

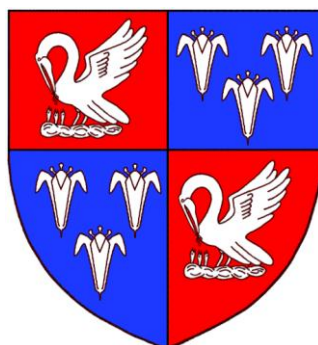


**Corpus Christi College  
Cambridge**

**RECOMMENDED CAMBRIDGE COLLEGE ACCOUNTS  
(RCCA)**

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**For the financial year ended  
30 June 2013**





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## Governing Body / Trustees

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Charity Registration Number 1137453  
Charity Exemption Number X6457  
VAT Number GB 214 2431 13

The College of Corpus Christi and the Blessed Virgin Mary in the University of Cambridge is a corporate body comprising the Master, the Fellows and the Scholars whose registered office is at Trumpington Street, Cambridge, CB2 1RH. The College is a registered charity and is subject to regulation by the Charity Commission for England and Wales. The charity trustees of the College are the members of the Governing Body, being its Official Fellows, appointed by the Governing Body in accordance with the Statutes of the College.

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### MEMBERS OF THE GOVERNING BODY AND TRUSTEES OF THE CHARITY

Master  
Stuart Laing MA

CJB Brookes MA, PhD	Tutor for Advanced Students, College Lecturer in Mathematics, <i>Affiliated Lecturer in the Faculty of Mathematics</i>
RA McMahon MA, PhD	President, <i>Senior Lecturer in Engineering</i>
Professor CJ Howe MA, PhD, ScD, FLS	<i>Professor of Plant and Microbial Biochemistry</i>
R Davis PhD (Princeton), BMus (London), LRAM, LTCL	<i>Reader in Ethnomusicology</i>
Professor AG Smith BSc (Bristol), PhD	<i>Professor of Plant Biochemistry</i>
Professor PC Hewett MA, PhD (Edinburgh)	Food and Wine Steward, <i>Professor of Observational Cosmology and Astrophysics</i>
NE Simmonds MA, LL.M, PhD	Dean of College, <i>Reader in Jurisprudence</i>
Professor M Warner FRS, MA, PhD (London)	<i>Professor of Theoretical Physics</i>
PNR Zutshi PhD, FSA	GB Secretary, Graduate Tutor, <i>Keeper of the University Archives</i>
Professor JG Haslam MLitt, BSc (Econ), PhD (Birmingham), FBA	<i>Professor of History of International Relations</i>
CM Kelly BA (Sydney), PhD, FSA	<i>Reader in Ancient History, Laurence Lecturer in Classics</i>
D Greaves MA, PhD	<i>Senior Lecturer in Computer Science</i>
Professor S Godsill MA, PhD	Tutor, <i>Professor of Statistical Signal Processing</i>
Professor EF Wilson MA, PhD	<i>Professor of Contemporary French Literature and the Visual Arts</i>
HPC Robinson MA, PhD	<i>Senior Lecturer in Neuroscience</i>
Professor AC Harvey BA (York), MSc (LSE), FBA	<i>Professor of Econometrics</i>
DA Sneath BSc (Ulster), PhD	Graduate Tutor, <i>Reader in the Anthropology of Political Economy</i>
AN Williams MA (Hons), Dip TESL (Victoria), MDiv, MPhil, PhD (Yale)	<i>Lecturer in Patristics and Medieval Theology</i>
Professor DJ Ibbetson MA, PhD, FBA	Warden of Leckhampton, <i>Regius Professor of Civil Law</i>
CFR de Hamel Dphil (Oxford), LittD (Hon, St John's, Minnesota, USA), LittD (Hon, Otago NZ), FSA	Donnelley Fellow Librarian
KA Seffen MA, PhD, CMath	<i>Senior Lecturer in Engineering</i>
J Warren MA, MPhil, PhD	Tutor, <i>Reader in Ancient Philosophy</i>
JL Hallam Foster MA, MSc (LSE), PhD	Tutor, Schools Liaison Officer
EJ Winter MA	Development and Communications Director
MA Taylor MA (Birkbeck), DPhil (York) (02.01.13)	Tutor, Tutor for Admissions
S Cain MA, MPhil	College Teaching Officer in English
Professor C Colclough BA, PhD	<i>Commonwealth Professor Education and Development</i>
M Sutherland BSc, MSc, PhD	Tutor, <i>Royal Society University Research Fellow</i>
P Cicuta Laurea (Milan), PhD	<i>Lecturer in Physics</i>
B Kushner BA, PhD	<i>Senior Lecturer in Modern Japanese History</i>
J Buxton BA (Hons), DipTH	Dean of Chapel



## Governing Body / Trustees

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Marina Frasca-Spada Laurea (Rome), PhD

Shruti Kapila BA, MA, PhD

P Beattie BSc, PhD

SL Ainger-Brown MA, FCMA, FCMI, CGMA

P Warren MA

A Weisl-Shaw MA, MPhil, PhD

P Bearcroft MA, MB, BChir, FRCP, FRCR

J Carr Bsc, PhD

E Spary BA, MA, PhD

A Spencer BA, MPhil, PhD

J Hirst MA DPhil

T Land PhD

A Rao BSc, MSc, PhD

P Amaral BSc, MSc, PhD

J Betts BA, MPhil, MA, PhD

J Morgan MA(Oxon), PhD

J Riley BA, MA, PhD

J Kaminski PhD

N Chen PhD

Senior Tutor, *Affiliated Lecturer in the Department of History and Philosophy of Science*  
*Lecturer in History*

Tutor

College Treasurer and Second Bursar

Bursar

College Teaching Officer and Research Fellow in Modern and Medieval Languages

*Lecturer in Clinical Medicine*

*Lecturer in Natural Sciences*

*Lecturer in History*

Acting Admissions Tutor, Praelector Rhetoricus, Non-Stipendiary Research Fellow in History

Lecturer in Chemistry

Donnelley Research Fellow

Research Fellow in Physics

Non-Stipendiary Research Fellow in Natural Sciences

Research Fellow in History

Tutor, *Lecturer in Law*

*Lecturer in English*

Non-Stipendiary Research Fellow in Modern and Medieval Languages

Microsoft Research Fellow

The above lists Fellows of the College (in order of seniority and election to Fellowship) who are members of the Governing Body (see section 'College Governance'). During the year some Fellows left the fellowship, the dates of leaving fellowship are indicated after their name.

On appointment all Fellows are given copies of the Statutes and Ordinances of the College



## Contact Information- Principal Professional Advisors

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### Actuaries

Cartwright Group Ltd  
Suite 7, Second Floor  
The Hub, IQ Farnborough  
Hants GU14 7JP

### Auditors

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

### Solicitors

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

Mills & Reeve  
Francis House  
112 Hills Road  
Cambridge CB2 1PH

Taylor Vinters  
Merlin Place  
Milton Road  
Cambridge CB4 0DP

### Bankers

Barclays Bank plc (Corporate Banking)  
PO Box 885, Mortlock House  
Histon, Cambridge CB4 9DE

### Property Managers and Valuers

Bidwells Property Consultants  
Trumpington Street  
Cambridge CB2 2LD

### Investment Advisors

Cambridge Associates  
80 Victoria Street, Cardinal Place  
London SW1E 5JL

### Investment Advisors/Managers

JP Morgan  
Finsbury Dials, 20 Finsbury Street  
London EC2Y 9AQ

Martin Currie Investment management Ltd  
Ingham and Wilkinson Building  
129 Front Street  
Hamilton HM12  
Bermuda

State Street Global Advisors Ltd  
20 Churchill Place  
Canary Wharf, London E14 5HJ

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

BlueBay Asset Management plc  
77 Grosvenor Square  
London W1K 3JR

Miura Global Management LLC  
101 Park Avenue  
New York NY10178

J O Hambro  
21 St James Square  
London SW1Y 4HB

Heronbridge Investment Management LLP  
1 Queen Street  
Bath  
BA1 1HE

Cantab Capital Partners  
City House, 126-130 Hills Road  
Cambridge CB2 1RE



### Status

Founded in 1352, the College of Corpus Christi and the Blessed Virgin Mary in the University of Cambridge is the sixth oldest of the thirty-one colleges of Cambridge University. It is an autonomous, self-governing community of Fellows and scholars. The total community consists of the Master, 50 active Fellows (36 men and 14 women) and 467 junior members, of whom 266 are undergraduates (158 men and 108 women) and 201 are graduates (122 men and 79 women). Graduate students include those undertaking both full and part-time study. In addition, 101 members of staff (both full and part-time) support the College in achieving and maintaining its aims and objectives. The College is a registered charity (registered number 1137453) and is subject to regulation by the Charity Commission for England and Wales. The College is a charity within the meaning of the Taxes Act 1988, s506(1). Further information about the College can be found at [www.corpus.cam.ac.uk](http://www.corpus.cam.ac.uk).

### Aims and Objectives of the College

The College is an institution of higher education. It continues to promote its registered charitable statutory objectives “to maintain and support a College within the University of Cambridge for the advancement of education, research, learning and religion”. The College is a place of world-class education, and carries out its objectives by “providing grants to individuals, providing buildings, facilities, open space, services and sponsoring and undertaking research”. The College remains an independent foundation while, at the same time, forming part of an internationally renowned collegiate university. The College endorses the University’s mission and core values and views the partnership between University and College as central to Cambridge’s future development. The College will continue to play an active role in University bodies and in formulating University policy.

In pursuit of its objectives, the College admits (as junior members) undergraduates and graduate students matriculated in the University of Cambridge. It provides financial and other support to those members that require it and supports teaching and research in the University. In order to support the funding of its activities, the College maintains and manages an endowment of assets including properties. Besides educational, financial and tutorial support, the College supplies accommodation, catering and other services to its members and others.

Corpus Christi College has the following long term aims and objectives:

- A dedication and commitment to the pursuit of the highest standards and quality in teaching and research at undergraduate and graduate levels within a stimulating and supportive environment. It maintains the emphasis on the individual in academic and pastoral provision.
- To promote, foster, encourage and support excellence in academic research of the highest quality across a wide variety of disciplines.
- To support a community of Fellows, students and staff allowing the benefits of a large, internationally renowned university to be realised in a small-scale and close knit community.
- To foster and support a community of active alumni contributing to the life and future of the College.
- To manage, maintain, enhance and continually develop its endowments and benefactions, historic buildings and grounds for the benefit of current and future generations.

The College has regard to the Charity Commission’s guidance on public benefit and, inter alia, provides a number of free lectures, concerts and exhibitions for the benefit of the community both nationally and internationally. The College places particular emphasis on sharing its facilities with the local community, the College sports grounds are used by cricket and soccer clubs within the city and the College grounds at the heart of the city are open to the public for most of the year.



### Financial Review – overview of the year

The Income and Expenditure Account showed continued improvement over previous years with the net result confirming a material improvement in efficiency from continuing operations. This is the second consecutive year that a surplus has been reported; it is the preeminent result since the RCCA's were adopted.

In common with other organisations the financial year to 30<sup>th</sup> June 2013 has been a challenging one with complicated and uncertain economic circumstances. The UK economy seems to be recovering at a reasonable pace but there are still risks relating to debt levels and economic growth both in the Euro zone and globally.

The College has continued to pursue its primary charitable aims and goals in promoting learning, study and teaching in a community of scholars in the University of Cambridge. There remains intense pressure on students to perform and reach the highest academic standard possible; this places heavy demands on the College. Corpus alumni taught by the leading academics of their generation often in one-to-one supervisions understand those extreme pressures, and the need for financial resources to meet them. Corpus's financial resources are supported extensively by alumni, through crucial and highly appreciated donations and by College operations.

Corpus is determined to stay in the top echelon as global standards continue to rise. Corpus spends substantial sums on student members, principally in maintaining the intensive support provided by way of Tutors, Directors of Studies and supervisors. The total cost of educating all students was £3,130,170 (2012: £3,124,663). Our academic fee income was £1,597,533 (2012: £1,475,852) leaving a balance of £1,532,637 to be funded from College resources. The tax payer makes a contribution, paying £4,500 under the newly introduced fee regime (1<sup>st</sup> and 2<sup>nd</sup> years only) or £3,951 under the old fee regime (3<sup>rd</sup> years onwards) for each undergraduate by the way of a College Fee, however this still leaves a shortfall versus education costs.

### Financial Results

The College's Consolidated Income and Expenditure Account shows an operating surplus, after the depreciation of fixed assets of £666k (2012 surplus £238k). Constant improvement of the College's financial status, as an independent institution within a collegiate university, provides the supporting foundation for its long term aims. The College's consolidated financial position has significantly improved over the last five years; this is the second consecutive year since the introduction of RCCA that the College has returned a surplus. The College will now strive to report a consistent annual operating surplus:-

£m	2013	2012	2011	2010	2009	2008
Income	9.1	8.2	7.7	7.0	7.6	7.3
Expenditure	8.4	8.0	7.9	7.8	9.2	9.1
Net Surplus/(Deficit)	0.7	0.2	(0.2)	(0.8)	(1.6)	(1.8)

The improved financial position reported over the last few years is as a result of an intense and persistent financial review carried out by the College. The College calculated and evaluated its incomes streams and cost base and implemented strategies to reduce and control expenditure within its operations. The income generated through conferences and functions via catering and accommodation has increased. Donations, gifts and benefactions have been generated by active student telephone campaigns, interaction with alumni and the adoption of a total return investment policy. The College cannot be complacent; our historic buildings require constant refurbishment and repair, outreach and access activities need further funding, student bursaries, scholarship funds and hardship support are ever more essential, investment in high quality student accommodation and facilities remains important.

Excluding depreciation of assets (operational buildings, fixtures and fittings), the net surplus for the year amounted to £1,832k (2012 £1,427k, 2011 £911k).

Over the course of the year, total net assets increased by £7.8m (2012 decreased £0.4m to £198.6m).

The College has one wholly-owned operating subsidiary: Corpus Developments Ltd. The company is registered and files accounts at Companies House. The Directors of the company review its financial performance annually and make Gift Aided donations to the College out of pre-tax profits.



## Operating and Financial Review - For the year ended 30 June 2013

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Corpus Developments Ltd develops property on the College site on behalf of the College. The accounts of the company have been consolidated with the accounts of the College. The activities of student societies are not consolidated in the accounts.

During the year under review the College undertook a retendering and review of auditors; Peters Elworthy and Moore were reappointed after this process and a change of audit partner agreed. This is consistent with our commitment to good governance.

### College Funding

Corpus is funded from several sources; principally donations, investment income, conference activities, student fees and student income (accommodation, catering and services).

### Donations and Benefactions

The College is dependent on donations and benefactions to build its endowment and to fund some of its annual activities. These are a crucial source of revenue for the College; we have been notified of a number of new legacies during the year for which we are very appreciative. Donations (including the recovery of Gift Aid when applicable) are reported in the Income and Expenditure account, the Statement of Total Recognised Gains and Losses and, if received for the purpose of funding fixed assets, as deferred capital grants. The College continues to be very grateful to our historic and current benefactors. We thank our many members, well-wishers, corporate and foundation donors, trusts, alumni, supporters and well-wishers for their support.

The objective of the College Development and Communications Office is to raise significant funds for the College's future needs. Five years ago it established an "Annual Fund". The Annual Fund raises funds through single capital donations and regular giving in order to help meet the College's longer term needs and provide bursaries, teaching, support for student hardship and financial resources in other specific areas. Many alumni make an annual donation to the College, Corpus has extremely high alumni participation rates and this loyalty is appreciated.

Corpus recognizes and values its alumni, they are life-long members of the College community, appreciated for their continuing involvement in, and support of the College.

### Endowment and Investment Performance

Investment values during the year show the total net assets of the College have increased from £190.8M to £198.6M. The market value of the College's property investment portfolio grew by 4% from £35.5M to £36.8M and that of the College's well diversified portfolio of securities investments grew by 15% from £36M to £41.4M.

The College's Investment Advisory Committee (IAC) actively monitors and examines the performance of the professional investment advisors retained by the College. It ensures that an appropriate allocation and diversification of asset types is maintained and monitored to pre-agreed strategic and tactical benchmarks. It undertakes to review risk and liquidity factors and ensures that income received assists in the management of operational cash flow requirements. The IAC, consisting of internal and external members meets regularly during term to review the College portfolio. The current structure is principally a mix of active and passively managed equity, fixed income, hedge funds and property holdings.

The College has reviewed its investment portfolio principles and asset allocation strategy with regards to benchmarks, diversification and exposures. It has taken advice from both Cambridge Associates and Credit Suisse whilst undertaking this exercise. Holding securities purely for income generation and maximization is no longer a key driver in the investment strategy as the College has now moved to a Total Return policy. The College implemented a total return policy in July 2010 and adopted a spending rule of 4%. In 2013 the drawdown was £439k (2012:£496k, 2011: £265k). With the endowment invested on a Total Return basis the total actual income and gains/losses in the year are taken to a reserve, from which the planned Endowment drawdown is released to the Income and Expenditure Account. The remaining balance of the Total Return after deducting the drawdown is accumulated within the reserves.





## Operating and Financial Review - For the year ended 30 June 2013

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Overall the balance sheet position is a healthy one but the College must keep focus on the growth of both unrestricted and appropriate restricted capital. The College understands the importance of active management of its investments to fund its charitable activities; this also enables the College to maintain its financial flexibility during periods when there are economic uncertainties, inflationary pressures, and volatile investment markets.

### Capital Expenditure and Building Renewals

The College's operational properties are recorded within the tangible assets of the balance sheet. The buildings are of varying age and condition; many are beautiful grade I and II listed buildings and are of particular historic note and interest. The task of maintaining these buildings to appropriate standards imposes a significant burden on the College's finances. The College believes it needs to spend 1.5%pa of the insurance replacement value on the Colleges operational buildings; it has only been in the last two years that this aim has been accomplished; overall in the last two decades spending on buildings has been at an inadequate level and we are investing in our buildings to rectify this.

During the year work has been carried out in many student hostels (Bene't Street, Trumpington Street, GTB, Cranmer Road properties): refurbishment of student rooms has continued, refurbishment and installation of shower rooms rather than baths, replacement sinks and vanity units. Reroofing of Cranmer Road properties has been a priority as this has allowed the removal of old water tanks within roof spaces, installation of energy efficient insulation and has ensured water tightness. Essential stonework, timber and electrical repairs have been undertaken. When refurbishments have been planned every effort has been taken to ensure energy efficient devices,( energy saving boilers, thermostatic radiator valves and water consumption devices) have been considered for deployment. Finally after a programme of works all overnight storage heaters have been removed and replaced with energy efficient boilers and central heating with a radiator in all student rooms.

The major project that completed in the year was the Kho building, a new graduate student residential building at Leckhampton. The building of 34 rooms and 6 flats was completed and opened in September 2012 ready for immediate occupation. It was completed on budget and on time. The funding for the project came from the sale of several small graduate hostels, some operational land on Spens Avenue and also from many generous donations. The building was named in June 2013. The George Thomson Building (GTB) had a refurbishment costing £1.2m; the project involved the costly removal of all external floor to ceiling windows. These were replaced with double glazed thermally efficient sealed units. The GTB had all electrical systems and door entrance systems replaced. Other GTB works included the fitting of new kitchens, installation of wifi and new carpets, furniture and curtains. Other minor works completed at Leckhampton included the resurfacing of the car park areas, tennis courts and paths along with first stage planting of the area near the Kho building.

Works that commenced in the year included the total refurbishment of 6-8 Trumpington Street at a cost of £800k, installation of new fire doors in New Court and necessary gas pipe works to Botolph Hostel.



### Future Capital Projects

In 2013/14 it is planned to start work on the refurbishment and extension of 88/90 Barton Road; all planning permissions have been agreed and approved. The property (currently 8 rooms) will be redesigned and extended to provide 14 rooms and 1 flat with greater communal and kitchen space. Costs are projected to be c£1m.

The College wants to increase its accommodation stock in order to be able accommodate planned growth in the student population. The College wants to be able to guarantee College accommodation to the growing number of 4<sup>th</sup> year undergraduate students, to increase the stock of accommodation for graduate students and their families and to improve provision of Fellows' flats. The College continues to focus on offering accommodation at affordable rates while aspiring to limit the subsidy on the rental account and to break even in the medium term.

The College continues to undertake a complex feasibility study into the modernization, refurbishment and potential relocation of its kitchens, and refurbishment and reinstatement of the grand medieval hall. This vision started a year ago when it was agreed that the current kitchen equipment is old and considered to be reaching the end of its useful economic life. Plans will be initiated and developed during the coming year with redesigns, layouts and options for making the space more effective and operationally efficient. It is recognised that the costs of this future extensive and major capital project will be significant. Many other Colleges have recently undertaken work to their kitchens and acknowledge it takes much planning to ensure disruption to College life is kept to a minimum. Extensive planning that may take several years will be required before the project gets underway. It is widely acknowledged that Corpus offers a variety of catering services to members, snacks, brunches, catering self-service cafeteria meals and formal hall dinners. The College is known for the high quality of its offering and was awarded the highest 5-star rating by Cambridge City Council.

### Staff Costs, Pensions and Equal Opportunities

Wage inflation over the last three years has been low and Corpus has managed to control employment costs (the largest overhead category) over this period. To fulfil its charitable purposes Corpus employs as Fellows College Lecturers, Supervisors, Directors of Studies, Tutors, Clergy and senior administrative staff, all of whom along with the Master, serve as charity trustees through being members of the College's Governing Body. The private benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally; and moreover annual pay increases normally follow national settlements applying to the university sector. A Remunerations and Benefits Committee including external members exists in order to ensure good governance and comply with Charity Commission guidelines.

The College employs other members of staff to provide necessary professional support and services. Without the employment of Fellows and staff, the College would not fulfill its charitable aims.

The College makes pension fund contributions on behalf of its employees to two defined benefit schemes: (the Cambridge Colleges' Federated Pension Scheme (CCFPS) and the Universities Superannuation Scheme (USS)) and a defined contribution scheme (Aviva). The College will have pension auto enrolment obligations from its staging date of April 2014, when it plans to introduce NEST as the default scheme available to those staff not already in a pension scheme.

The CCFPS pension obligations require an annual actuarial valuation; the deficit has grown to £728k, as at 30 June 2013 from £396k in the prior year, the Audit Committee is concerned about the performance and deficit within CCFPS which will remain a volatile element of our results.

The College is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. The College's employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, ethnic origin, disability, age, class, colour, HIV/AIDS status, personal circumstances, sexual orientation or any other grounds that are unjustified in terms of equality of opportunities for all.



### Reserves Policy

The College's unrestricted funds and reserves amount to £176 million and are represented in the balance sheet by the College's operational buildings, which are used for teaching and residential purposes. The restricted funds amount to £23 million, represented by part of the investment portfolio.

The College intends to continue to pursue its objects in perpetuity and takes a long term view of the investment portfolio using a total return basis for deciding on the appropriate amount to draw down each year. This is intended to protect the value of the investment portfolio in real terms and, as a result, to strike an equitable balance between the interests of the present members of the College and those of future generations. Any new donations or bequests received during the year are added to unrestricted funds unless the donor has made it clear that the funds are to be spent on a specific project.

### Environmental Policy

The College aims to manage its activities, buildings and estates to promote environmental sustainability, conserve natural resources and prevent environmental pollution and to bring about a continual improvement in its environmental performance.

The College has an environmental policy statement which is regularly reviewed and endorsed by the Governing Body and is displayed in the College.

The College is committed to reducing its carbon emissions, water consumption and waste footprint. The College is participating in the Carbon Reduction Commitment Energy Efficiency Scheme, and is actively promoting environmental awareness throughout the college.

### Risk Management and Assessment

The major risks to which the College is exposed are reviewed regularly by College Committees and these are reported to the Governing Body. Systems are in place and reviewed regularly in order to mitigate all identified risks. Relevant Committees and individuals in College are charged with responsibility for evaluating risks within their areas of responsibility and advising the Governing Body on the probability of occurrence, nature and likely severity of impact, together with the steps taken in mitigation. It must be recognised that the College is faced with numerous risks (extending from owning and operating historic operational buildings, IT, legislation and regulation, academic and pastoral care, financial management etc.), not all of which can be mitigated through insurance. The College Health and Safety Policy Statement is reviewed regularly, endorsed by the Governing Body and is displayed in College.

### Financial Outlook and Plans for the Future

The College's financial position in 2012/13 has significantly improved. Benchmarking exercises with other Colleges suggest that Corpus is now more operationally efficient than in the past and compares well to other Colleges. Cost control was and remains a priority and further growth and diversification of the College's operating income is essential to sustain a healthy financial position.

Last year's Annual Report highlighted the challenges presented by the Government's review of Higher Education, the introduction of the £9,000 tuition fee for Home/EU undergraduates and its effect on applications. Applications to Corpus have continued to grow, however we must widen our outreach activities to maximize approachability to all prospective applicants. Corpus will continue to visit schools, offer open days, participate in taster events and encourage and attract outstanding applicants. There is some planned growth in graduate numbers and this will have implications for accommodation requirements, despite having completed a new graduate building there will be further need for more graduate space and that will need to be addressed.

The College is formulating clear plans for the next phase of its development within an external environment that remains uncertain and challenging.

The College strives to use its resources wisely and efficiently. The Development Office remains a significant focus in seeking to attract donations to assist the College in achieving its strategic aims. The College is exceptionally active across all fields of endeavour as evidenced by the growth of its provision for graduate students, its continued improvement of undergraduate accommodation, the expansion and internationalization of its bursary provision and the strong improvement in its operating performance.



### Statement of Corporate Governance

The Master and Fellows constitute the Governing Body of the College, to whose meetings are invited Junior Member representatives (for open business). The Fellows of the Governing Body are the Trustees of the charity and responsible for ensuring compliance with charity law. The Governing Body is constituted and regulated in accordance with the College Statutes and Ordinances which together also govern the activities of the College. The Governing Body is responsible for the strategic direction of the College, for its on-going administration, and for the management of its finances and assets. Meetings are held ten times a year under the chairmanship of the Master. The Governing Body acknowledges its responsibility to act with prudence and care to ensure the College complies with relevant laws and regulations. The Governing Body elects all Fellows of the College. There is a Register of Interest for all Trustees, this is updated annually. Declarations of interest are made at each meeting.

The Executive Body supports the Governing Body. The Executive Body consists of 6 elected members and no more than 6 ex-officio members. It is responsible for the control and management of the College's affairs as delegated by the Governing Body. There are also a range of committees including: Audit, Development, Estates and Finance, Fellowship, Investment, Buildings and Remunerations and Benefits, and Staff.

### Public Benefit Statement

In the founding charter and the College statutes and ordinances, the College's charitable purposes are clearly articulated. These are the advancement of education, research, learning and religion for the public benefit by the provision, support and maintenance of the College in the University of Cambridge. The Governing Body is satisfied that the activities as described in these Reports and Accounts meet the public benefit requirements of a registered charity. The full public benefit statement has been lodged with the Charities Commission but can be summarised as follows:-

#### *Education*

The provision (with other Colleges of Cambridge and the University of Cambridge) of an education for undergraduate and graduate students which are recognised internationally as being of the very highest ability. Education and teaching is provided in small groups which allows for strong pastoral, administrative and academic support through the tutorial and graduate mentoring systems. The College provides a residential community with social, cultural, musical, recreational and sporting facilities being available to all students. These facilities allow them the opportunity to realise their full academic and personal potential whilst studying at the College. Accommodation and catering is provided at reasonable rates. The College provides bursaries and studentships when needed to both undergraduate and graduate members of limited means. The general public are also able to attend various educational activities in the College.

#### *Research*

The College provides and advances research in a number of ways. It provides Research Fellowships to outstanding academics at an early stage of their careers, this enables them to develop and focus on their research in this formative period before undertaking a full academic post. It supports research work pursued by its Fellows through promoting interaction across disciplines, providing facilities and grants for national and international conferences, research trips and research materials. It encourages the publication of research by members of the College through papers, journals or other suitable means. Visiting Fellowships are available to encourage overseas academics to take a period of research leave from their institutions and work in Cambridge.

#### *Learning*

The College maintains the Taylor Library, an extensive up to date library (including special collections) for all members and where publications and journals can be accessed with a catalogue integrated into that of the University. It provides a valuable resource for students and Fellows of the College, alumni, members of other Colleges and the University of Cambridge, external scholars and researchers. The Parker Library, an important manuscript library of international significance, it is open to scholars and researchers from Cambridge and globally. Frequent guided tours, public viewings and exhibitions are held in conjunction with the College Fellow Librarian, his team and the Cambridge Tourist Office.



## **Corporate Governance and Public Benefit - For the year ended 30 June 2013**

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The Fitzwilliam Museum has on exhibition the College's Lewis Collection which is on long term loan. Revd. Samuel Savage Lewis (1836-1891) left to the College a large collection of classical coins and other objects.

### *Religion*

The College Chapel is regularly open to visitors whatever their faith tradition or none, there is no geographical, age or religious restriction for those attending the Chapel in the College. The chapel is maintained and supported by the College as a place of religious worship. The Dean of Chapel holds regular services in which the College choir participates; these services are available to the general public and visitors. The College supports, through the Dean of Chapel and others, the emotional, mental and spiritual well-being of all members of the College Community. The College offers choral and organ scholarships and instrumental awards. The College maintains its historic connections and links with other churches and parishes through its involvement as Patron of several parishes. The College has established links with local cultural foundations and seeks to develop them further.

### **The College within the community**

The College makes a particular point of sharing and extending the use of its facilities with the local community and local organisations. The College sports ground and boathouse are used by rounder's, cricket, soccer and rowing clubs in the city. The College grounds in the heart of the city are open to the public for most of the year. The College hosts local events and functions throughout the year and supports the Corpus Playroom (a small theatre space) whose daily operations are run by the ADC Theatre.

### **Responsibilities of the Governing Body and Internal Control**

The arrangements for governance of the College are set out in its Statutes. The Master as Head of House has statutory powers of governance and is also Chairman of the Governing Body. The Bursar is accountable to the Governing Body and has overall responsibility for the finances, operations and general administration of the College. The Senior Tutor, also accountable to the Governing Body, has overall responsibility for admissions, education and welfare of undergraduate students. The Tutor for Advanced Students has particular responsibility for graduate students. The Warden of Leckhampton has responsibility for Leckhampton, the College's graduate centre in West Cambridge.

Membership of the Governing Body during the financial year is included within this report.

The Governing Body is required to present audited financial statements for each financial year. They are prepared in accordance with the provisions of the Statutes of the College and the University of Cambridge and applicable United Kingdom Accounting Standards, including the Statement of Recommended Accounting for Further and Higher Education Institutions as interpreted by the University of Cambridge in their Recommended Cambridge College Accounts.

From a financial perspective, members of the Governing Body are responsible for ensuring that there is an effective and sufficient system of internal controls and those financial records are accurately maintained. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Governing Body has satisfied itself and ensured that:

- Suitable accounting policies are selected and applied consistently
- Judgments and estimates are made that are reasonable and prudent
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- The financial statements are prepared on the going concern basis and the Governing Body are satisfied the College has adequate resources to continue in operation for the foreseeable future



### **Corporate Governance and Public Benefit - For the year ended 30 June 2013**

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Members of the Governing Body endeavor to act with integrity at all times and are required to consider the College's best interests, without regard to their own private interests. Members of the Governing Body are required to make best efforts to take appropriate steps to ensure that the ongoing affairs of the College are managed prudently and wisely, taking consideration to balance the short-term needs and longer-term strategic aims, governance and objectives.

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the Colleges website ([www.corpus.cam.ac.uk](http://www.corpus.cam.ac.uk)). Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The College has a policy for managing conflicts of interest, maintaining a register of interests and seeking declarations of potential conflicts at the start of any meeting.



## Independent Auditors' Report to the Governing Body of Corpus Christi College For the year ended 30 June 2013

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We have audited the financial statements of Corpus Christi College for the year ended 30 June 2013 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body, as a body, in accordance with College's Statutes and the Statutes of the University of Cambridge. 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 Trustees' Responsibilities Statement set out on page 10, 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 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 Operating & Financial Review and the Corporate Governance & Public Benefit Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the College's affairs as at 30 June 2013 and of the group's 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 Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**PETERS ELWORTHY & MOORE**

Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date:

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





### **Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable UK 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 7.

### **Basis of accounting**

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

### **Bases of Consolidation**

The Consolidated Financial Statements include the College and its subsidiary undertaking, Corpus Developments Ltd. Intra-group transactions are eliminated on consolidation. A separate balance sheet and related notes for the College only are not included because Corpus Developments Ltd is a design and build company and therefore the balance sheet of the College would not be materially different to the one included in the accounts. Details of the subsidiary are set out in Note 27.

The Consolidated Financial Statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

### **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. The costs of any fees waived or written off by the College are included as expenditure.

#### **Restricted grant income**

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

#### **Income from research grants**

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

#### **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.

### **Total return**

The College invests its endowment investment portfolio and allocates a proportion of the related earnings and capital appreciation to the income and expenditure account in accordance with the total return investment concept. The allocation to income is determined by a spending rule, currently 4%, which is designed to stabilize annual spending levels from the endowment. The income transferred to the income and expenditure account on this total return basis is calculated using a formula that uses the weighted average value of the College's investment portfolio over a three year period up to the commencement of the current accounting year. Total Return was adopted as a methodology and first reported in the financial statements ended June 2011.

### **Gifts in kind**

Properties, investments, and other fixed assets donated to the College are included as donation income at market value at the time of receipt.

### **Pension schemes**

The College contributes to a number of defined benefit pension schemes and accounts for the costs in relation to these schemes in accordance with FRS17 (Retirement Benefits). 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 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 "Retirement 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 contributes to the Cambridge Colleges' Federated Pension Scheme (CCFPS), another defined benefit scheme. The assets of the scheme are measured at fair value, and the liabilities are measured on an actuarial basis using the projected unit method and discounted at an appropriate rate of return. The College's share of the surplus or deficit of the scheme is recognised as an asset or liability on the balance sheet. The current service costs, being the actuarially determined present value of the pension value of the pension benefits earned by employees in the current period, are included within staff costs. Investment income includes the net of the expected return on assets, being the actuarial forecast of total return on the assets of the scheme, and the interest cost being the notional interest cost arising from unwinding the discount on the scheme liabilities. All changes in the pension surplus or deficit due to changes in actuarial assumptions or differences between actuarial forecasts and actual out-turn are reported on the statement of total recognised gains and losses.

### **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**

### **Operational Freehold Land and Buildings**

Land and Buildings held for operational purposes are stated at depreciated replacement cost as at 30 June 2003 with subsequent additions at cost. The valuation in June 2003 was carried out by Bidwells, Chartered Surveyors.

Freehold buildings (including the cost of major renewals) are depreciated on a straight line basis over their expected useful economic life of 100 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 a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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 to 30<sup>th</sup> June. They are not depreciated until they are brought into use.

### **Maintenance and Renewal of Premises**

The college has a maintenance plan, which is reviewed on an annual basis. The cost of any routine maintenance costing less than £10,000 is charged to the Income and Expenditure account as it is incurred. The cost of major refurbishment and maintenance costing more than £10,000 is capitalised and depreciated over the useful economic life of the asset concerned.

The college may also set aside sums to meet future maintenance costs, these being disclosed within general reserves.

### **Furniture, Fittings and Equipment**

Furniture, fittings computer and general equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and Fittings	10 years (10% per annum)
Motor Vehicles and General Equipment	5 years (20% per annum)
Computer Equipment	3 years (33% per annum)

### **Heritage Assets**

The College holds and conserves a number of collections, exhibits, artifacts 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.

### **Leased Assets**

Rental costs under operating leases are charged to expenditure in equal amounts over the period of the leases.

### **Investments**

#### **Securities**

Investments are included in the balance sheet at market value.



### Investment properties

Investment properties are included in the balance sheet at open market value.

### 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 un restricted 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 that donated sum into income, the fund is classified as a restricted expendable endowment.

### Stocks

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

### Provisions

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

### Contingent Liabilities

The College participates in the Universities Superannuation Scheme (USS), with effect from 16 March 2007 USS positioned itself as a "last man standing" scheme so that in the event of an insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers

### Taxation

The College is a registered charity (number 1137453) 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. The College is a partially exempt organisation for VAT purposes. With the approval of H M Revenue and Customs, it has adopted a methodology that enables it to recover part of the VAT on its expenses. Though recovered VAT exceeds the VAT previously recoverable under the old CVCP guidelines, input tax on purchases is, nevertheless, largely irrecoverable.

### 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.



**Consolidated Income and Expenditure Account  
For the year ended 30 June 2013**

		2013 £	2012 £
<b>Income</b>	Note		
Academic Fees and Charges	1	1,597,533	1,475,852
Residences, Catering and Conferences	2	3,243,207	2,994,671
Endowment and Investment Income	3	2,791,645	2,501,165
Donations	4	804,574	556,662
Release of Deferred Capital Grants	4	437,847	396,883
Other Income		257,815	288,805
<b>Total Income</b>		<u>9,132,621</u>	<u>8,214,038</u>
<b>Expenditure</b>			
Education	5	3,130,170	3,124,663
Residences, Catering and Conferences	6	4,756,804	4,446,298
Other Expenditure		484,555	225,102
<b>Total Expenditure</b>	7	<u>8,371,529</u>	<u>7,796,063</u>
<b>Surplus on Continuing Operations before Contribution under Statute G, II</b>		761,092	417,975
<b>Contribution under Statute G,II</b>		<u>(52,000)</u>	<u>(47,000)</u>
<b>Surplus on Continuing Operations after Contribution under Statute G, II</b>		709,092	370,975
<b>Surplus/(Deficit) for the year transferred to Accumulated Income in Endowment Funds</b>		43,009	133,271
<b>Surplus/(Deficit) for the year retained within General Reserves</b>		<u>666,083</u>	<u>237,704</u>

All items dealt with in arriving at the surplus/(deficit) for 2013 and 2012 relate to continuing operations.

**Note of Historical Cost Surpluses and Deficits**

The difference between the results as disclosed in the Income and Expenditure Account and the result on an unmodified cost basis is not material.

The notes on pages 22 to 41 form part of these accounts.



**Consolidated Statement of Total Recognised Gains and Losses  
For the year ended 30 June 2013**

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Surplus/(deficit) on income and expenditure account		-	666,083	666,083	237,704
Unspent endowment fund income		43,009	-	43,009	133,271
Increase/(decrease) in market value of investments:					
Investment portfolio	10	1,875,622	2,181,634	4,057,255	(2,627,561)
Investment properties	10	-	1,375,750	1,375,750	2,352,704
Surplus of transfer of investment properties	10				-
Release of unapplied total return		(114,557)	(323,994)	(438,551)	(495,626)
Surplus on sale of investment properties		-	-	-	1,164,440
Surplus on sale of operational properties					-
Transfer to Deferred Capital	18		(3,406,636)	(3,406,636)	-
Increase/(decrease) in assets under construction b/f	20		(10,035)	(10,035)	-
New endowments	19	2,479,729	-	2,479,729	361,154
Actuarial (loss)/gain in respect of pension schemes	17	-	(364,488)	(364,488)	(1,248,263)
<b>Total recognised gains/(losses) relating to the year</b>		<u>4,283,802</u>	<u>118,314</u>	<u>4,402,116</u>	<u>(122,177)</u>
<b>Reconciliation</b>					
Opening reserves and endowments		18,777,137	162,806,079	181,583,216	181,705,393
Total recognised gains/(losses) for the year		4,283,802	118,314	4,402,116	(122,177)
<b>Closing reserves and endowments</b>		<u>23,060,939</u>	<u>162,924,393</u>	<u>185,985,332</u>	<u>181,583,216</u>

The notes on pages 23 to 44 form part of these accounts.


**Consolidated Balance Sheet**  
**As at 30 June 2013**

	Note	2013 £	2012 £		
<b>Fixed Assets</b>					
Tangible Assets	9	120,104,786	120,611,701		
Investments	10	<u>9,763,189</u>	<u>8,938,542</u>		
		<u>129,867,975</u>	<u>129,550,243</u>		
<b>Endowment Assets</b>	11	71,106,640	64,543,233		
<b>Current Assets</b>					
Stock	12	142,333	127,021		
Debtors	13	984,136	534,363		
Cash	14	<u>2,323,080</u>	<u>50,842</u>		
		<u>3,449,549</u>	<u>712,226</u>		
<b>Creditors: amounts falling due within one year</b>	15	(1,948,123)	(1,614,323)		
<b>Net Current Assets</b>		<u>1,501,426</u>	<u>(902,097)</u>		
<b>Creditors: amounts falling due after more than one year</b>	16	(3,134,258)	(1,989,602)		
<b>Net Assets excluding Pension Asset/(Liability)</b>		<u>199,341,783</u>	<u>191,201,777</u>		
<b>Pension Asset/(Liability)</b>	17	(727,525)	(396,271)		
<b>Net Assets including Pension Asset/(Liability)</b>		<u>198,614,258</u>	<u>190,805,506</u>		
<b>Capital and Reserves</b>					
		<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>2013 Total £</b>	<b>2012 Total £</b>
<b>Deferred Capital Grants</b>	18	<u>-</u>	<u>12,628,926</u>	<u>12,628,926</u>	<u>9,222,290</u>
<b>Endowments</b>					
Expendable endowments	19	2,634,258	-	2,634,258	2,677,882
Permanent endowments	19	<u>20,426,681</u>	<u>48,045,701</u>	<u>68,472,382</u>	<u>61,865,351</u>
	19	<u>23,060,939</u>	<u>48,045,701</u>	<u>71,106,640</u>	<u>64,543,233</u>
<b>Reserves</b>					
General reserves excluding pension reserve	20	-	115,606,217	115,606,217	117,436,254
Pension reserve	20	-	<u>(727,525)</u>	<u>(727,525)</u>	<u>(396,271)</u>
	20	-	<u>114,878,692</u>	<u>114,878,692</u>	<u>117,039,983</u>
		<u>23,060,939</u>	<u>162,924,393</u>	<u>185,985,332</u>	<u>181,583,216</u>
<b>Total</b>		<u>23,060,939</u>	<u>175,553,319</u>	<u>198,614,258</u>	<u>190,805,506</u>

These financial statements were approved by the trustees on 18 November 2013 and are signed on their behalf by:

**T Harvey-Samuel**  
**Bursar**

The notes on pages 23 to 44 form part of these accounts.

# Corpus Christi College, Cambridge



## Consolidated Cash Flow Statement For the year ended 30 June 2013

		<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
<b>Net cash outflow from operating activities</b>	21	(116,302)	(1,228,751)
<b>Returns on investments and servicing of finance</b>	22	2,353,094	2,005,539
<b>Capital expenditure and financial investment</b>	22	(1,107,438)	(4,721,429)
Contribution to Colleges Fund		(52,000)	(47,000)
<b>Increase/(Decrease) in cash in the year</b>		<u>1,077,354</u>	<u>(3,991,641)</u>
<b>Reconciliation in Net Cash Flow to Movement in Net Funds</b>			
Increase/(Decrease) in cash in the year		2,473,054	(2,070,405)
Bank loan advanced in year		-	500,000
Increase in cash held at investment managers		(1,395,699)	(2,421,236)
<b>Movement in net funds in the year</b>		<u>1,077,354</u>	<u>(3,991,641)</u>
Net Funds at beginning of year		2,380,184	6,371,825
<b>Net Funds at end of year</b>	23	<u><u>3,457,538</u></u>	<u><u>2,380,184</u></u>

The notes on pages 23 to 44 form part of these accounts.





Notes to the Accounts  
For the year ended 30 June 2013

**1 Academic Fees and Charges**

	<b>2013</b> £	<b>2012</b> £
College fees:		
Fee income paid on behalf of undergraduates at the Publicly-funded Undergraduate rate (per capita fee £4,500 or £3,951) (2012: £3,951)	983,653	890,292
Privately-funded Undergraduate fee income (per capita fee £6,116) (2012: £5,412)	185,520	89,757
Fee income received at the Graduate fee rate (per capita fee £2,349) (2012: £2,289)	418,127	488,750
Other fee income	10,233	7,053
	<hr/>	<hr/>
Total	<u>1,597,533</u>	<u>1,475,852</u>

**2 Income from Residences, Catering and Conferences**

	<b>2013</b> £	<b>2012</b> £
Residential Accommodation: College Members	1,575,120	1,422,267
Conferences	516,897	296,277
Catering: College Members	825,347	853,785
Conferences	325,843	422,342
	<hr/>	<hr/>
Total	<u>3,243,207</u>	<u>2,994,671</u>

**3 Endowment and Investment Income**

**3a Analysis**

	<b>Total</b> <b>2013</b> £	<b>Total</b> <b>2012</b> £
Total return contribution (see Note 3b)	2,791,645	2,501,165
Other interest receivable	-	-
	<hr/>	<hr/>
Total	<u>2,791,645</u>	<u>2,501,165</u>



Notes to the Accounts  
For the year ended 30 June 2013

3b Summary of Total Return

	2013 £	2012 £
<b>Income from:</b>		
Investment portfolio and investment properties	2,371,218	2,151,375
<b>Gains/(losses) on endowment assets:</b>		
Investment portfolio and investment properties	5,433,006	(274,857)
Realised gains on investment properties	-	1,164,440
Investment management costs	(135,251)	(145,837)
<b>Total return for year</b>	<u>7,668,973</u>	<u>2,895,121</u>
Total return transferred to Income and Expenditure Account (see note 3a)	(2,791,645)	(2,501,165)
Unapplied total return for year included within Statement of Total Recognised Gains and Losses	4,877,328	393,956
<b>Unapplied Total Return at beginning of year</b>	47,442,072	47,048,116
<b>Unapplied Total Return at end of year</b>	<u><u>52,319,400</u></u>	<u><u>47,442,072</u></u>

4 Donations

	2013 £	2012 £
Unrestricted donations	794,872	392,517
Restricted donations	9,702	164,145
	<u>804,574</u>	<u>556,662</u>
Release from deferred capital grants (see note 18)	437,847	396,883
<b>Total</b>	<u><u>1,242,421</u></u>	<u><u>953,545</u></u>

5 Education Expenditure

	2013 £	2012 £
Teaching	1,163,496	1,154,462
Tutorial	470,963	479,186
Admissions	174,796	208,959
Research	228,865	207,046
Scholarships and Awards	381,637	418,233
Other Educational Facilities	710,413	656,777
<b>Total (note 8)</b>	<u><u>3,130,170</u></u>	<u><u>3,124,663</u></u>



Notes to the Accounts  
For the year ended 30 June 2013

6 Residences, Catering and Conferences Expenditure

		2013 £	2012 £
Residential Accommodation:	College Members	2,911,050	2,816,628
	Conferences	636,868	391,160
Catering:	College Members	957,658	933,659
	Conferences	251,228	304,851
Total		<u>4,756,804</u>	<u>4,446,298</u>

7 Analysis of Expenditure by Activity

7a Analysis of 2012/13 Expenditure by Activity

	Staff Costs (note 8) £	Other Operating Expenses £	Depreciation £	Total £
Education (note 5)	1,778,073	86,729	1,265,368	3,130,170
Residences, Catering and Conferences (note 6)	1,370,698	3,386,106	-	4,756,804
Other	-	484,555	-	484,555
	<u>3,148,771</u>	<u>3,957,390</u>	<u>1,265,368</u>	<u>8,371,529</u>

Expenditure includes fundraising costs of £216,066. This expenditure includes the costs of alumni relations.

Depreciation of £1,265,368 represents gross depreciation of £1,703,215 (see note 9) less amortisation of deferred capital grants of £437,847.

7b Analysis of 2011/12 Expenditure by Activity

	Staff Costs (note 8) £	Other Operating Expenses £	Depreciation £	Total £
Education (note 5)	1,632,245	1,332,428	159,990	3,124,663
Residences, Catering and Conferences (note 6)	1,670,461	1,349,897	1,425,940	4,446,298
Other (note 7)	-	225,102	-	225,102
	<u>3,302,706</u>	<u>2,907,427</u>	<u>1,585,930</u>	<u>7,796,063</u>

Expenditure includes fundraising costs of £211,106. This expenditure includes the costs of alumni relations.



Notes to the Accounts  
For the year ended 30 June 2013

7c Auditors' remuneration

	2013 £	2012 £
Other operating expenses include:		
Audit fees payable to the College's external auditors	27,000	24,000
	27,000	24,000

8 Staff Costs

	College Fellows £	Other Academic £	Non- Academic £	Total 2013 £	Total 2012 £
<b>Staff Costs</b>					
Emoluments	911,673	-	1,798,714	2,710,387	2,833,316
Social Security Costs	55,582	-	131,655	187,237	185,181
Other Pension Costs	101,301	-	149,846	251,147	284,209
	1,068,556	-	2,080,215	3,148,771	3,302,706

**Average Staff Numbers  
(Full-time Staff Equivalents)**

Academic	52	53
Non-Academic	87	102
Total	139	155

The Governing Body comprises 50 Fellows, of which the 24 declared above are stipendiary.

No officer or employee of the College, including Head of House, received emoluments of over £100,000.

During the year, emoluments paid to trustees in their capacity as College Fellows was £1,068,557 (2012: £1,064,489). The trustees receive no emoluments in their capacity as trustees of the College.



Notes to the Accounts  
For the year ended 30 June 2013

9 Fixed Assets

9a Tangible Fixed Assets

Group and College

	Freehold Land & Buildings £	Fixtures & Fittings £	Assets Under Construction £	2013 Total £	2012 Total £
<b>Cost or valuation</b>					
At beginning of year	126,593,056	3,200,000	4,274,992	134,068,048	130,366,208
Additions	1,196,300	-	-	1,196,300	4,167,825
Transfers	3,980,039	294,953	(4,274,992)	-	(465,985)
Disposals	-	-	-	-	-
At end of year	<u>131,769,395</u>	<u>3,494,953</u>	<u>-</u>	<u>135,264,348</u>	<u>134,068,048</u>
<b>Depreciation</b>					
At beginning of year	11,856,347	1,600,000	-	13,456,347	11,912,195
Charge for the Year	1,353,720	349,495	-	1,703,215	1,585,930
Eliminated on disposals	-	-	-	-	(41,778)
At end of year	<u>13,210,067</u>	<u>1,949,495</u>	<u>-</u>	<u>15,159,562</u>	<u>13,456,347</u>
<b>Net Book value</b>					
At end of year	<u>118,559,328</u>	<u>1,545,458</u>	<u>-</u>	<u>120,104,786</u>	<u>120,611,701</u>
At beginning of year	<u>114,736,709</u>	<u>1,600,000</u>	<u>4,274,992</u>	<u>120,611,701</u>	<u>118,454,013</u>

The insured value of freehold Land and Buildings at 30 June 2013 was £165,208,510 (2012: £165,168,510).

The cost to the group of freehold buildings and assets in construction consists of the costs incurred by the College less the amount gift added as recorded in the accounts of Corpus Developments Ltd, a subsidiary undertaking, and eliminated on consolidation.

Tangible Assets include £NIL (2012: £NIL) comprising endowment assets (note 11).



**9 Tangible fixed assets (continued)**

**Heritage assets**

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. Most of these are housed within the main College building and archive library, those items not on general display can be accessed by the wider public by prior arrangement. On occasion, objects may be loaned to other institutions for public display.

The objects within College care are preserved, conserved and managed in accordance with recognised national standards. The College acquires heritage assets principally through donation. Depending on restrictions and subject to the approval of the Trustees, the College may dispose of objects held.

As stated in the Statement of Principal Accounting Policies, heritage assets acquired since 1 July 1999 are capitalised. Currently, all of the 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, no heritage assets have been included in the Balance Sheet.

**10 Investments**

<b>Group and College</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Balance at beginning of year	71,992,173	70,340,456
Additions	8,759,009	10,432,189
Disposals	(6,052,917)	(6,084,379)
Appreciation	5,433,005	(274,857)
(Decrease)/increase in cash balances held at fund managers	(1,895,699)	(2,421,236)
Balance at end of year	<u>78,235,571</u>	<u>71,992,173</u>
<b>Represented by:</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Property	36,828,000	35,452,250
Quoted Securities	40,273,112	33,509,765
Cash in hand and at investment managers	1,134,459	2,530,158
Debtor	-	500,000
Total	<u>78,235,571</u>	<u>71,992,173</u>
<b>Represented on the balance sheet as:</b>		
Endowment assets (note 11)	68,472,382	63,053,631
Other	<u>9,763,189</u>	<u>8,938,542</u>
Total	<u>78,235,571</u>	<u>71,992,173</u>

Investments held by the College also include an additional £1 (2012: £1) investment in the College's wholly owned subsidiary undertaking, Corpus Developments Ltd (see note 27).



Notes to the Accounts  
For the year ended 30 June 2013

**11 Endowment Assets**

Group and College	2013 £	2012 £
Long term investments:		
Property	36,828,000	35,452,250
Quoted securities	30,509,923	24,571,223
Cash in hand and at investment managers	1,134,459	2,530,158
Debtors	-	500,000
Total Long term investments (note 10)	68,472,382	63,053,631
Loans to General Reserves (note 16)	2,634,258	1,489,602
Total	71,106,640	64,543,233

**12 Stocks and work in progress**

	Group 2013 £	Group 2012 £
Goods for resale:		
Catering	16,964	13,207
Fellows Wine	125,369	113,814
Total	142,333	127,021

**13 Debtors**

	Group 2013 £	Group 2012 £
Members of the College	20,006	43,174
Rents	303,555	84,971
Prepayments and accrued income	328,215	53,791
Other debtors	332,360	352,427
Total	984,136	534,363

**14 Cash and bank balances**

	Group 2013 £	Group 2012 £
Short-term money market investments	-	-
Bank deposits	2,322,683	50,477
Cash in hand	397	365
Total	2,323,080	50,842



Notes to the Accounts  
For the year ended 30 June 2013

15 Creditors: amounts falling due within one year

	Group 2013 £	Group 2012 £
Bank overdraft	-	200,816
Trade creditors	425,185	98,831
Members of the College	68,615	103,781
University Fees	10,009	(11,961)
Contribution to Colleges fund	52,000	47,000
Other creditors	581,491	502,242
Accruals and deferred income	810,823	673,614
Total	<u>1,948,123</u>	<u>1,614,323</u>

16 Creditors: amount falling due after one year

	Group 2013 £	College 2012 £
Loans from Endowment funds	2,634,258	1,489,602
Bank loan	500,000	500,000
Total	<u>3,134,258</u>	<u>1,989,602</u>

The bank loan was advanced to the College on 15 February 2012 and is repayable in full on 15 February 2017. Interest is payable on the balance of the loan at a rate of 2.75% per annum. The loan is unsecured.

17 Pension liabilities

Group and College	2013 £	2012 £
Balance at beginning of year	(396,271)	737,364
Movement in year:		
Current service cost including life assurance	(15,078)	(14,393)
Contributions	18,682	46,452
Other finance income/(cost)	29,630	82,569
Actuarial (loss)/gain recognised in Statement of Total Recognised Gains and Losses	(364,488)	(1,248,263)
Balance at end of year	<u>(727,525)</u>	<u>(396,271)</u>





Notes to the Accounts  
For the year ended 30 June 2013

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18 Deferred capital grants

	2013 £	2012 £
Balance at beginning of year	9,222,290	9,527,694
Donations received	760,445	91,479
Transfers	3,084,038	-
Released to income and expenditure account	(437,847)	(396,883)
	<hr/>	<hr/>
Balance at end of year	<u>12,628,926</u>	<u>9,222,290</u>

Deferred capital grants represent donations received towards major building projects which are released to the Income and Expenditure Account according to the accounting policy stated in these financial statements.



Notes to the Accounts  
For the year ended 30 June 2013

19 Endowments

Group and College

	Unrestricted Permanent £	Restricted Permanent £	Total Permanent £	Restricted Expendable £	2013 Total £	2012 Total £
<b>Balance at beginning of year</b>						
Capital	45,766,095	16,099,254	61,865,349	533,623	62,398,972	60,674,811
Unspent Income	-	-	-	2,144,260	2,144,260	2,394,535
Reclassification of funds	-	526,284	526,284	(526,284)	-	-
	<u>45,766,095</u>	<u>16,625,538</u>	<u>62,391,633</u>	<u>2,151,599</u>	<u>64,543,232</u>	<u>63,069,346</u>
Income receivable from endowment asset investments	-	-	-	671,716	671,716	829,685
Expenditure	-	-	-	(628,707)	(628,707)	(696,414)
Unspent endowment fund income	-	-	-	43,009	43,009	133,271
New endowments received	-	2,030,077	2,030,077	449,652	2,479,729	361,154
Surplus on sale of investment properties	-	-	-	-	-	1,164,440
Increase/(decrease) in market value of investments	2,548,927	1,885,568	4,434,495	(9,947)	4,424,548	187,724
Release on unapplied total return	(269,321)	(114,502)	(383,823)	(55)	(383,878)	(372,702)
Invested in unitised portfolio	-	-	-	-	-	-
<b>Balance at end of year</b>	<u>48,045,701</u>	<u>20,426,681</u>	<u>68,472,382</u>	<u>2,634,258</u>	<u>71,106,640</u>	<u>64,543,233</u>
Comprising:						
Capital	48,045,701	20,426,681	68,472,382	9,843	68,482,225	62,398,973
Unspent Income	-	-	-	2,624,415	2,624,415	2,144,260
Balance at end of year	<u>48,045,701</u>	<u>20,426,681</u>	<u>68,472,382</u>	<u>2,634,258</u>	<u>71,106,640</u>	<u>64,543,233</u>



Notes to the Accounts  
For the year ended 30 June 2013

19 Endowments (continued)

Representing:	Unrestricted Permanent £	Restricted Permanent £	Total Permanent £	Restricted Expendable £	2013 Total £	2012 Total £
Fellowship Funds	-	9,979,953	9,979,953	457,025	10,436,978	7,893,142
Scholarship Funds	-	3,381,903	3,381,903	459,444	3,841,347	3,474,375
Prize Funds	-	983,875	983,875	146,487	1,130,362	1,033,539
Hardship Funds	-	2,722,912	2,722,912	256,286	2,979,198	2,741,105
Bursary Funds	-	1,018,515	1,018,515	327,282	1,345,797	1,033,006
Travel Grant Funds	-	779,415	779,415	227,094	1,006,509	918,501
Other Funds	-	1,560,108	1,560,108	760,640	2,320,748	1,683,469
Corporate Capital	48,045,701	-	48,045,701	-	48,045,701	45,766,096
General Endowments	-	-	-	-	-	-
College Total	<u>48,045,701</u>	<u>20,426,681</u>	<u>68,472,382</u>	<u>2,634,258</u>	<u>71,106,640</u>	<u>64,543,233</u>



Notes to the Accounts  
For the year ended 30 June 2013

20 Reserves

Group and College	2013 Total £	2012 Total £
Balance at beginning of year	117,039,983	118,636,047
	<u>117,039,983</u>	<u>118,636,047</u>
Surplus retained for the year	666,083	237,704
Increase/(decrease) in market value of investments	1,008,458	(462,581)
Release of unapplied total return	(54,673)	(122,924)
Realised gain on disposal of operational property	-	-
Increase/(decrease) in assets under construction	(10,035)	-
Transfer funds to Deferred Capital	(3,084,038)	-
Increase/(decrease) in deferred capital for prior year	(322,598)	-
Actuarial gain/(loss)	(364,488)	(1,248,263)
Balance at end of year	<u>114,878,692</u>	<u>117,039,983</u>

21 Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2013 £	2012 £
Operating surplus	761,092	417,975
Depreciation of tangible fixed assets	1,703,215	1,585,930
Deferred capital grants released to income	(437,847)	(396,883)
Movement in pension deficit	(364,488)	(1,248,263)
Investment income	(2,791,645)	(2,501,165)
	<u>(1,129,673)</u>	<u>(2,142,406)</u>
Decrease/(increase) in stocks	(15,312)	(2,047)
(Increase)/decrease in debtors	(449,773)	276,009
Increase/(decrease) in creditors	1,478,456	639,693
<b>Net cash (outflow) from operating activities</b>	<u>(116,302)</u>	<u>(1,228,751)</u>



**Notes to the Accounts**  
**For the year ended 30 June 2013**

**22 Cash flows**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Income from investments	2,791,645	2,501,165
Release on unapplied total return	(438,551)	(495,626)
Net cash inflow from returns on income and servicing of finance	<u>2,353,094</u>	<u>2,005,539</u>
<b>Capital transactions</b>		
New endowments received (note 17)	2,479,729	361,154
Donations for deferred capital grant (note 16)	760,445	91,479
Receipts from sale of investment assets	5,607,697	8,015,978
Receipts from sale of operational assets	-	1,164,440
Total capital receipts	<u>8,847,871</u>	<u>9,633,051</u>
Payments to acquire investments assets	(8,759,009)	(10,432,189)
Purchase of operational tangible fixed assets	(1,196,300)	(3,922,291)
Net cash outflow from capital expenditure and financial investment	<u>(1,107,438)</u>	<u>(4,721,429)</u>

**23 Analysis of cash and bank balances**

	<b>At</b>	<b>Cash Flows</b>	<b>At end</b>
	<b>Beginning</b>		<b>of</b>
	<b>of year</b>	<b>£</b>	<b>year</b>
	<b>£</b>		<b>£</b>
Bank loans advanced	500,000	-	500,000
Cash at bank and in hand	(649,974)	2,473,054	1,823,080
Cash balances held at fund managers	2,530,158	(1,395,700)	1,134,458
Net Funds	<u>2,380,184</u>	<u>1,077,354</u>	<u>3,457,538</u>

**24 Capital commitments**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Capital commitments at 30 June 2013 are as follows</b>		
Authorised and contracted	-	-
Authorised but not yet contracted for	-	-

**25 Financial Commitments**

At 30 June 2013, the College had no annual commitments under non-cancellable operating leases.



**26 Pension Scheme**

The College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS), and the Cambridge Colleges' Federation Pension Scheme (CCFPS). The total pension cost for the year ended 30 June 2013 was as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
USS: Contributions	233,768	254,179
CCFPS: Charged to income and expenditure account	18,682	43,871
	<u>252,450</u>	<u>298,050</u>

**University 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 appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the new 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. The actuary also carries out regular reviews of the funding levels. In particular, the actuary carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2013 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

At the valuation date, the value of the assets of the scheme was £32,433.5M and the value of the scheme's technical provisions was £35,343.7M indicating a shortfall of £2,910.2M. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.



## 26 Pension Scheme (continued)

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the valuation effective date there has been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

*New entrants* - other than in specific, limited circumstances, new entrants are now provided for on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

*Normal pension age* - the Normal pension age was increased for future service and new entrants, to age 65.

*Flexible retirement* - flexible retirement options were introduced.

*Member contributions increased* - contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

*Cost sharing* - if the total contribution level exceeds 23.5% of salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.



## 26 Pension Scheme (continued)

*Pension increase cap* - for service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

The actuary has estimated that the funding level as at 31 March 2013 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2013 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2013 was 68%. As estimate of the funding level measured on a historic gilts basis at the date was approximately 55%.

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

At 31 March 2013, USS had over 148,000 active members and the College had 44 active members participating in the scheme. The contribution rate payable by the College was 16% of pensionable salaries.





**26 Pension Scheme (continued)**

***Cambridge Colleges' Federated Pension Scheme***

The College is a member of a multi-employer defined benefit scheme, the Cambridge Colleges' Federated Pension Scheme. A full valuation was undertaken as at 31 March 2011 and updated to 30 June 2013 by a qualified independent Actuary.

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

	<b>2013</b> <b>%pa</b>	<b>2012</b> <b>%pa</b>
Discount rate	4.6	4.7
Expected long-term rate of return on Scheme assets	6.2	5.6
Increase in salaries	2.8*	2.2**
Retail Price Index (RPI) assumption	3.3	2.7
Consumer Price Index (CPI) assumption	2.3	1.7
Pension increases (RPI linked)	3.3	2.7

\* 1.5% in 2013; 2.8% thereafter

\*\* 1.5% in 2012 and 2013; 2.2% thereafter

The underlying mortality assumption is based upon the standard table known as Self-administered Pension Schemes (SAPS) mortality tables for average normal pensioners projected in line with the CMI 2012 projection and a target long-term improvement rate of 0.75% p.a. The allowance for improvements has been updated from 2012 when the CMI 2011 projection table was adopted. This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 22.0 year (previously 21.9 years)
- Female age 65 now has a life expectancy of 24.2 years (previously 24.1 years)
- Male age 45 now and retiring in 20 years would have a life expectancy then of 22.9 years (previously 22.8 years)
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.3 years (previously 25.3 years)

**Employee Benefit Obligations**

The amounts recognised in the balance sheet as at 30 June 2013 (with comparative figures as at 30 June 2012) are as follows:

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Present values of Scheme liabilities	(6,401,266)	(5,664,045)
Market value of Scheme assets	5,673,741	5,267,774
(Deficit)/surplus in the Scheme	(725,525)	(396,271)

The amounts to be recognised in the profit and loss account for the year ended 30 June 2013 (with comparative figures for the year ended 30 June 2012) are as follows:



Notes to the Accounts  
Year Ended 30 June 2013

26 Pension Scheme (continued)

	<b>2013</b>	<b>2012</b>
	£	£
Current service cost	15,078	14,393
Interest on Scheme liabilities	261,385	291,116
Expected return on Scheme assets	(291,015)	(373,685)
<b>Total</b>	<u>(14,552)</u>	<u>(68,176)</u>
Actual return on Scheme assets	<u>614,101</u>	<u>(697,065)</u>

Changes in the present value of the Scheme liabilities for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	<b>2013</b>	<b>2012</b>
	£	£
Present value of Scheme liabilities at the beginning of the period	5,664,045	5,389,763
Service cost (including Employee contributions)	35,240	37,499
Interest cost	261,385	291,116
Actuarial losses/(gains)	687,574	177,513
Benefits paid	(246,978)	(231,846)
Present value of Scheme liabilities at the end of the period	<u>6,401,266</u>	<u>5,664,045</u>

Changes in the fair value of the Scheme assets for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	<b>2013</b>	<b>2012</b>
	£	£
Present value of Scheme assets at the beginning of the period	5,267,774	6,127,127
Expected return	291,015	373,685
Actuarial (losses)/gains	323,086	(1,070,750)
Contributions paid by the College	18,682	46,452
Employee contributions	20,162	23,106
Benefits paid	(246,978)	(231,846)
Market value of Scheme assets at the end of the period	<u>5,673,741</u>	<u>5,267,774</u>

The agreed contributions to be paid by the College for the forthcoming year are 7.05% of Contribution Pay plus £10,812 p.a. to cover expenses, subject to review at future actuarial valuations. These rates exclude PHI.

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 30 June 2013 (with comparative figures for the year ended 30 June 2012) are as follows:

	<b>2013</b>	<b>2012</b>
Equities and Hedge Funds	68%	66%
Property	24%	25%
Bonds and cash	8%	9%
<b>Total</b>	<u>100%</u>	<u>100%</u>



Notes to the Accounts  
Year Ended 30 June 2013

26 Pension Scheme (continued)

The expected long-term rate of return on the Scheme assets has been calculated based upon the major asset categories in the above table and an expected rate of return on equities and hedge funds of 7.0% (2012: 6.4%), an expected rate of return on properties of 6.0% (2012: 5.4%) and an expected rate of return on bonds and cash of 4.0% (2012: 3.7%).

Analysis of amount recognisable in the Statement of Total Recognised Gains and Losses (STRGL) for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Actual return less expected return on Scheme assets	323,086	(1,070,750)
Experience gains and losses arising on Scheme liabilities	(873)	(125,040)
Changes in assumptions underlying the present value of Scheme liabilities	(686,701)	(52,473)
Actuarial (loss)/gain recognised in STRGL	<u>(364,488)</u>	<u>(1,248,263)</u>

Cumulative amount of actuarial gains and losses recognised in the STRGL for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Cumulative actuarial gain/(loss) at beginning of period	(1,460,927)	(212,664)
Recognised during the period	(364,488)	(1,248,263)
Cumulative actuarial (loss) at end of period	<u>(1,825,415)</u>	<u>(1,460,927)</u>

Movement in surplus/(deficit) during the period ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
(Deficit)/surplus in Scheme at beginning of year	(396,271)	737,364
Service cost (Employer Only)	(15,078)	(14,393)
Contributions paid by the College	18,682	46,452
Finance cost	29,630	82,569
Actuarial gain/(loss)	(364,488)	(1,248,263)
<b>Surplus/(deficit) in Scheme at the end of the year</b>	<u>(727,525)</u>	<u>(396,271)</u>



Notes to the Accounts  
Year Ended 30 June 2013

**26 Pension Scheme (continued)**

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

	2013 £	2012 £	2011 £	2010 £	2009 £	2008 £
Present value of Scheme liabilities	(6,401,266)	(5,664,045)	(5,389,763)	(5,496,914)	(4,938,738)	(4,801,342)
Market value of Scheme assets	5,673,741	5,267,774	6,127,127	5,485,904	4,989,221	3,697,999
Surplus/(deficit) in the Scheme	<b>(727,525)</b>	<b>(396,271)</b>	<b>737,364</b>	<b>(11,010)</b>	<b>50,483</b>	<b>(1,103,343)</b>
Actual return less expected return on Scheme assets	323,086	(1,070,750)	406,469	349,784	(511,210)	(446,222)
Experience gain/(loss) arising on Scheme liabilities	(873)	(125,040)	26,379	274,241	(10,476)	15,866
Change in assumptions underlying present value of Scheme liabilities	(686,701)	(52,473)	231,170	(690,481)	232,657	(161,365)

**27 Principal Subsidiary Undertakings**

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Corpus Developments Ltd	United Kingdom	1	Ordinary	100%

Corpus Developments Ltd was incorporated on 4 November 2009. The principal activity of the company is student accommodation development. This company is included in these consolidated financial statements.

**28 Contingent Liabilities**

The College participates in the Universities Superannuation Scheme (USS), with effect from 16 March 2007 USS positioned itself as a “last man standing” scheme so that in the event of an insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers

**29 Related Party Transactions**

Owing to the nature of the College’s operations and the composition of its Governing Body, it is possible that transactions will take place with organisations in which a member of the College Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm’s length and in accordance with the College’s normal procedures.