016
 and signed on their behalf by:


 Professor D Ibbetson
 President


 Amanda Walker
 Bursar

Clare Hall
Cash Flow Statement
Year ended 30 June 2016

	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) for the year	1,920,979	1,879,635
Adjustment for non-cash items		
Depreciation	382,885	389,717
Gain on endowments, donations and investment property	(595,195)	(1,904,919)
Decrease in stocks	(18,708)	11,901
(Increase)/decrease in debtors	16,198	(97,773)
Increase/(decrease) in creditors	(24,841)	64,902
Pension costs less contributions payable	50,492	42,477
USS pension provision	7,501	46,970
Adjustment for investing or financing activities		
Investment income	(796,920)	(744,096)
Interest payable	72,648	72,450
Net cash inflow/(outflow) from operating activities	1,015,039	(238,736)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	796,920	744,096
Endowment funds invested	(1,457,000)	(500,000)
Payments to acquire tangible fixed assets	(27,086)	(227,562)
Total cash flows investing activities	(687,166)	16,534
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(72,648)	(72,450)
Total cash flows investing activities	(72,648)	(72,450)
Increase/(decrease) in cash and cash equivalents in the year	255,225	(294,652)
Cash and cash equivalents at the beginning of the year	617,381	912,033
Cash and cash equivalents at the end of the year	872,606	617,381

Clare Hall

Notes to the Accounts for the year ended 30 June 2016:

1 ACADEMIC FEES AND CHARGES		2016	2015
COLLEGE FEES		£	£
Graduate fee income		<u>485,130</u>	<u>499,830</u>
Total		<u>485,130</u>	<u>499,830</u>
2 INCOME FROM RESIDENCES, CATERING AND CONFERENCES		2016	2015
		£	£
Accommodation	College members	1,294,396	1,374,102
	Conferences	-	-
Catering	College members	229,570	146,885
	Conferences	<u>-</u>	<u>-</u>
Total		<u>1,523,966</u>	<u>1,520,987</u>
3 INVESTMENT INCOME		2016	2015
Income from:			£
Cambridge University Endowment Fund		715,893	659,746
Charity Property Fund		<u>81,027</u>	<u>84,350</u>
Total		<u>796,920</u>	<u>744,096</u>
4 OTHER INCOME		2016	2015
		£	£
Net Finance income in respect of defined benefit pension scheme		<u>-</u>	<u>5,012</u>
Total		<u>-</u>	<u>5,012</u>
5 EDUCATION EXPENDITURE		2016	2015
		£	£
Teaching		46,604	42,321
Tutorial		165,969	140,044
Admissions		67,171	61,644
Research		449,713	507,417
Scholarships and awards		232,260	92,805
Other educational facilities		<u>234,473</u>	<u>225,419</u>
Total		<u>1,196,190</u>	<u>1,069,650</u>
6 RESIDENCES, CATERING AND CONFERENCES EXPENDITURE		2016	2015
		£	£
Accommodation	College members	1,636,375	1,628,766
	Conferences	-	-
Catering	College members	501,796	435,012
	Conferences	<u>-</u>	<u>-</u>
Total		<u>2,138,171</u>	<u>2,063,778</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2016:

7 OTHER EXPENDITURE	2016	2015
	£	£
Fellows Commons	36,629	44,867
Student Meals Subsidy	29,195	34,535
Development Office Salaries	138,834	141,252
Art Fund	3,418	828
Music Series	10,712	10,708
Misc.	5,220	34,291
Development Account	74,429	116,391
CCFPS - Net Finance cost	17,194	-
USS – Pension provision	7,501	46,970
Total	323,132	429,842

8a ANALYSIS OF 2015/16 EXPENDITURE BY ACTIVITY	Staff costs (note 20)	Other operating expenses	Depreciation	Interest	Total
	£	£	£	£	£
Education (note 5)	456,924	697,302	41,965	-	1,196,191
Residences, catering and conferences (note 6)	674,086	1,050,515	340,921	72,648	2,138,170
Other (note 7)	131,400	191,732	-	-	323,132
	1,262,410	1,939,549	382,886	72,648	3,657,493

8b ANALYSIS OF 2014/15 EXPENDITURE BY ACTIVITY	Staff costs (note 20)	Other operating expenses	Depreciation	Interest	Total
	£	£	£	£	£
Education (note 5)	381,785	645,152	42,713	-	1,069,650
Residences, catering and conferences (note 6)	636,659	1,007,666	347,003	72,450	2,063,778
Other (note 7)	181,513	248,329	-	-	429,842
	1,199,957	1,901,147	389,716	72,450	3,563,270

Expenditure includes £213,263 as the costs of fund raising (2015: £257,643). This expenditure includes the costs of alumni relations.

8c AUDITORS' REMUNERATION	2016	2015
	£	£
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	5,216	4,088
	15,216	14,088

The amounts above are stated inclusive of VAT.

Clare Hall

Notes to the Accounts for the year ended 30 June 2016:

9 TANGIBLE FIXED ASSETS	Freehold land and buildings £	Infrastructure and equipment £	2016 £
VALUATION			
As at 1st July 2015	10,313,731	1,524,223	11,837,954
Additions at cost	-	27,086	27,086
Eliminations	-	-	-
Valuation as at 30th June 2016	<u>10,313,731</u>	<u>1,551,309</u>	<u>11,865,040</u>
DEPRECIATION			
As at 1st July 2015	3,586,104	560,793	4,146,897
Charge for the year	298,615	84,270	382,885
Eliminations	-	-	-
Provision for depreciation as at 30th June 2016	<u>3,884,719</u>	<u>645,063</u>	<u>4,529,782</u>
Net book value as at 30th June 2016	<u>6,429,013</u>	<u>906,246</u>	<u>7,335,258</u>
Net book value as at 30th June 2015	<u>6,727,628</u>	<u>963,430</u>	<u>7,691,058</u>

The College's operational buildings are insured for a rebuilding cost of £26,000,000.

10 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 1999 have been capitalised. However the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

There have been no additions to heritage assets during the last five years.

11 INVESTMENT ASSETS	2016 £	2015 £
Balance at 1st July	21,158,274	18,753,355
Additions	1,457,000	500,000
Disposals	-	-
Appreciation/(depreciation) on revaluation	<u>595,195</u>	<u>1,904,919</u>
Balance at 30th June	<u>23,210,469</u>	<u>21,158,274</u>
Represented by:		
Charities Property Fund	1,746,981	1,697,620
Cambridge University Endowment Fund	<u>21,463,488</u>	<u>19,460,654</u>
Total	<u>23,210,469</u>	<u>21,158,274</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2016:

12 TRADE AND OTHER RECEIVABLES

	2016	2015
	£	£
Members of College	109,258	123,694
Sundry debtors	135,750	137,511
	<u>245,008</u>	<u>261,205</u>

13 CASH

	2016	2015
	£	£
Bank current accounts	868,162	615,129
Cash in hand	4,444	2,252
	<u>872,606</u>	<u>617,381</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Members of College	79,029	70,525
Trade creditors	210,664	216,177
Cambridge Foundation exp. allocation	953	2,842
Tax and pension funds	51,570	27,129
University composition fees	129,562	179,945
	<u>471,778</u>	<u>496,618</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>

16 PENSION PROVISIONS (CCFPS)

	2016	2015
	Total	Total
	£	£
Balance at beginning of year	456,304	446,443
Movement in year:		
Current service cost including life assurance	132,605	119,650
Contributions	(99,307)	(72,161)
Other finance cost	17,194	19,139
Actuarial gain recognised in Statement of Comprehensive Income and Expenditure	(64,593)	(56,767)
	<u>442,203</u>	<u>456,304</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2016:

17	PENSION PROVISIONS (US\$)	2016 £	2015 £
	Balance at beginning of year	94,899	47,929
	Charge to comprehensive income	7,501	46,970
		<u>102,400</u>	<u>94,899</u>

18 ENDOWMENT FUNDS

	Restricted Permanent	Unrestricted Permanent	Total 2016	Total 2015
	£	£	£	£
Balance at beginning of year:				
Capital	7,009,341	7,178,001	14,187,342	12,620,395
Capital Grant from Colleges Fund	-	265,000	265,000	285,000
Increase in market value of investments	197,176	201,939	399,115	1,281,947
Transfers	-	-	-	-
Balance at end of year	7,206,517	7,644,940	14,851,457	14,187,342
Analysis by type of purpose:				
Fellowship Funds	5,316,894	-	5,316,894	5,171,419
Scholarship Funds	1,727,104	-	1,727,104	1,679,849
Bursary Funds	37,113	306,781	343,894	334,485
Other Funds	125,406	-	125,406	121,975
General Endowments	-	7,338,159	7,338,159	6,879,614
Total	7,206,517	7,644,940	14,851,457	14,187,342
Analysis by asset:				
Investments	7,206,517	7,379,940	14,586,457	14,187,342
Cash	-	265,000	265,000	-
Total	7,206,517	7,644,940	14,851,457	14,187,342

Clare Hall

Notes to the Accounts for the year ended 30 June 2016:

19 RESTRICTED RESERVES

	Permanent unspent and other restricted income £	Restricted expendable endowment	2016 Total £	2015 Total £
Balance at beginning of year				
Capital	-	1,475,200	1,475,200	1,308,117
Accumulated Income	197,478	209,884	407,362	281,123
	197,478	1,685,084	1,882,562	1,589,240
 New Donations	11,322	1,766,694	1,778,015	279,791
Investment Income	266,490	55,545	322,035	304,262
Expenditure	(185,551)	(308,161)	(493,712)	(423,609)
Increase in market value of investments	1,842	41,496	43,339	132,877
	291,581	3,240,658	3,532,239	11,882,562
 Balance at end of year				
Capital	67,342	2,973,695	3,041,037	1,475,200
Accumulated Income	224,239	266,963	491,202	407,362
	291,581	3,240,658	3,532,239	1,882,562
 Analysis of other restricted funds/donations				
By type of purpose:				
 Fellowship Funds	156,510	1,366,168	1,522,678	1,495,387
Scholarship Funds	122,938	1,769,570	1,892,508	278,356
Bursary Funds	7,494	27,338	34,832	33,738
Other Funds	4,639	77,582	82,221	75,081
	291,581	3,240,658	3,532,239	1,882,562

Notes to the Accounts for the year ended 30 June 2016:

20 STAFF

	College fellows	Other academic	Non-academic	Total 2016	Total 2015
	£	£	£	£	£
Staff costs:					
Emoluments	170,741	-	841,637	1,012,378	949,872
Social security costs	15,116	-	70,556	85,672	79,229
USS pension costs	25,909	-	39,143	65,053	98,695
CCFPS pension costs	-	-	99,307	99,307	72,161
	<u>211,766</u>	<u>-</u>	<u>1,050,643</u>	<u>1,262,410</u>	<u>1,199,957</u>

Average staff numbers:

Academic	50	-	-	50	57
Non-academic (full-time equiv.)	<u>2</u>	<u>-</u>	<u>29</u>	<u>31</u>	<u>28</u>
	<u>52</u>	<u>-</u>	<u>29</u>	<u>81</u>	<u>85</u>

	2016 £	2015 £
Trustees' remuneration included above	196,650	181,322

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

Of the 52 fellows declared above 9 are stipendiary.

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

21 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 £151,382 (2015: £113,853).

The total cost charged to the profit and loss account is £72,899 (2015: £51,656) as shown in note 20. The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

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

Notes to the Accounts for the year ended 30 June 2016:

21 PENSION SCHEMES continued

Universities Superannuation Scheme cont'd

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

	2016	2015
Discount rate	3.6%	3.3%
Pensionable salary growth	n/a	3.5% in the first year and 4.00% thereafter
Price inflation (CPI)	2.2%	2.2%

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

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

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

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

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

Notes to the Accounts for the year ended 30 June 2016:

21 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 contribution made by the College, including PHI, in respect of the year ended 30 June was £78,482 (2015: £62,197). The contribution rate payable by the College was 15.06% of pensionable salaries.

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, as at 31 March 2014 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	30 June 2016	30 June 2015
Discount rate	2.80%	3.70%
Increase in salaries	*2.40%	*2.75%
RPI assumption	2.90%	3.25%
CPI assumption	1.90%	2.25%
Pension increases in payment (RPI Max 5% p.a.)	2.70%	3.05%
Pension increases in payment (RPI Max 5% p.a.)	1.70%	N/A

* 1.5% in 2016 to 2016; 2.4% thereafter

** 1.5% in 2015 to 2016; 2.75% thereafter

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2015 future improvement factors and a long-term rate of future improvement 1.0% p.a. (2015: same base table with CMI_2014 future improvement factors and a long-term rate of future improvement 1.0% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years
- Female age 65 now has a life expectancy of 23.9 years
- Male age 45 now and retiring in 20 years would have a life expectancy then of 23.2 years
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.4 years

Employee Benefit Obligations

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

	30-Jun-16 £	30-Jun-15 £
Present value of plan liabilities	(2,043,940)	(1,811,765)
Market value of assets	1,601,737	1,355,461
Net defined benefit (liability)/asset	(442,203)	(456,304)

Notes to the Accounts for the year ended 30 June 2016:

21 PENSION SCHEMES continued

Cambridge Colleges Federated Pension Scheme cont'd

The amounts to be recognised in profit and loss for the 12 months ending 30 June 2016 (with comparative figures for 12 months ending 30 June 2015) are as follows:

	30-Jun-16 £	30-Jun-15 £
Current service cost	132,605	119,650
Interest on net defined benefit (asset)/Liability	17,194	19,139
(Gain)/loss on plan changes	-	-
Curtailement (gain)/Loss	-	-
Total	149,799	138,789

Changes in the present value of the plan liabilities for the 12 months ending 30 June 2016 (with comparative figures for 12 months ending 30 June 2015) are as follows:

	30-Jun-16 £	30-Jun-15 £
Present value of plan liabilities at beginning of period	1,811,765	1,640,883
Service cost (including Employee contributions)	161,713	142,501
Benefits paid	(111,637)	(94,278)
Interest on plan liabilities	68,097	70,025
Actuarial losses/(gains)	114,002	52,634
(Gain)/loss on plan changes	-	-
Curtailement losses/(gains)	-	-
Present value of Scheme liabilities at end of period	2,043,940	1,811,765

Changes in the fair value of the plan assets for the 12 months ending 30 June 2016 (with comparative figures for 12 months ending 30 June 2015) are as follows:

	30-Jun-16 £	30-Jun-15 £
Market value of plan assets at beginning of period	1,355,461	1,194,440
Contributions paid by College	99,307	72,161
Employee contributions	29,108	22,851
Benefits paid	(111,637)	(94,278)
Interest on plan assets	50,903	50,886
Return on assets, less interest included in Profit & Loss	178,595	109,401
Market value of plan assets at end of period	1,601,737	1,355,461
Actuarial return on plan assets	229,498	160,287

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

	30-Jun-16	30-Jun-15
Equities and Hedge Funds	59%	69%
Bonds & Cash	35%	25%
Property	6%	6%
Total	100%	100%

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

Notes to the Accounts for the year ended 30 June 2016:**21 PENSION SCHEMES continued****Cambridge Colleges Federated Pension Scheme cont'd**

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the 12 months ending 30 June 2016 (with comparative figures for the 12 months ending 30 June 2015) are as follows:

	30-Jun-16	30-Jun-15
	£	£
Actuarial return less expected return on plan assets	178,595	109,401
Experience gains and losses arising on plan liabilities	50,594	15,513
Changes in assumptions underlying the present value of plan liabilities	<u>(164,596)</u>	<u>(68,147)</u>
Actuarial (loss)/gain recognised in OCI	<u>64,593</u>	<u>56,767</u>

Movement in surplus/(deficit) during the 12 months ending 30 June 2016 (with comparative figures for the 12 months ending 30 June 2015) are as follows:

	30-Jun-16	30-Jun-15
	£	£
(Deficit)/surplus in Scheme at beginning of year	(456,304)	(446,443)
Service cost (Employer only)	(149,799)	(138,789)
Contributions paid by the College	99,307	72,161
Actuarial (losses)/gains	<u>64,593</u>	<u>56,767</u>
(Deficit) in Scheme at the end of the year	<u>(442,203)</u>	<u>(456,304)</u>

Funding Policy

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

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

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 3 June 2015 and are as follows:

- Annual contributions of not less than £2,823 p.a. payable for the period 1 July 2015 to 31 March 2034.

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

22 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.

Notes to the Accounts for the year ended 30 June 2016:

23 TRANSITION TO 2015 RCCA

	30-Jun-15
	£
Surplus/(deficit) for the year as previously stated	(367,491)
Revised treatment of deferred capital	(57,582)
Adjustment for movement in pension deficit funding provision of USS	(46,970)
Adjustment for gains/(losses) previously recognised in the Statement of Recognised Gains & Losses	
Unapplied total return transferred to Endowment	1,904,919
New Endowments	161,759
Capital grant from Colleges Fund	285,000
Actuarial profit/(loss) in respect of pension schemes	32,616
Total Comprehensive Income/(Expenditure) as restated	<u>1,912,251</u>

Reconciliation of reserves and balances	30-Jun-14	30-Jun-15
	£	£
Reserve balances as previously stated	22,997,194	25,013,997
Revised treatment of deferred capital	2,521,204	2,463,623
Pension deficit funding provision of USS	<u>(47,929)</u>	<u>(94,899)</u>
	<u>25,470,469</u>	<u>27,382,721</u>