

**CHURCHILL COLLEGE IN THE
UNIVERSITY OF CAMBRIDGE**

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

Charity Registration Number: 1137476

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE
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FOR THE YEAR ENDED 30 JUNE 2015

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CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30 JUNE 2015

Address	Charity Registration Number	VAT Registration Number
Churchill College Storey's Way Cambridge, CB3 0DS	1137476	GB 732 155 751

Trustees

The Trustees of the College are the members of the College Council. The Trustees during 2014/15 were:

Master	Prof Sir David Wallace (to 30/09/14), Prof Dame Athene Donald (from 01/10/14)	
Vice-Master	Prof K Siddle	
Senior Tutor	Mr R Partington (to 01/10/15), Dr S Boss (from 01/10/15)	
Bursar	Mrs J M Brook	
Tutor for Advanced Students	Dr I B Kingston	
MCR President	Ms J Poon (to 13/01/15), Mr S Hee (from 01/02/2015)	
MCR Council Member	Ms A Kaminiski (to 13/01/15), Ms Y Guo (from 01/02/2015)	
JCR President	Miss E Miller (to 13/01/15), Mr Downing (from 13/01/15 to 30/06/2015)	
JCR Member	Ms R Snow (to 30/06/2015), Mr N Ash (from 01/10/2015)	
Staff Members	Mrs S Cook Mrs K Russell-Roberts	

Members	Dr K Stott Prof A M Finch Prof M Kramer Dr S Boss (to 13/01/15), Dr Toner (from 13/01/15) Miss M Kendall (to 13/01/15), Dr Jardine-Wright (from 13/01/15)	Dr A Taylor (from 01/10/2015) Dr P van Houten Prof N Leader-Williams
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Senior Officers

Master	Prof Sir David Wallace (to 30/09/14), Prof Dame Athene Donald (from 01/10/14)	
Vice-Master	Prof K Siddle	
Senior Tutor	Mr R Partington (to 01/10/15), Dr S Boss (from 01/10/15)	
Bursar	Mrs J M Brook	
Tutor for Advanced Students	Dr I B Kingston	

Principal Advisers

Auditors

Prentis & Co LLP
115c Milton Road
Cambridge
CB4 1XE

Bankers

Lloyds Bank
3 Sidney Street
Cambridge
CB2 3HG

Investment Fund Managers

Charles Stanley Pan Asset
25 Luke Street
London
EC2A 4AR

Heronbridge Investment
Management LLP
24 Gay Street, Bath
Somerset, BA1 2PD

Investment Property Managers

Savills LLP
132-134 Hills Road
Cambridge
CB2 8PA

Legal Advisers

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

Hewitsons
Shakespeare House
42 Newmarket Road
Cambridge
CB5 8EP

Penningtons Solicitors LLP
Clarendon House
Clarendon Road
Cambridge
CB2 8FH

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW

FOR THE YEAR ENDED 30 JUNE 2015

Introduction

The College has had another good year financially and operationally. The academic performance of the students in the College was strong and the College's exam results were amongst the best it has recorded. The number of fee-paying students decreased slightly over the previous year. The College's commercial business, hosting summer schools, conferences and continuing education programmes (delivered through its subsidiary, the Møller Centre and in the College itself) was again very successful and the profits from these operations contributed to the cost of providing the education for our students, providing financial support for students and improving facilities for our academic staff and students. The Møller Centre undertook a major extension and refurbishment during the year which limited the scope of its activities for a significant period.

Scope of the Financial Statements

In addition to the educational activities of the College, the consolidated accounts include the commercial activity of the College and through its subsidiaries, the Møller Centre for Continuing Education Ltd and Churchill Conferences Ltd. The surpluses from these operations are donated to the College under Gift Aid and appear as donations in the College's income and expenditure statement. The figures below refer to the College accounts rather than the consolidated accounts.

Aims and Objectives of the College

The charitable objectives of the College are:

- 1) To advance education, learning and research especially in the field of science and technology
- 2) To provide a College wherein members of the University of Cambridge may work for degrees in that University, or may carry out post-graduate studies or other special studies at Cambridge.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an education for some 812 (805 in 2013/14) undergraduate and graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

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

In addition, through the Møller Centre for Continuing Education, the College provides courses to develop management knowledge and skills for executives in the private, public and professional service sectors from the UK and elsewhere.

The College advances research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post; there were 10 research fellows in the College for all or part of the academic year 2014/15.
- the launch of a new scheme in 2013 to provide a collegiate base for 10 post-doctoral By-Fellows each year, for a three year duration. There were 21 post-doctoral By-Fellows in 2014/15.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW

FOR THE YEAR ENDED 30 JUNE 2015

- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding senior academics from abroad, of whom 14 spent a minimum of a term in the College during 2014/15; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means;
- supporting students through the provision of more than £785K in grants, bursaries and studentships including the provision of 50 grants to enable postgraduate students to participate in research conferences;
- through the College's own resources, a total subsidy of over £1.80 million on the provision of education.
- The Churchill Archives Centre provides facilities for anyone wishing to study the papers in its collection (if allowed under government rules). There are research fellowships, tied to work in the Archives Centre, and the Centre organises lectures, symposia and exhibitions open to members of the public. The 50th anniversary of the death of Sir Winston Churchill provided a further opportunity to commemorate, educate and examine his legacy through numerous events.
- The College maintains an extensive Library, so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely.

The College also extends the use of its facilities to the local community and community organisations and participates generously in hosting programmes to bring talented young people from poorer backgrounds to Cambridge.

Funding

During the last two years the College was funded in the following proportions:

	2015	2014
Endowment Income	20.1%	17.9%
Fee and Academic Income	22.1%	22.0%
Operating charges (rents and catering to College members)	33.2%	29.7%
Direct Commercial income	14.5%	13.3%
Donations	5.0%	11.4%
Donations from subsidiary companies	5.2%	5.7%
	<hr/>	<hr/>
	100.0%	100.0%

The use of the facilities and amenities of the College is maximised, particularly out of term time, by extending them to commercial clients, including learned societies, other academic institutions and community education, to provide revenue to cover the fixed costs of the College and to support the academic endeavours. External sales rose by 10% over the previous year.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW

FOR THE YEAR ENDED 30 JUNE 2015

Achievements and Performance

The College's undergraduates achieved strong results across the board and were among the best results the College has ever achieved. Particularly strong performances were recorded in Engineering and Modern Languages and also in Natural Sciences, Computing Science and Asian and Middle Eastern Studies. 1 finalist was awarded a University named prize. The number of graduate students awarded a PhD was 77 and of the 45 students undertaking Masters programmes, more than 31 went on to study for a PhD this year.

The College again attracted record numbers of undergraduate applications, with its recruitment efforts focussed on the state sector. It also supported, financially, various university vacation programmes to support applications from students from less privileged backgrounds. 65% of those admitted to study in 2013/14 were educated in state schools. This figure rose to nearly 74% in 2014/15.

Financial Review

a) Maintenance of Buildings

Total expenditure on routine building maintenance, including staff costs, was just under £1,027k. In addition a further £97k was spent towards the cost of replacing the College boilers and this sum was capitalised.

b) Capital Expenditure

College capital expenditure amounted to £2,559k. This includes £1,658k initial construction cost on the new Undergraduate accommodation block, Cowan Court and £700k on major refurbishment

Major projects undertaken in 2014/15 included:

- the start of construction of Cowan Court;
- the rewiring and refurbishment of two Staircases, Staircases 41 and 42;
- completing the rewiring and refurbishment of the Masters Lodge and guest rooms;
- initial costs for the College's share of re-building of the Combined Colleges boathouse; and
- the partial cost of replacement of the boilers.

In addition, nearly £4,776k was spent on the Møller Centre extension and fittings and £19k by Churchill Conferences Ltd.

A staff house, 10 Brownlow Road, Cambridge, was sold during the year realising a surplus of £178k compared with its book value.

c) Endowment and Investment Performance

The College's Amalgamated Investment Fund, which makes up 91% of the College's investments, delivered a total return of 6.6% compared with 22.9% the previous year. £1,323k new funds were invested in the Amalgamated Investment Fund during the year. The College drew down a total of £2,590k in accordance with the agreed formula for smoothing total return from year to year. This compares with the drawdown of £2,274k the previous year.

d) Staff Costs and Pensions

Personnel costs as a whole (including related costs such as training, health and safety management, meals, recruitment) rose by 4.1%. A 2% pay increase was awarded to all non-academic staff and 1% to academic staff from October 2014 but many were also eligible for increments. Staff numbers in the operational side of the College have increased with the investment in the conference and computing departments and with increased use of casuals to meet the needs of the higher level of conference business in vacations.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

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FOR THE YEAR ENDED 30 JUNE 2015

The College continues to pay into the Combined Colleges Federated Pension Scheme which is now closed to Churchill staff for future service and to new members. £229K was contributed this year. At the year end there were 54 non-academic members of the Universities Superannuation Scheme and non-academic staff appointed since 2007 have been offered a defined contribution pension, with generous contributions from the College.

The College opened an auto-enrolment pension scheme with NEST and continues to offer Group Pension Scheme membership to its non-academic staff. It retains an independent consultant to advise staff on their options. The College also offers pre-retirement courses and spent over £19K on staff training during the year.

e) Reserves Policy

The College intends to continue to pursue its objectives in perpetuity and has set a reserves policy which requires reserves to be maintained at a level which ensures that the core activity could be continued during a period of unforeseen difficulty.

The Archives Centre has limited reserves but is largely supported by a number of grant-making trusts, most established for that purpose.

Principal risks and uncertainties

The College pays a considerable charge for carbon allowances under the Carbon Reduction Commitment Energy Efficiency Scheme which also requires considerable administrative input. The cost of the scheme to the College was £16K for 2014/15 (£25k in 2013/14). However, the nature of our buildings is 80% residential and they are also listed of historic interest and so significant efficiencies are particularly difficult to achieve.

Plans for the Future

The major building projects to be progressed in 2015/16 are the completion of the construction of Cowan Court, which should be completed in Summer 2016. In addition the Combined Colleges' boathouse re-building will continue together with the ongoing refurbishment and rewiring of another 3 staircases and the completion of the main boiler replacement.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

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FOR THE YEAR ENDED 30 JUNE 2015

Corporate Governance

1. The following statement is provided by the College Council (the Trustees) to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137476) and subject to regulation by the Charity Commission for England and Wales. The members of the College Council are the charity trustees and are responsible for ensuring compliance with charity law.
3. The College Council is advised in carrying out its duties by a number of Committees including a Finance Committee, an Education Committee, a Tutorial Committee, an Estates Committee, an Audit Committee and an Investment Advisory Committee.
4. The principal officers of the College are the Master, Vice-Master, Senior Tutor, Bursar and Tutor for Advanced Students.
5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the College Council on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Trustees. Membership of the Finance Committee in 2014/15 included the Master, Bursar, Vice-Master, Senior Tutor, Tutor for Advanced Students, Finance Manager, Domestic Bursar, Dr J Ackroyd, Professor R Goldstein, Mr N Knight, Mrs G Secrett, Dr S Ozanne, Professor D Ralph, Dr J Toner, Dr C Tout, Mr T Ingram (external member), Dr E Powell (external member) and representatives of the JCR and MCR.
6. The Audit Committee is chaired by Dr E Powell (external member) and two elected members of the Governing Body with responsibility for reporting on any matters of operational or financial concern to the College Council.
7. There is a Register of Interests of Trustees and all Fellows and external members of the Finance Committee and Estates Committees and of the senior administrative officers. Declarations of interest are made systematically at meetings.
8. The College's Trustees (members of the College Council) during the year ended 30 June 2015 are set out on page 2.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

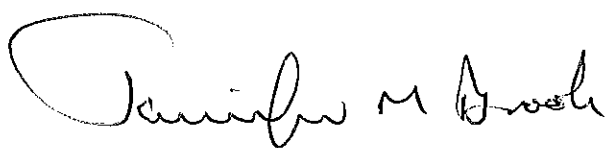
OPERATING AND FINANCIAL REVIEW

FOR THE YEAR ENDED 30 JUNE 2015

Statement of Internal Control

The College Council is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which it is responsible, in accordance with the College's Statutes.

- 1) The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.
- 2) The systems of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2015 and up to the date of approval of the financial statements.
- 3) The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
 - An approval matrix for purchasing and authorisation of actual expenditure;
 - Guidelines for limits on personal expenses;
 - Counter-signing of claims by Heads of Departments and checking by accounts staff before payment;
 - Double signatures on all transactions over £20,000 by whichever means of payment;
 - Stock checks on vulnerable items on a regular basis;
 - On site security and limited access to vulnerable items
- 4) The Council's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports and by the Audit Committee.



Mrs J M Brook
Bursar

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

RESPONSIBILITIES OF THE COLLEGE COUNCIL

FOR THE YEAR ENDED 30 JUNE 2015

STATEMENT OF RESPONSIBILITIES OF THE COLLEGE COUNCIL

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation

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

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

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF CHURCHILL COLLEGE

FOR THE YEAR ENDED 30 JUNE 2015

We have audited the financial statements of Churchill College for the year ended 30 June 2015 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and College 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 Account Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Council, 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 Council 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 Council as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Council and Auditors

As explained more fully in the Trustee's Responsibilities Statement set out on page 9, the Council is 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

Our 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 College's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimate made by the College Council; and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE
INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF CHURCHILL COLLEGE
FOR THE YEAR ENDED 30 JUNE 2015

Opinion of Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the group and College's affairs as at 30 June 2015 and of the group's income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge;
- 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 Council'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



PRENTIS & CO LLP
Chartered Accountants and
Registered Auditors
115c Milton Road
Cambridge
CB4 1XE

Chartered Accountants and Statutory Auditors

Date: 25th November 2015

Prentis and Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2015

Basis of Preparation

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

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

Basis of Accounting

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

Basis of Consolidation

The consolidated financial statements include the College and it wholly owned subsidiary undertakings:

- The Møller Centre for Continuing Education Limited, whose principal activity is the provision of facilities for residential training courses and day courses, and the delivery of executive education programmes.
- Churchill Conferences Limited, whose principal activity is the provision of residential and day conference facilities

The activities of Churchill Residences II Limited, which develops property on the College site on behalf of the College, have not been consolidated as its activities are too dissimilar to those of the College.

Intra-group balances are eliminated on consolidation. 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

a. 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.

b. Restricted Grant Income

Grants received for restricted purposes are recognised as income to the extent of the completion of the contract or service concerned.

c. 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.

d. Donations and Benefactions

Charitable donations are recognised on receipt or where there is certainty of future receipt and the value can be measure reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. Donations with no substantial restriction 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 of construction of tangible fixed assets, are recognised in the statement of total recognised gains and losses as new endowments.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

e. Capital Grants and Donations

Capital 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.

f. Other Income

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

g. Total Return

The Endowment is 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 reserves as set out in Note 20.

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 exchange contracts, 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

a. Land and buildings

Land and buildings are stated at valuation. The College's buildings on the main site were re-valued during the year by the College's principal insurers. Where buildings have been revalued, they are valued on the basis of their depreciated replacement cost. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 60 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 that are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

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

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

b. Maintenance of premises

The College has a ten year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to the Income and Expenditure account as it is incurred. The College may also set aside sums to meet major maintenance costs which occur on an irregular basis. These are disclosed as designated funds where applicable.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

c. Furniture, fittings and equipment

Furniture, fittings and 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% to 20% per annum
Motor vehicles and general equipment	10% to 20% per annum
Computer equipment	10% to 33% per annum

Where equipment is acquired with the aid of specific bequests or donations it is 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.

d. Leased assets

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

e. Heritage Assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. In accordance with FRS15 and FRS30 (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 donation assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

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

A desk-top valuation of freehold land and buildings is carried out annually by Savills.

Stocks

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

Provisions

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

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

Taxation

The College is a registered charity (number 1137476) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

Contribution under Statute G,II

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

Pension schemes

a) Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme, 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 shares 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.

b) CCFPS

The College is also a member of the multi-employer defined benefits scheme, the Cambridge Colleges' Federated Pension scheme. The Churchill College section closed for accrual on 31 March 2007 when all active members were made deferred. The fund is valued every three years by a professionally qualified independent actuary. In the intervening years, the actuary reviews the progress of the scheme.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated 2015 £'000	College 2015 £'000	Consolidated 2014 £'000	College 2014 £'000
INCOME					
	Note				
Academic Fees and Charges	1	2,933	2,933	2,903	2,903
Residences Catering, and Conferences	2	13,233	6,339	12,578	5,658
Endowment and Investment Income	3	2,669	2,665	2,367	2,365
Donations	4	1,099	1,350	1,295	2,249
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		19,934	13,287	19,143	13,175
EXPENDITURE					
Education	5	4,757	4,757	4,474	4,474
Residences, Catering and Conferences	6	12,564	5,918	11,690	5,786
Other Expenditure	7	1,361	1,361	1,497	1,382
		<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditure	8	18,682	12,036	17,661	11,642
Operating Surplus		1,252	1,251	1,482	1,533
Contribution Under Statute G,II		(44)	(44)	(36)	(36)
		<hr/>	<hr/>	<hr/>	<hr/>
NET SURPLUS		1,208	1,207	1,446	1,497
Share of Net Profit of Associate	28	8	-	4	-
Transfer to accumulated income within restricted expendable capital		(492)	(492)	(310)	(310)
		<hr/>	<hr/>	<hr/>	<hr/>
RETAINED SURPLUS FOR YEAR		<u>724</u>	<u>715</u>	<u>1,140</u>	<u>1,187</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Restricted Funds £'000	Unrestricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Surplus of Income and Expenditure Accounts		-	724	724	1,140
Unspent Endowment Fund Income	18	492	-	492	309
Unapplied Total Return for Year	3b	1,248	1,417	2,665	12,339
New Endowments	18	1,848	-	1,848	398
Actuarial Gain/(Loss) in Respect of Pension Fund	17	-	197	197	(470)
Total Recognised Gains for the Year		<u>3,588</u>	<u>2,338</u>	<u>5,926</u>	<u>13,716</u>

RECONCILIATION

Opening Reserves and Endowments		34,750	100,729	135,479	121,763
Total Recognised Gains for the Year		3,588	2,338	5,926	13,716
Closing Reserves and Endowments		<u>38,338</u>	<u>103,067</u>	<u>141,405</u>	<u>135,479</u>

The above figures exclude deferred capital grants of £6,159k (2014 £5,696k) shown in note 25 on page 31.


CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED BALANCE SHEET

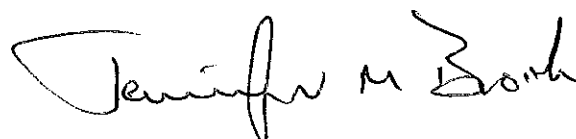
AS AT 30 JUNE 2015

	Note	Consolidated 2015 £'000	College 2015 £'000	Consolidated 2014 £'000	College 2014 £'000
FIXED ASSETS					
Tangible Assets	10	82,388	71,379	77,260	70,597
Investments	11	47,521	54,507	45,606	50,092
Investment in Associate	28	57	-	48	-
		<u>129,966</u>	<u>125,886</u>	<u>122,914</u>	<u>120,689</u>
ENDOWMENT ASSETS	12	38,338	38,338	34,750	34,750
CURRENT ASSETS					
Stock		60	41	62	30
Debtors	13	2,634	2,805	3,254	3,580
Cash	14	1,722	1,265	3,672	2,990
		<u>4,416</u>	<u>4,111</u>	<u>6,988</u>	<u>6,600</u>
Creditors: Amounts Falling Due Within One Year	15	(5,537)	(4,410)	(4,303)	(3,094)
NET CURRENT ASSETS		<u>(1,121)</u>	<u>(299)</u>	<u>2,685</u>	<u>3,506</u>
Creditors: Amounts Falling Due After One Year	16	(17,411)	(14,432)	(16,554)	(15,420)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>149,772</u>	<u>149,493</u>	<u>143,795</u>	<u>143,525</u>
Pension Liability	17	(2,208)	(2,208)	(2,620)	(2,620)
NET ASSETS INCLUDING PENSION LIABILITY		<u>147,564</u>	<u>147,285</u>	<u>141,175</u>	<u>140,905</u>
REPRESENTED BY:					
DEFERRED CAPITAL DONATIONS	25	6,159	6,159	5,696	5,696
ENDOWMENTS	18				
Expendable Endowments		9,522	9,522	7,971	7,971
Permanent Endowments		28,816	28,816	26,779	26,779
		<u>38,338</u>	<u>38,338</u>	<u>34,750</u>	<u>34,750</u>
RESERVES	19				
General Reserves Excluding Pension Reserve		105,275	104,996	103,349	103,079
Pension Reserve		(2,208)	(2,208)	(2,620)	(2,620)
		<u>103,067</u>	<u>102,788</u>	<u>100,729</u>	<u>100,459</u>
		<u>147,564</u>	<u>147,285</u>	<u>141,175</u>	<u>140,905</u>

The financial statements on pages 1 to 35 were approved by College Council on 24 November 2015 and are signed on their behalf by:



Prof Dame Athene Donald
Master



Mrs J M Brook
Bursar

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 £'000	2014 £'000
Net Cash Inflow from Operating Activities	21	3,366	2,108
Returns on Investments and Servicing of Finance	22	1,898	1,615
Capital Expenditure and Financial Investment	22	(6,759)	(14,543)
Net Cash Inflow before Financing		(1,495)	(10,820)
Net Cash (Outflow)/Inflow from Financing	22	(455)	10,554
Change in Net Funds		(1,950)	(266)
Net funds at Beginning of Year		3,672	3,938
Net funds at End of Year		1,722	3,672

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 ACADEMIC FEES AND CHARGES	2015	2014
	£'000	£'000
College Fees:		
Fee Income paid on behalf of Undergraduates (per Capita fee £4,500 / £4,185)	1,789	1,730
Privately-funded Undergraduate Fee Income (per Capita Fee £5,600)	396	517
Fee Income received at the Graduate fee rate (per Capita Fee £2,474)	635	537
	<u>2,820</u>	<u>2,783</u>
Other Income:		
Teaching/Research/Training Grants	53	57
Supervisors Income	60	62
	<u>2,933</u>	<u>2,903</u>

2 INCOME FROM RESIDENCES, CATERING AND CONFERENCES

		Consolidated	College	Consolidated	College
		2015	2015	2014	2014
		£'000	£'000	£'000	£'000
Accommodation	College Members	3,353	3,709	2,978	2,979
	Conferences	2,946	830	2,756	754
	International Programmes	3,643	186	3,448	222
Catering	College Members	701	701	932	932
	Conferences	2,094	787	1,949	631
	International Programmes	496	126	515	140
		<u>13,233</u>	<u>6,339</u>	<u>12,578</u>	<u>5,658</u>

3 ENDOWMENT AND INVESTMENT INCOME

3a ANALYSIS	2015	2014
	£'000	£'000
Total Return Contribution (see note 3b)	2,590	2,274
Quoted Securities	9	8
Interest	66	83
	<u>2,665</u>	<u>2,365</u>
COLLEGE		
Interest	4	2
CONSOLIDATED	<u>2,669</u>	<u>2,367</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS (CONT)
FOR THE YEAR ENDED 30 JUNE 2015

3b Summary of Total Return	2015	2014
	£'000	£'000
Income From:		
Land and Buildings	665	660
Quoted and Other Securities and Cash	1,250	1,091
Gains on Endowment Assets		
Land and Buildings	595	610
Quoted and Other Securities	2,841	12,366
Investment Management Costs (see note 3c)	(96)	(114)
Total Return for the Year	5,255	14,613
Total Return Transferred to Income and Expenditure Account (see note 3a)	(2,590)	(2,274)
Unapplied Total Return for Year Included within Statement of Total Recognised Gains and Losses (see note 20)	<u>2,665</u>	<u>12,339</u>

3c Investment Management Costs

Quoted Securities	62	77
Land and Buildings	34	37
	<u>96</u>	<u>114</u>

4 DONATIONS

	Consolidated	College	Consolidated	College
	2015	2015	2014	2014
	£'000	£'000	£'000	£'000
Unrestricted Donations	1,055	1,306	1,251	2,205
Released from Deferred Capital Grants (see note 25)	44	44	44	44
	<u>1,099</u>	<u>1,350</u>	<u>1,295</u>	<u>2,249</u>

5 EDUCATION EXPENDITURE

	College	College
	2015	2014
	£'000	£'000
Teaching	2,025	1,914
Tutorial	637	656
Admissions (Incl Access Grants)	848	806
Research	439	368
Scholarships and Awards	458	395
Other Educational Facilities	350	335
	<u>4,757</u>	<u>4,474</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

6 RESIDENCES, CATERING, AND CONFERENCES EXPENDITURE

		Consolidated 2015 £'000	College 2015 £'000	Consolidated 2014 £'000	College 2014 £'000
Accommodation	College Members	3,072	3,072	3,101	3,101
	Conferences	2,980	796	2,806	753
	International Programmes	3,001	179	2,509	222
Catering	College Members	1,378	1,378	1,262	1,262
	Conferences	1,171	425	1,152	367
	International Programmes	962	68	860	81
Total		<u>12,564</u>	<u>5,918</u>	<u>11,690</u>	<u>5,786</u>

7 OTHER EXPENDITURE

	2015 £'000	2014 £'000
Archives Centre	447	430
Fundraising Costs (including costs of alumni relations)	242	217
Bond & Loan Interest & Set Up Costs	662	432
Other	10	303
COLLEGE	<u>1,361</u>	<u>1,382</u>
Bank Loan Interest	-	115
CONSOLIDATED	<u>1,361</u>	<u>1,497</u>

8a ANALYSIS OF 2014/15 EXPENDITURE BY ACTIVITY

	Staff Costs (Note 9) £'000	Other Operating Expenses £'000	Depreciation £'000	Total £'000
CONSOLIDATED				
Education (Note 5)	2,467	1,852	438	4,757
Residences, Catering and Conferences (Note 6)	5,033	5,873	1,658	12,564
Other (Note 7)	532	829	-	1,361
	<u>8,032</u>	<u>8,554</u>	<u>2,096</u>	<u>18,682</u>
COLLEGE				
Education (Note 5)	2,467	1,852	438	4,757
Residences, Catering and Conferences (Note 6)	2,466	2,244	1,208	5,918
Other (Note 7)	532	829	-	1,361
	<u>5,465</u>	<u>4,925</u>	<u>1,646</u>	<u>12,036</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

8b ANALYSIS OF 2013/14 EXPENDITURE BY ACTIVITY

	Staff Costs (Note 9) £'000	Other Operating Expenses £'000	Depreciation £'000	Total £'000
CONSOLIDATED				
Education (Note 5)	2,361	1,683	430	4,474
Residences, Catering, and Conferences (Note 6)	4,823	5,269	1,598	11,690
Other (Note 7)	520	977	-	1,497
	<u>7,704</u>	<u>7,929</u>	<u>2,028</u>	<u>17,661</u>
COLLEGE				
Education (Note 5)	2,361	1,683	430	4,474
Residences, Catering, and Conferences (Note 6)	2,367	2,231	1,188	5,786
Other (Note 7)	520	862	-	1,382
	<u>5,248</u>	<u>4,776</u>	<u>1,618</u>	<u>11,642</u>

8c Auditors Remuneration

	2015 £'000	2014 £'000
Other Operating Costs include:		
Audit Fees paid to College's External Auditors	11	11
Audit Fees paid to Subsidiaries' External Auditors	5	6
	<u>16</u>	<u>17</u>

9 STAFF COSTS

	Academic 2015 £'000	Academic Related 2015 £'000	Non - Academic 2015 £'000	Total 2015 £'000	Total 2014 £'000
CONSOLIDATED					
Staff Costs:					
Emoluments	1,106	829	5,096	7,031	6,770
Social Security Costs	50	65	388	503	459
Other Pension Costs	96	89	313	498	475
	<u>1,252</u>	<u>983</u>	<u>5,797</u>	<u>8,032</u>	<u>7,704</u>
Staff Numbers					
Academic				46	44
Academic Related				27	23
Non-Academics				188	179
				<u>261</u>	<u>246</u>

The number of officers and employees of the College who received emoluments in the following ranges was:

	2015	2014
£100,000 - £109,999	<u>1</u>	<u>1</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

9 STAFF COSTS (CONT)

COLLEGE	Academic 2015 £'000	Academic Related 2015 £'000	Non - Academic 2015 £'000	Total 2015 £'000	Total 2014 £'000
Staff Costs:					
Emoluments	1,106	829	2,795	4,730	4,528
Social Security Costs	50	65	192	307	285
Other Pension Costs	96	89	242	427	436
	<u>1,252</u>	<u>983</u>	<u>3,229</u>	<u>5,464</u>	<u>5,249</u>
Staff Numbers (Full time equivalent)					
Academic				46	44
Academic Related				27	24
Non-Academics				108	107
				<u>181</u>	<u>175</u>

There were 114 fellows with voting rights on the Governing Body at 30 June 2015. The remuneration of all fellows has been included in the figures above.

10 FIXED ASSETS

a Tangible Assets - Consolidated

	College Site Flats & Buildings £'000	College Hostels & Houses £'000	Fixtures Fittings Equipment £'000	Møller Centre £'000	Total £'000
COST/VALUATION					
At 1 July 2014	66,644	7,690	5,571	17,399	97,304
Additions	2,240	105	756	4,253	7,354
Disposals	-	(163)	(89)	(78)	(330)
Cost/valuation as at 30 June 2015	<u>68,884</u>	<u>7,632</u>	<u>6,238</u>	<u>21,574</u>	<u>104,328</u>
DEPRECIATION					
At 1 July 2014	12,002	1,356	3,413	3,273	20,044
Provided for the year	1,105	129	499	363	2,096
Eliminated on Disposal	-	(33)	(89)	(78)	(200)
Depreciation at 30 June 2015	<u>13,107</u>	<u>1,452</u>	<u>3,823</u>	<u>3,558</u>	<u>21,940</u>
NET BOOK VALUE					
At 30 June 2015	<u>55,777</u>	<u>6,180</u>	<u>2,415</u>	<u>18,016</u>	<u>82,388</u>
At 30 June 2014	<u>54,642</u>	<u>6,334</u>	<u>2,158</u>	<u>14,126</u>	<u>77,260</u>

The Insured Value of Freehold Land and Buildings as at 30 June 2015 was £93,949k (2014: £94,310k).

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

10a Tangible Assets - College	College Site Flats & Buildings £'000	College Hostels & Houses £'000	Fixtures Fittings Equipment £'000	Møller Centre £'000	Total £'000
COST/VALUATION					
At 1 July 2014	66,644	7,690	2,041	11,105	87,480
Additions	2,240	105	213	-	2,558
Disposals	-	(163)	(89)	-	(252)
Cost/valuation as at 30 June 2015	<u>68,884</u>	<u>7,632</u>	<u>2,165</u>	<u>11,105</u>	<u>89,786</u>
DEPRECIATION					
At 1 July 2014	12,002	1,356	1,304	2,221	16,883
Provided for the year	1,105	129	227	185	1,646
Eliminated on Disposal	-	(33)	(89)	-	(122)
Depreciation at 30 June 2015	<u>13,107</u>	<u>1,452</u>	<u>1,442</u>	<u>2,406</u>	<u>18,407</u>
NET BOOK VALUE					
At 30 June 2015	<u>55,777</u>	<u>6,180</u>	<u>723</u>	<u>8,699</u>	<u>71,379</u>
At 30 June 2014	<u>54,642</u>	<u>6,334</u>	<u>737</u>	<u>8,884</u>	<u>70,597</u>

10b Heritage Assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 1999 have been capitalised. However, as none have been acquired since this date the value of capitalised heritage assets is £Nil.

11 INVESTMENT ASSETS	Consolidated 2015 £'000	College 2015 £'000	Consolidated 2014 £'000	College 2014 £'000
Balance at 1 July 2014	77,449	81,935	55,210	56,696
Additions	8,631	11,131	24,797	27,797
Disposals	(9,670)	(9,670)	(16,088)	(16,088)
Appreciation on Revaluation/Disposals	3,435	3,435	12,976	12,976
Increase in Cash Balances at Fund Managers	1,740	1,740	554	554
Balance as at 30 June 2015	<u>81,585</u>	<u>88,571</u>	<u>77,449</u>	<u>81,935</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

11 INVESTMENT ASSETS (CONT)	Consolidated 2015 £'000	College 2015 £'000	Consolidated 2014 £'000	College 2014 £'000
Represented by:				
Property	8,714	8,714	7,775	7,775
Quoted Securities - Equities	69,789	69,789	68,733	68,733
Quoted Securities - Fixed Interest	-	-	473	473
Unquoted Securities - Equities	14	7,000	14	4,500
Cash Held For Reinvestment	3,068	3,068	454	454
	<u>81,585</u>	<u>88,571</u>	<u>77,449</u>	<u>81,935</u>
Analysis:				
Total Investment Assets	81,585	88,571	77,449	81,935
Less: Endowment Assets (Note 12)	(34,064)	(34,064)	(31,843)	(31,843)
Investment Asset Total	<u>47,521</u>	<u>54,507</u>	<u>45,606</u>	<u>50,092</u>
12 ENDOWMENT ASSETS	Consolidated 2015 £'000	College 2015 £'000	Consolidated 2014 £'000	College 2014 £'000
Investments (Note 11)	34,064	34,064	31,843	31,843
Funds held by College	4,274	4,274	2,907	2,907
	<u>38,338</u>	<u>38,338</u>	<u>34,750</u>	<u>34,750</u>
13 DEBTORS	Consolidated 2015 £'000	College 2015 £'000	Consolidated 2014 £'000	College 2014 £'000
Trade Debtors	1,108	382	1,359	377
Members of the College	784	784	861	861
Amounts due from Subsidiary Undertakings	-	1,023	-	1,459
Prepayments and Accrued Income	191	65	236	85
Other	516	516	758	758
Debtors due in greater than one year	35	35	40	40
	<u>2,634</u>	<u>2,805</u>	<u>3,254</u>	<u>3,580</u>
14 CASH	Consolidated 2015 £'000	College 2015 £'000	Consolidated 2014 £'000	College 2014 £'000
Bank Deposits	1,090	1,090	2,952	2,952
Current Accounts and in Hand	632	175	720	38
	<u>1,722</u>	<u>1,265</u>	<u>3,672</u>	<u>2,990</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Consolidated	College	Consolidated	College
	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Trade Creditors	776	415	1,051	493
Members of the College	904	904	995	995
Amounts due to Subsidiary Companies	-	1	-	1
University Fees	197	197	106	106
Contribution to Colleges Fund	44	44	36	36
Bank Loans	987	987	454	454
Social Security and other Taxation payable	279	278	199	199
Other	2,350	1,584	1,462	810
	5,537	4,410	4,303	3,094

16 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	Consolidated	College	Consolidated	College
	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Bank Loans	2,249	2,249	2,754	2,754
Other Creditors	2,979	-	1,134	-
Amounts due within 1 to 5 years	5,228	2,249	3,888	2,754
Amounts payable wholly or partly after 5 years				
College Bond	11,000	11,000	11,000	11,000
Bank Loans	1,183	1,183	1,666	1,666
Total	17,411	14,432	16,554	15,420

The bank loan to the Møller Centre is unsecured and is in two tranches. Tranche one is for £2.1 million and is repayable over 15 years. Tranche two is for £1 million and is repayable over 8 years. Interest on tranche 1 is charged at 5.42% per annum. Interest on tranche 2 is charged at 5.42% per annum until 30 September 2015, and at base rate plus 0.5% from then on until the end of the agreement. The Møller Centre loan was novated from the Møller Centre to the College on 30 June 2014 with no changes to the interest rate or repayment terms.

The bank loan to the College is unsecured and was for £4 million. The loan is repayable over 15 years. Interest is charged at the rate of 1.5% above base rate with a minimum rate of 2.5%.

During 2013/14 the College issued a long term bond of £11m. Tranche 1 is for £6,360k and interest is charged at 4.40%. Tranche 2 is for £4,640k and interest is payable at 4.45%. £3,533k is due for repayment in October 2043, £4,640k is due for repayment in January 2044 and the remaining £2,827k is to be repaid in October 2053.

17 PENSION LIABILITIES	2015 £'000	2014 £'000
Balance at 1 July 2014	(2,620)	(2,342)
Movement in the year:		
Contributions paid by the College	229	229
Finance cost	(14)	(37)
Actuarial loss Recognised in Statement of Total Recognised Gains/(Losses)	197	(470)
Balance as at 30 June 2015	(2,208)	(2,620)

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

18 ENDOWMENTS

CONSOLIDATED/COLLEGE	Unrestricted Permanent £'000	Restricted Permanent £'000	Restricted Expendable £'000	Total 2015 £'000	Total 2014 £'000
Balance at 1 July 2014					
Capital	13,863	12,916	8,045	34,824	25,168
Unspent Income	-	-	(74)	(74)	2,530
	<u>13,863</u>	<u>12,916</u>	<u>7,971</u>	<u>34,750</u>	<u>27,698</u>
New Endowments Received	-	1,110	738	1,848	398
Income Receivable from Endowment					
Asset Investments	-	-	752	752	300
Expenditure	-	-	(260)	(260)	9
Net Transfer to Income and Expenditure Account	<u>-</u>	<u>-</u>	<u>492</u>	<u>492</u>	<u>309</u>
Increase in Market Value of Investments	458	469	321	1,248	6,345
Balance as at 30 June 2015	<u>14,321</u>	<u>14,495</u>	<u>9,522</u>	<u>38,338</u>	<u>34,750</u>
Balance as at 30 June 2015					
Capital	14,321	14,495	8,641	37,457	34,824
Unspent Income	-	-	881	881	(74)
CONSOLIDATED/COLLEGE	<u>14,321</u>	<u>14,495</u>	<u>9,522</u>	<u>38,338</u>	<u>34,750</u>

ENDOWMENTS BY FUND TYPE	Unrestricted Permanent £'000	Restricted Permanent £'000	Restricted Expendable £'000	Total 2015 £'000	Total 2014 £'000
Archives	-	8,099	1,207	9,306	8,971
Building	-	-	2,135	2,135	1,723
Bursary	-	303	510	813	736
Development Office	-	-	192	192	168
Endowment	-	65	177	242	230
Fellowship	-	410	1,495	1,905	1,639
JRF	-	2,110	657	2,767	1,614
Library	-	233	30	263	243
Other	-	5	1,487	1,492	1,373
Prize	-	38	99	137	130
Research Funds	-	-	30	30	24
Studentship/Scholarship	-	3,145	1,465	4,610	3,916
Travel Funds	-	87	38	125	120
Corporate Capital	14,321	-	-	14,321	13,863
	<u>14,321</u>	<u>14,495</u>	<u>9,522</u>	<u>38,338</u>	<u>34,750</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

19 GENERAL RESERVES

CONSOLIDATED	General Reserves £'000	Total 2015 £'000	Total 2014 £'000
Balance at 1 July 2014	100,729	100,729	94,065
Surplus Retained for the Year	724	724	1,140
Actuarial Gain/(Loss)	197	197	(470)
Increase in Market Value of Investments	1,417	1,417	5,994
Balance at 30 June 2015	<u>103,067</u>	<u>103,067</u>	<u>100,729</u>

COLLEGE	General Reserves £'000	Total 2015 £'000	Total 2014 £'000
Balance at 1 July 2014	100,459	100,459	93,748
Surplus Retained for the Year	715	715	1,187
Actuarial Gain/(Loss)	197	197	(470)
Increase in Market Value of Investments	1,417	1,417	5,994
Balance at 30 June 2015	<u>102,788</u>	<u>102,788</u>	<u>100,459</u>

20 MEMORANDUM OF UNAPPLIED TOTAL RETURN

Included within reserves the following amounts represent the Unapplied Total Return of the College:

	2015 £'000	2014 £'000
Unapplied Total Return at 1 July 2014	40,243	27,904
Unapplied Total Return for the Year (see note 3b)	2,665	12,339
Unapplied Total Return at 30 June 2015	<u>42,907</u>	<u>40,243</u>

21 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £'000	2014 £'000
Operating Surplus Before Tax	1,208	1,446
Depreciation	2,096	2,028
Investment Income	(2,669)	(2,367)
Surplus on Disposal of Fixed Assets	(178)	-
Donations for Buildings and Other Deferred Capital Grants Received	(44)	(44)
Interest Payable	-	115
Decrease/(Increase) in Stocks	2	(6)
Decrease in Debtors	620	33
Increase in Creditors	2,546	1,095
Decrease in Pension Deficit	(215)	(192)
Net Cash Inflow from Operating Activities	<u>3,366</u>	<u>2,108</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

22 CASH FLOWS	2015 £'000	2014 £'000
Returns on Investments and Servicing of Finance		
Endowment Investment Income Received	1,915	1,751
Other Investment Income Received	79	93
Investment Management Costs	(96)	(114)
Interest Paid	-	(115)
Net Cash Inflow from Returns on Investment and Servicing of Finance	<u>1,898</u>	<u>1,615</u>
Capital Expenditure and Financial Investment		
Purchase of Tangible Fixed Assets	(7,354)	(4,649)
Purchase of Investment Assets	(10,545)	(17,403)
Sale of Tangible Fixed Assets	308	-
Sale of Investment Assets	7,803	6,422
Capital Grants Received	506	166
New Endowment	1,848	398
Drawdown of Investment Capital	675	523
Net Cash Outflow from Capital Expenditure and Financial Investment	<u>(6,759)</u>	<u>(14,543)</u>
Financing		
Increase in Long Term Bond	-	11,000
Decrease in Bank Loans	(455)	(446)
Net Cash (Outflow)/Inflow from Financing	<u>(455)</u>	<u>10,554</u>

23 ANALYSIS OF CASH BALANCES	At Beginning of Year £'000	Cash Flows £'000	At End of Year £'000
Cash at Bank and in Hand	3,672	(1,950)	1,722
Net Funds	<u>3,672</u>	<u>(1,950)</u>	<u>1,722</u>

24 CAPITAL COMMITMENTS	2015 £'000	2014 £'000
Capital Commitments at 30 June 2015 are as follows:		
CONSOLIDATED		
Authorised and Contracted	<u>10,013</u>	<u>1,068</u>
COLLEGE		
Authorised and Contracted	<u>9,613</u>	<u>1,025</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

25 DEFERRED CAPITAL GRANTS

	2015	2014
COLLEGE	£'000	£'000
Donations for Buildings		
Balance at 1 July 2014	5,696	5,574
Capital Grants received during the year	507	166
Released to Income and Expenditure Account (Note 4)	(44)	(44)
Balance at 30 June 2015	<u>6,159</u>	<u>5,696</u>

26 PENSION SCHEMES

The College's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS).

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme, a defined benefit scheme which is contracted out of the State Second Pension. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The College is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the College's employees. In 2015, the percentage was 16% (2014: 16%). The company 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.

The total cost charged to the profit and loss account is £294,236 (2014: £302,139). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The 2014 valuation has recently been finalised and the audit process is in progress. Therefore the latest available audited triennial actuarial valuation of the scheme was at 31 March 2011 ("the valuation date"), which was carried out using the projected unit method. The 2014 valuation indicates that employer contributions will increase to 18% from 1

The 2011 valuation was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £32.4 billion and the value of the scheme's technical provisions was £35.3 billion indicating a shortfall of £2.9 billion. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

FRS 17 liability numbers have been produced for the using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

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

Male members' mortality	S1NA ("light") YOB tables - No age rating
Female members' mortality	S1NA ("light") YOB tables - Rated down 1 year

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

26 PENSION SCHEMES (CONT)

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

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6
Existing benefits		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%

Cambridge Colleges Federated Pension Scheme

The College is also a member of a multi-employer defined benefit scheme, the Cambridge Colleges' Federated Pension Scheme. This College section closed for all accrual on 31 March 2007 when all active members were made deferred. A full valuation is being undertaken as at 31 March 2014 and updated to 30 June 2014 by a qualified independent actuary. The principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	30/06/15 % pa	30/06/14 % pa
Discount rate	3.70%	4.20%
Expected long-term rate of return on Scheme assets	3.70%	5.90% *
Retail Price Index (RPI) assumption	3.25%	3.30%
Consumer Price Index (CPI)	2.25%	2.30%
Pension Increases (RPI linked)	3.25%	3.30%

* adjusted for expenses in 2014

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

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

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2015 are as follows:

	2015 £'000	2014 £'000
Present Value of Scheme liabilities	(8,573)	(8,358)
Market Value of Scheme assets	6,365	5,738
Deficit in the Scheme	<u>(2,208)</u>	<u>(2,620)</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

26 PENSION SCHEMES (CONT)

The following amounts have been recognised within the income and expenditure account:

	2015 £'000	2014 £'000
Interest on pension scheme liabilities	344	356
Expected return on pension scheme assets	(330)	(319)
Total operating charge	14	37
Actual return on scheme assets	763	313

Changes in the present value of the scheme liabilities are as follows:

	2015 £'000	2014 £'000
Present value of scheme liabilities at beginning of period	8,358	7,933
Interest cost	344	356
Actuarial Gains	237	464
Benefits paid	(366)	(395)
Present value of scheme liabilities at end of period	8,573	8,358

Changes in the fair value scheme assets are as follows:

	2015 £'000	2014 £'000
Market value of scheme assets at beginning of period	5,739	5,592
Expected return	330	320
Actuarial Gains/(Losses)	433	(7)
Contributions by Employer	229	229
Benefits and expenses paid	(366)	(395)
Market value of scheme assets at end of period	6,365	5,739

The agreed contributions to be paid by the College for the forthcoming year are £60,348 to cover Recovery Plan payments plus £16,207 to cover expenses, subject to review at future actuarial valuations.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities and Hedge Funds	69.0%	70.0%
Bonds and Cash	25.0%	23.0%
Property	6.0%	7.0%
	100.0%	100.0%

The expected long-term rate of return on the scheme assets has been set in line with the discount rate ie 3.7%.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

26 PENSION SCHEMES (CONT)

Analysis of the amount recognisable in the statement of total recognised gains and losses are as follows:

	2015 £'000	2014 £'000
Actual return less expected return on scheme assets	433	(7)
Experience gains/(losses) arising on scheme liabilities	105	(32)
Changes in assumptions underlying the present value of scheme liabilities	(341)	(431)
Actuarial gain/(loss) recognised in the statement of total recognised gains and losses	<u>197</u>	<u>(470)</u>

The cumulative amount of actuarial gains and losses recognised in the STRGL are as follows:

	2015 £'000	2014 £'000
Cumulative actuarial loss at beginning of year	(3,212)	(2,742)
Recognised gain/(loss) during the year	197	(470)
Cumulative actuarial loss at end of year	<u>(3,015)</u>	<u>(3,212)</u>

Movement in deficit during the years are as follows:

	2015 £'000	2014 £'000
Deficit in scheme at beginning of year	(2,620)	(2,342)
Contributions paid by the College	229	229
Finance cost	(14)	(37)
Actuarial gain/(loss)	197	(470)
Deficit in scheme at the end of the year	<u>(2,208)</u>	<u>(2,620)</u>

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

	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Present value of scheme liabilities	(8,573)	(8,358)	(7,933)	(7,387)
Market value of scheme assets	6,365	5,738	5,592	5,288
Deficit in the scheme	<u>(2,208)</u>	<u>(2,620)</u>	<u>(2,341)</u>	<u>(2,099)</u>
Experience gain/(loss) on scheme liabilities	105	(32)	(11)	(143)
Actual return less expected return on scheme assets	433	(7)	320	(1,064)
Changes in assumptions underlying present value of scheme liabilities	<u>(341)</u>	<u>(431)</u>	<u>(714)</u>	<u>(71)</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2015

27 RELATED PARTY TRANSACTIONS

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

28 GROUP STRUCTURE

The College has 3 fully owned subsidiaries:

The Møller Centre for Continuing Education Ltd	-	Residential and Day Conferences
Churchill Conferences Ltd	-	Residential and Day Conferences
Churchill Residences II Ltd	-	Residential Construction

The activities of the Møller Centre for Continuing Education Ltd and Churchill Conferences Ltd have been consolidated with those of the College. The activities of Churchill Residences II Ltd are too dissimilar from those of the College to allow them to be consolidated with those of the College.

The Møller Centre for Continuing Education Ltd owns 26% of the shares of Møller PSFG Cambridge Ltd. Møller PSFG Cambridge Ltd is therefore an associate of Churchill College in the University of Cambridge. The College's share of the net profit and balance sheet are included within the consolidated accounts. The College's share of the income and expenditure and assets of Møller PSFG Cambridge Ltd are as follows:

College share of Møller PSFG Cambridge Ltd	2015 £'000	2014 £'000
Turnover	867	682
Profit before tax	11	13
Taxation	(3)	(3)
Profit after tax	8	10
Plus Late Adjustment to 2013	-	(6)
	8	4
Fixed assets	1	1
Current Assets	279	263
Liabilities due within one year	(223)	(216)
	57	48
Intercompany Balances		
Due from Møller PSFG Cambridge to Møller Centre	19	4
Due from Møller Centre to Møller PSFG Cambridge	85	-



