

**CHURCHILL COLLEGE IN THE  
UNIVERSITY OF CAMBRIDGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**Charity Registration Number: 1137476**

**CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**  
**INDEX TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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# CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

## REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30 JUNE 2018

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### Churchill College in the University of Cambridge

**Charity Registration Number**  
1137476

**VAT Registration Number**  
GB 732 155 751

### Address

Churchill College  
Storey's Way  
Cambridge, CB3 0DS

### Trustees

The Trustees of the College are the members of the College Council. The Trustees during 2017/18 were:

Master	Prof Dame Athene Donald (Chair)	
Vice-Master	Prof K Siddle	
Senior Tutor	Mr R Partington	
Bursar	Mrs T M James	
Tutor for Advanced Students	Dr I B Kingston	
MCR President	Mr S Ainsworth (to 30/01/18), Ms M Nair (from 30/01/18)	
MCR Council Member	Ms M R McGregor (to 30/01/18), Mr J Hodgkinson (from 30/01/18)	
JCR President	Mr P Deady (to 21/11/17), Mr A Brice (from 21/11/17),	
JCR Member	Mr D Fernandes (to 02/02/18), Mr M Hedman (from 02/02/18)	
Staff Members	Mrs S Cook, Mr D Spaxman	
Members	Dr K Stott	Dr P van Houten
	Prof A M Finch	Mr B Phipps
	Dr J Toner	Dr S Savory
	Dr Jardine-Wright	Dr M Holmes

### Senior Officers

Master	Prof Dame Athene Donald
Vice-Master	Prof K Siddle
Senior Tutor	Mr R Partington
Bursar	Mrs T M James
Tutor for Advanced Students	Dr I B Kingston

### Principal Advisers

#### Auditors

Price Bailey LLP  
Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ

#### Bankers

Lloyds Bank  
3 Sidney Street  
Cambridge  
CB2 3HG

### Investment Fund and Property Managers

Aberdeen Asset Management	CIM Dividend Fund	LGT Capital Partners
Brandes Investment Fund	Edgbaston Investment Partners	Lindsell Train Global Funds
Charities Property Fund	Heronbridge Investment	Charles Stanley Pan Asset
IVI Umbrella Fund	Savills Plc	

### Legal Advisers

Ashtons Legal	Hewitsons LLP	Penningtons Manches LLP
Chequers House	Shakespeare House	Clarendon House
77-81 Newmarket Road	42 Newmarket Road	Clarendon Road
Cambridge	Cambridge	Cambridge
CB5 8EU	CB5 8EP	CB2 8FH

# CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

## OPERATING AND FINANCIAL REVIEW

### FOR THE YEAR ENDED 30 JUNE 2018

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#### Introduction

The College has had another good year both financially and operationally. The academic performance of the students in the College remained strong. The number of fee-paying students increased over the previous year. The College's commercial business, hosting summer schools, conferences and continuing education programmes was again very successful and the profits from these operations contribute to the cost of providing the education for our students, providing financial support for students and improving facilities for our academic staff and students.

#### 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 Institute Ltd and Churchill Conferences Ltd. (The Møller Centre for Continuing Education Ltd changed its name to the Møller Institute Ltd on 18 December 2017). 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 the 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 854 (801 in 2016/17) 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 Institute, the College provides courses to develop management knowledge and skills and leadership training 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 9 research fellows in the College for all or part of the academic year 2017/18.
- a scheme to provide a collegiate base for 10 post-doctoral By-Fellows each year, for three year duration. There were 29 post-doctoral By-Fellows in 2017/18.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

#### FOR THE YEAR ENDED 30 JUNE 2018

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- 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
- 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 £941k in grants, bursaries and studentships including the provision of 67 grants to enable postgraduate students to participate in research conferences;
- the College's own resources, a total subsidy of over £1.57 million (£1.75 million in 2016/17) on the provision of education;
- the Churchill Archives Centre providing 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;
- maintaining 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**

The College has several sources of income including fees, catering and accommodation income from students, donations, investment income and income from conference activities. As the College's income from students is not sufficient to fund the educational costs of the College, the College is reliant on its conference business as well as donations to meet its regular financial needs. The College has bonds totalling £24m which are due for repayment between 2042 and 2057.

#### **Achievements and Performance**

The College's undergraduates achieved strong results across the board with a record number of Firsts being achieved. The number of Advanced Students increased significantly compared with the previous year.

The College again attracted record numbers of undergraduate applications, with its recruitment efforts focussed on the state sector. It also supported various university vacation programmes to support applications from students from less privileged backgrounds. 76.5% of those admitted to study in 2017/18 were educated in state schools, a similar level to the 67.8% in 2016/17.

The College issued a second bond for £13m during the year. This was used to repay £3m bank loans and the balance has been invested to generate long term returns and to provide funds for capital projects when required.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

#### FOR THE YEAR ENDED 30 JUNE 2018

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The Archives Centre continued to enjoy Accreditation. Archive Service Accreditation defines good practice and agreed standards for archive services across the UK, thereby encouraging and supporting the development of the archive service. The Churchill Papers collection has been inscribed on the UNESCO International Register for the Memory of the World.

#### Financial Review

##### a) Surplus for the Year

The College made a surplus of £2.8m before investment/pension scheme gains compared with a surplus of £49k in 2016/17. This increase is due primarily to an increase in donations received, including a significant £598k from one donor for general purposes.

##### b) Academic Fees and Charges

These are primarily the tuition fees paid by or on behalf of students and they increased by 9.5% compared with 2016/17. This was the result of an increase in the individual charges for tuition fees and an increase in student numbers. Charges include income to support research fellows and College Teaching Officers as well as income used to support the Cambridge Bursary Scheme and the Winston Churchill Studentships.

##### c) Donations, New Endowments and Capital Grants

The total income from donations was £3.9m compared with £1.3m last year. £1.3m was raised towards the building project at 36 Storeys Way and over £1m new endowment was raised for various funds to support students in the longer term. The College also received an unrestricted donation of £598k. Also included in unrestricted donations is the money that is gift aided to the College from its wholly owned subsidiaries, which totalled £262k in 2017/18. Rent received from the Møller Institute is included in the figures for income from residences, catering and conferences.

##### d) Endowment and Investment Performance

The College's Amalgamated Investment Fund, which makes up over 90% of the College's investments, delivered a total return of 7.6% compared with 18.6% the previous year. £10.7 million new funds were invested in the Amalgamated Investment Fund during the year which includes the investment of £10m bond proceeds. £2 million capital funds were withdrawn which was money from the original bond that was used to purchase 68 Storey's Way..

The College drew down a total of £3,278k in accordance with the agreed formula for smoothing total return from year to year compared with the drawdown of £2,836k the previous year. The drawdown per unit was 3.39% of the value at 30 June 2018 compared with 3.26% per unit at 30 June 2017

##### e) Conferences and Catering income

The College's accommodation was again at virtually 100% occupancy during term time. Income from College Members (students and fellows) for accommodation and catering increased by 9%.

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. Income from these activities increased by 10% to over £2.1m in 2017/18.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

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#### **f) Maintenance of Buildings**

Total expenditure on routine building maintenance, including staff costs, was just over £1 million, the same as last year. The College spent £5.8 million on capital projects during 2017/18. The demolition of the commercial property at 36 Storey's Way was completed and the construction of 3 new graduate houses is progressing well. The College purchased the residential house at 68 Storey's Way. In the longer term this will be demolished and the site will be used for additional student accommodation, subject to planning permission and funding. In the short term the property will be used for accommodation for staff and Fellows (subject to change of use approval).

Major projects undertaken in 2017-18 included:

- the rewiring and refurbishment of three staircases - 44, 45 and 46
- the purchase of 68 Storey's Way
- the replacement of South Court roof
- the redevelopment of 36 Storey's Way

In addition, £90k was spent on the Møller Centre fixtures and fittings and £53k by Churchill Conferences Ltd.

#### **g) Staff Costs and Pensions**

Personnel costs as a whole (including related costs such as training, health and safety management, meals, recruitment) rose by 3.7%. A 2.0% pay increase was awarded to all staff from October 2017 and many were also eligible for increments.

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. Non-academic staff appointed since 2007 have been offered a defined contribution pension, with generous contributions from the College.

The College operates an auto-enrolment pension scheme with NOW Pensions 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 £26k on staff training during the year.

#### **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.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

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#### **Equal Opportunities**

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.

#### **Employee Relations**

The College consults regularly with its non-academic employees through various methods, both formally through the forum of its Staff Consultative Group and informally. Those holding academic positions are regularly consulted through a variety of College committees and, in particular, through membership of the College Council which meets regularly during term.

#### **Principal risks and uncertainties**

The College has a system in place to regularly identify new risks and to review and update the risk register. This will ensure that action can be taken to minimise the effects of those risks and uncertainties on the College. The risk register separately identifies strategic risks and operational risks, with clear identification of the responsible officer for each of the risks.

#### **Plans for the Future**

The major building projects to be progressed in 2018/19 are the ongoing refurbishment and rewiring of another 2 staircases and the completion of the 3 graduate houses as 36 Storey's Way. Whittinghame Lodge is in need of major refurbishment and work will be carried out during the year to determine the scope of the refurbishment project. Plans will also be progressed for the new creative hub.

The outcome of the Brexit negotiations is still uncertain and so it is not yet possible to assess the impact on the College. It is likely to affect all areas of College life including students, research fellowships and staffing and may impact research funding as well as adding uncertainty, cost inflation and investment volatility.

A full review of the College's site plan will be undertaken to determine both medium and long term objectives. The need to replace the College's private road in the next few years offers both a financial challenge and an opportunity to relook at plans for that area of the site.



## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

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#### 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 Committee.
4. The principal officers of the College are the Master, Vice-Master, Bursar, Senior Tutor, 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 and to make an annual report to the Trustees.

Membership of the Finance Committee in 2017/18 included the Master, Vice-Master, Bursar, Senior Tutor, Tutor for Advanced Students, Finance Manager, Domestic Bursar, Dr J Ackroyd, Professor R Goldstein, Mr N Knight, Professor D Ralph, Dr S Ozanne, Mr T Ingram (external member), Dr E Powell (external member), Mr Neil Canetty-Clarke (external member), Dr J Toner, Professor A Webb, Professor T Minshall and representatives of the JCR and MCR.

6. Mr Neil Canetty-Clark (external member) took over the chairmanship of the audit committee from 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, Investment 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 2018 are set out on page 2.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

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#### 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 2018 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 T M James  
Bursar

Date: 13 November 2018

# CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

## RESPONSIBILITIES OF THE COLLEGE COUNCIL

FOR THE YEAR ENDED 30 JUNE 2018

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### 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) including FRS102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" and "Statement of Recommended Practice: Accounting for Further and Higher Education".

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.



Mrs T M James

Bursar

Date: 13 November 2018

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF CHURCHILL COLLEGE

FOR THE YEAR ENDED 30 JUNE 2018

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#### Opinion

We have audited the financial statements of Churchill College for the year ended 30 June 2018 which comprise the Statement of principal Accounting Policies, the Consolidated Income and Expenditure Account, the Consolidated and College Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 30 June 2018, and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education; and
- 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**

**INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF CHURCHILL COLLEGE**

**FOR THE YEAR ENDED 30 JUNE 2018**

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**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 Trustees' annual report is inconsistent in any material respect with the financial statements;
- sufficient accounting records have not been kept;
- 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.

**Responsibilities of trustees**

As explained more fully in the Responsibilities of the Governing Body, set out in the Trustee's Report, the Governing Body are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Charities Act 2011, s. 144 and report in accordance with regulations made under section 154 of that Act, in accordance with the College's Statutes and the Statutes of the University of Cambridge. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Price Bailey LLP*

**Price Bailey LLP  
Chartered Accountants  
Statutory Auditors**

Date: 13 / 12 / 18

**Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ**

Price Bailey LLP is eligible to act as an auditor in terms of the Companies Act 2006, s. 1212

# CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018

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### **Basis of Preparation**

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom accounting standards. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP) and with the Financial Reporting Standard FRS102.

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 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 is included at valuation.

### **Basis of Consolidation**

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

- The Møller Institute 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 and will have an immaterial effect on consolidation. The College, through the Møller Institute, had a minority interest in the Møller PSFG Cambridge Ltd, which closed during the year.

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. Grant Income**

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

#### **c. Donations and Benefactions**

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated

**CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**  
**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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**c. Donations and Benefactions (continued)**

Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

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

**d. Investment income and change in value of investment assets**

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

**e. 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 18.

**f. Other Income**

Income is received from a range of activities including residences, catering conferences and other services rendered. Income is recognised in the period in which the related goods or services are delivered.

**Foreign Currency Translation**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are forward foreign exchange contract, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

**Tangible fixed assets**

**a. Land and buildings**

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

#### FOR THE YEAR ENDED 30 JUNE 2018

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Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 60 years. Freehold land is not depreciated as it is considered to have an indefinite useful life.

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

#### **b. 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

#### **c. Leased assets**

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

#### **d. Heritage Assets**

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1 August 2014 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and also the volume of items and valuation issues mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 August 2014 and valued at over £500k are capitalised and recognised in the Balance Sheet at the cost or, where the assets are donated, at valuation on receipt of these assets where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Expenditure which is required to preserve or prevent further deterioration of individual items within the heritage assets is recognised in the Income and Expenditure Account when it is incurred. Operational assets are those that the College uses in the course of meeting its charitable purposes of education, religion, learning, and research. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.



## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

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#### Investments

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

#### Stocks

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

#### Provisions

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

#### Taxation

The College is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 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 institution participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account

**CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)**

**FOR THE YEAR ENDED 30 JUNE 2018**

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**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.

**Reserves**

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity.

Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

**CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE**

**FOR THE YEAR ENDED 30 JUNE 2018**

<b>CONSOLIDATED</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>Total</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>
		<b>Unrestricted</b>	<b>Restricted</b>
		<b>£'000</b>	<b>£'000</b>
		<b>Endowment</b>	<b>Endowment</b>
		<b>£'000</b>	<b>£'000</b>
		<b>Unrestricted</b>	<b>Restricted</b>
		<b>£'000</b>	<b>£'000</b>
		<b>Total</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>
<b>INCOME</b>			
Academic Fees and Charges	1	3,699	225
Residence, Catering and Conferences	2	13,708	1
Endowment Return Transferred	3	2,409	869
Other Investment Income	3	62	-
		<u>19,878</u>	<u>1,095</u>
<b>Total Income before Donations and Endowments</b>		<u>19,745</u>	<u>19,745</u>
Donations		814	506
New Endowments		-	999
Other Capital Grants for Assets		-	1,294
		<u>20,692</u>	<u>3,894</u>
<b>Total Income</b>		<u>23,368</u>	<u>23,368</u>
<b>EXPENDITURE</b>			
Education	4	4,951	530
Residence, Catering and Conferences	5	13,103	7
Investment Management Costs	3	109	-
Other Expenditure	6	806	837
Contribution Under Statute G,II		45	-
		<u>19,014</u>	<u>1,374</u>
<b>Total Expenditure</b>		<u>20,388</u>	<u>20,388</u>
<b>Surplus/(Deficit) before other Gains and Losses</b>		<b>1,678</b>	<b>(1,218)</b>
Gain on Investments		2,753	2,643
<b>Surplus for the Year</b>		<u>4,431</u>	<u>1,425</u>
<b>Other Comprehensive Income</b>			
Actuarial Gain in Respect of Pension Schemes	16	488	-
Share of Associate Loss	28	-	-
Associate Sold in Year	28	(56)	-
		<u>4,863</u>	<u>1,425</u>
<b>Total Comprehensive Income for the Year</b>		<u>9,153</u>	<u>8,721</u>
		<u>6,171</u>	<u>1,866</u>
		<u>57</u>	<u>901</u>
		<u>6,228</u>	<u>965</u>
		<u>19,393</u>	<u>1,152</u>
		<u>4,798</u>	<u>555</u>
		<u>13,744</u>	<u>6</u>
		<u>142</u>	<u>-</u>
		<u>670</u>	<u>591</u>
		<u>39</u>	<u>-</u>
		<u>19,336</u>	<u>2,053</u>
		<u>253</u>	<u>361</u>
		<u>-</u>	<u>417</u>
		<u>-</u>	<u>282</u>
		<u>19,083</u>	<u>993</u>
		<u>3,396</u>	<u>207</u>
		<u>13,607</u>	<u>1</u>
		<u>2,051</u>	<u>785</u>
		<u>29</u>	<u>-</u>
		<u>19,083</u>	<u>993</u>
		<u>-</u>	<u>(929)</u>
		<u>3,603</u>	<u>-</u>
		<u>13,608</u>	<u>-</u>
		<u>1,936</u>	<u>(2,836)</u>
		<u>19,147</u>	<u>1,907</u>
		<u>614</u>	<u>-</u>
		<u>427</u>	<u>10</u>
		<u>282</u>	<u>-</u>
		<u>20,470</u>	<u>(919)</u>
		<u>5,353</u>	<u>-</u>
		<u>13,750</u>	<u>-</u>
		<u>142</u>	<u>-</u>
		<u>1,261</u>	<u>-</u>
		<u>39</u>	<u>-</u>
		<u>20,545</u>	<u>-</u>
		<u>(75)</u>	<u>(919)</u>
		<u>12,343</u>	<u>5,150</u>
		<u>12,268</u>	<u>4,231</u>
		<u>15</u>	<u>-</u>
		<u>(4)</u>	<u>-</u>
		<u>-</u>	<u>-</u>
		<u>6,182</u>	<u>1,866</u>
		<u>4,231</u>	<u>4,231</u>
		<u>12,279</u>	<u>12,279</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

COLLEGE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2018

COLLEGE	2018				2017			
	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
<b>INCOME</b>								
Academic Fees and Charges	3,699	225	-	3,924	3,396	207	-	3,603
Residence, Catering and Conferences	7,247	1	-	7,248	6,647	1	-	6,648
Endowment Return Transferred	2,409	869	(3,278)	-	2,051	785	(2,836)	-
Other Investment Income	41	-	2,050	2,091	29	-	1,907	1,936
<b>Total Income before Donations and Endowments</b>	<b>13,396</b>	<b>1,095</b>	<b>(1,228)</b>	<b>13,263</b>	<b>12,123</b>	<b>993</b>	<b>(929)</b>	<b>12,187</b>
Donations	1,057	506	-	1,563	279	361	-	640
New Endowments	-	999	10	1,009	-	417	10	427
Other Capital Grants for Assets	-	1,294	-	1,294	-	282	-	282
<b>Total Income</b>	<b>14,453</b>	<b>3,894</b>	<b>(1,218)</b>	<b>17,129</b>	<b>12,402</b>	<b>2,053</b>	<b>(919)</b>	<b>13,536</b>
<b>EXPENDITURE</b>								
Education	4,951	530	-	5,481	4,798	555	-	5,353
Residence, Catering and Conferences	7,034	7	-	7,041	6,686	6	-	6,692
Investment Management Costs	109	-	-	109	142	-	-	142
Other Expenditure	806	837	-	1,643	670	591	-	1,261
Contribution Under Statute G,II	45	-	-	45	39	-	-	39
<b>Total Expenditure</b>	<b>12,945</b>	<b>1,374</b>	<b>-</b>	<b>14,319</b>	<b>12,335</b>	<b>1,152</b>	<b>-</b>	<b>13,487</b>
<b>Surplus/(Deficit) before other Gains and Losses</b>	<b>1,508</b>	<b>2,520</b>	<b>(1,218)</b>	<b>2,810</b>	<b>67</b>	<b>901</b>	<b>(919)</b>	<b>49</b>
Gains on Investments	2,753	345	2,643	5,741	6,228	965	5,150	12,343
<b>Surplus for the Year</b>	<b>4,261</b>	<b>2,865</b>	<b>1,425</b>	<b>8,551</b>	<b>6,295</b>	<b>1,866</b>	<b>4,231</b>	<b>12,392</b>
<b>Other Comprehensive Income</b>								
Actuarial Gain in Respect of Pension Schemes	488	-	-	488	15	-	-	15
<b>Total Comprehensive Income for the Year</b>	<b>4,749</b>	<b>2,865</b>	<b>1,425</b>	<b>9,039</b>	<b>6,310</b>	<b>1,866</b>	<b>4,231</b>	<b>12,407</b>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2018

CONSOLIDATED	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
<b>Balance at 1 July 2017</b>	121,854	10,143	32,848	164,845
Surplus from statement of comprehensive income and expenditure	4,431	2,865	1,425	8,721
Other Comprehensive Income	432	-	-	432
<b>Balance at 30 June 2018</b>	<u>126,717</u>	<u>13,008</u>	<u>34,273</u>	<u>173,998</u>

CONSOLIDATED	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
<b>Balance at 1 July 2016</b>	107,298	16,651	28,617	152,566
Surplus from statement of comprehensive	6,171	1,866	4,231	12,268
Other Comprehensive Income	11	-	-	11
Release of Restricted Capital Funds Spent in	8,374	(8,374)	-	-
<b>Balance at 30 June 2017</b>	<u>121,854</u>	<u>10,143</u>	<u>32,848</u>	<u>164,845</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

COLLEGE STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2018

COLLEGE	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
<b>Balance at 1 July 2017</b>	118,939	10,143	32,848	161,930
Surplus from statement of comprehensive income and expenditure	4,261	2,865	1,425	8,551
Other Comprehensive Income	488	-	-	488
<b>Balance at 30 June 2018</b>	<u>123,688</u>	<u>13,008</u>	<u>34,273</u>	<u>170,969</u>

COLLEGE	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
<b>Balance at 1 July 2016</b>	104,255	16,651	28,617	149,523
Surplus from statement of comprehensive income and expenditure	6,295	1,866	4,231	12,392
Other Comprehensive Income	15	-	-	15
Release of Restricted Capital Funds Spent in the year	8,374	(8,374)	-	-
<b>Balance at 30 June 2017</b>	<u>118,939</u>	<u>10,143</u>	<u>32,848</u>	<u>161,930</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2018

	Note	Consolidated 2018 £'000	College 2018 £'000	Consolidated 2017 £'000	College 2017 £'000
<b>FIXED ASSETS</b>					
Tangible Assets	9	93,601	83,723	90,097	79,836
Investments	10	102,046	109,046	88,258	95,243
Investment in Associate	28	-	-	56	-
		<u>195,647</u>	<u>192,769</u>	<u>178,411</u>	<u>175,079</u>
<b>CURRENT ASSETS</b>					
Stock	11	591	563	556	530
Debtors	12	3,053	2,861	2,731	2,739
Cash	13	5,051	4,031	4,145	3,520
		<u>8,695</u>	<u>7,455</u>	<u>7,432</u>	<u>6,789</u>
Creditors: Amounts Falling Due Within One Year	14	(4,709)	(3,620)	(5,048)	(3,988)
		<u>3,986</u>	<u>3,835</u>	<u>2,384</u>	<u>2,801</u>
<b>NET CURRENT ASSETS</b>					
Creditors: Amounts Falling Due After One Year	15	(24,316)	(24,316)	(13,922)	(13,922)
		<u>175,317</u>	<u>172,288</u>	<u>166,873</u>	<u>163,958</u>
<b>NET ASSETS EXCLUDING PENSION PROVISION</b>					
Pension Provision	16	(1,319)	(1,319)	(2,028)	(2,028)
		<u>173,998</u>	<u>170,969</u>	<u>164,845</u>	<u>161,930</u>
<b>NET ASSETS INCLUDING PENSION PROVISION</b>					
<b>RESTRICTED RESERVES</b>					
<b>Income and Expenditure Reserves</b>					
Endowment Reserve	17	34,273	34,273	32,848	32,848
Restricted Reserve	18	13,008	13,008	10,143	10,143
		<u>47,281</u>	<u>47,281</u>	<u>42,991</u>	<u>42,991</u>
<b>UNRESTRICTED RESERVES</b>					
<b>Income and Expenditure Reserve</b>					
Unrestricted		126,717	123,688	121,854	118,939
		<u>173,998</u>	<u>170,969</u>	<u>164,845</u>	<u>161,930</u>

The financial statements were approved by College Council on 13 November 2018 and signed on its behalf by:



Dame Athene Donald  
Master



Mrs T M James  
Bursar

The notes on pages 24 to 40 form part of these accounts.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

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<b>CONSOLIDATED</b>	Note	<b>2018</b> £'000	<b>2017</b> £'000
Net Cash Inflow from Operating Activities	20	5,814	2,406
Cash Flows from Investing Activities	21	(13,967)	(1,920)
Cash Flows from Financing Activities	22	9,059	(1,016)
<b>Increase/(Decrease) in Cash and Cash Equivalents in Year</b>		<b>906</b>	<b>(530)</b>
Cash and Cash Equivalents at Beginning of Year		4,145	4,675
<b>Cash and Cash Equivalents at End of Year</b>		<b>5,051</b>	<b>4,145</b>



CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

<b>1 ACADEMIC FEES AND CHARGES</b>	<b>2018</b>	<b>2017</b>
	£'000	£'000
College Fees:		
Fee income received at the Publicly-funded Undergraduate rate	1,849	1,757
Fee income received at the Privately-funded Undergraduate rate	603	492
Fee income received at the Graduate rate	902	814
	<u>3,354</u>	<u>3,063</u>
Other Income	570	540
	<u><b>3,924</b></u>	<u><b>3,603</b></u>

**2 INCOME FROM RESIDENCES, CATERING AND CONFERENCES**

		<b>Consolidated</b>	<b>College</b>	<b>Consolidated</b>	<b>College</b>
		<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
		£'000	£'000	£'000	£'000
Accommodation	College Members	3,932	4,300	3,614	3,974
	Conferences	3,910	904	3,944	833
	International Programmes	2,182	297	2,299	263
Catering	College Members	843	843	762	762
	Conferences	2,446	789	2,604	695
	International Programmes	396	115	385	121
		<u><b>13,709</b></u>	<u><b>7,248</b></u>	<u><b>13,608</b></u>	<u><b>6,648</b></u>

**3 ENDOWMENT RETURN AND INVESTMENT INCOME**

**3a Analysis**

	<b>2018</b>	<b>2017</b>
	£'000	£'000
Total Return Contribution (see note 3b)	3,278	2,836
Quoted Securities	15	11
Interest	26	18
Less: Excess of Total Return over Investment Income Received	(1,228)	(929)
	<u><b>2,091</b></u>	<u><b>1,936</b></u>
<b>COLLEGE</b>		
Interest	21	-
	<u><b>2,112</b></u>	<u><b>1,936</b></u>
<b>CONSOLIDATED</b>		

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

**3b Summary of Total Return**

	<b>2018</b>	<b>2017</b>
	£'000	£'000
Income From:		
Land and Buildings	514	563
Quoted and Other Securities and Cash	1,536	1,344
	<u>2,050</u>	<u>1,907</u>
Gains/(Losses) on Endowment Assets		
Land and Buildings	870	-
Quoted and Other Securities	4,871	12,343
	<u>5,741</u>	<u>12,343</u>
Investment Management Costs (see note 3c)	(109)	(142)
<b>Total Return for the Year</b>	<b>7,682</b>	<b>14,108</b>
Total Return Transferred to Income and Expenditure Account (see note 3a)	(3,278)	(2,836)
Unapplied Total Return for Year Included within Statement of Comprehensive Income and Expenditure (see note 19)	<u><b>4,404</b></u>	<u><b>11,272</b></u>

**3c Investment Management Costs**

Quoted Securities	67	61
Land and Buildings	42	81
	<u><b>109</b></u>	<u><b>142</b></u>

**4 EDUCATION EXPENDITURE**

	<b>College</b>	<b>College</b>
	<b>2018</b>	<b>2017</b>
	£'000	£'000
Teaching	2,124	2,078
Tutorial	746	659
Admissions (Incl Access Grants)	1,102	965
Research	473	637
Scholarships and Awards	607	601
Other Educational Facilities	429	413
	<u><b>5,481</b></u>	<u><b>5,353</b></u>

**5 RESIDENCES, CATERING, AND CONFERENCES EXPENDITURE**

		<b>College</b>	<b>Consolidated</b>	<b>College</b>
		<b>2018</b>	<b>2017</b>	<b>2017</b>
		£'000	£'000	£'000
Accommodation	College Members	3,783	3,783	3,644
	Conferences	5,256	912	4,542
	International Programmes	300	300	1,383
Catering	College Members	1,517	1,517	1,401
	Conferences	2,187	462	2,566
	International Programmes	67	67	214
		<u><b>13,110</b></u>	<u><b>7,041</b></u>	<u><b>13,750</b></u>
				<u><b>6,692</b></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

6 OTHER EXPENDITURE	2018	2017
	£'000	£'000
Archives Centre	498	501
Bond & Loan Interest/Charges	927	599
Other	218	161
<b>COLLEGE AND CONSOLIDATED</b>	<b><u>1,643</u></b>	<b><u>1,261</u></b>

7a ANALYSIS OF 2017/18 EXPENDITURE BY ACTIVITY

	<u>Staff</u> <u>Costs</u> <u>(Note 8)</u> £'000	<u>Other</u> <u>Operating</u> <u>Expenses</u> £'000	<u>Depreciation</u> £'000	<u>Total</u> £'000
<b>CONSOLIDATED</b>				
Education (Note 4)	2,910	2,188	383	5,481
Residences, Catering and Conferences (Note 5)	6,025	5,553	1,532	13,110
Other (Note 6)	450	1,193	-	1,643
	<b><u>9,385</u></b>	<b><u>8,934</u></b>	<b><u>1,915</u></b>	<b><u>20,234</u></b>
<b>COLLEGE</b>				
Education (Note 4)	2,910	2,188	383	5,481
Residences, Catering and Conferences (Note 5)	2,952	2,583	1,506	7,041
Other (Note 6)	450	1,193	-	1,643
	<b><u>6,312</u></b>	<b><u>5,964</u></b>	<b><u>1,889</u></b>	<b><u>14,165</u></b>

Expenditure includes fundraising costs of £368k. This expenditure includes the cost of the alumni office.

7b ANALYSIS OF 2016/17 EXPENDITURE BY ACTIVITY

	<u>Staff</u> <u>Costs</u> <u>(Note 8)</u> £'000	<u>Other</u> <u>Operating</u> <u>Expenses</u> £'000	<u>Depreciation</u> £'000	<u>Total</u> £'000
<b>CONSOLIDATED</b>				
Education (Note 4)	2,944	2,033	376	5,353
Residences, Catering and Conferences (Note 5)	5,745	6,500	1,505	13,750
Other (Note 6)	442	819	-	1,261
	<b><u>9,131</u></b>	<b><u>9,352</u></b>	<b><u>1,881</u></b>	<b><u>20,364</u></b>
<b>COLLEGE</b>				
Education (Note 4)	2,944	2,033	376	5,353
Residences, Catering and Conferences (Note 5)	2,857	2,356	1,479	6,692
Other (Note 6)	442	819	-	1,261
	<b><u>6,243</u></b>	<b><u>5,208</u></b>	<b><u>1,855</u></b>	<b><u>13,306</u></b>

Expenditure includes fundraising costs of £291k. This expenditure includes the cost of the alumni office.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

7c Auditors Remuneration

	2018 £'000	2017 £'000
Other Operating Costs include:		
Audit Fees payable to College's External Auditors	15	14
Audit Fees payable to Subsidiaries' External Auditors	8	8
Other Fees payable to Subsidiaries' External Auditors	1	1
	<u>24</u>	<u>23</u>

8 STAFF COSTS

	Academic 2018 £'000	Academic Related 2018 £'000	Non - Academic 2018 £'000	Total 2018 £'000	Total 2017 £'000
<b>CONSOLIDATED</b>					
Staff Costs:					
Emoluments	1,253	955	6,196	8,404	7,818
Social Security Costs	70	80	241	391	612
Other Pension Costs	92	103	396	591	701
	<u>1,415</u>	<u>1,138</u>	<u>6,833</u>	<u>9,386</u>	<u>9,131</u>

There were 114 fellows with voting rights on the Governing Body at 30 June 2018. The remuneration of all fellows has been included in the figures above.

	2018 Number	2017 Number
<b>Average Staff Numbers (Full time equivalents)</b>		
Academic	29	30
Academic Related	25	26
Non-Academics	201	208
	<u>255</u>	<u>264</u>

The number of staff who received emoluments in the following ranges was:

	Consolidated 2018	College 2018	Consolidated 2017	College 2017
£100,000 - £109,999	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

No emoluments were paid to trustees in their capacity as trustees of the College.

During the year emoluments paid to trustees in their capacity as senior officers of the College was:

	Total 2018 £'000	Total 2017 £'000
Aggregate Emoluments	<u>271</u>	<u>240</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

8 STAFF COSTS (CONT)

The key management personnel are the Master, the Vice-Master, Bursar, the Senior Tutor and the Tutor for Advanced Students. They have authority and responsibility for planning, directing and controlling the activities of the College. The aggregate emoluments for the key management personnel are included in the figures above.

Employers pension contributions paid in respect of key management personnel in the year were £31k (2017: £28k).

No emoluments were paid to trustees in their capacity as trustees of the College.

	Academic 2018 £'000	Academic Related 2018 £'000	Non - Academic 2018 £'000	Total 2018 £'000	Total 2017 £'000
<b>COLLEGE</b>					
Staff Costs:					
Emoluments	1,253	955	3,208	5,416	5,271
Social Security Costs	70	80	236	386	374
Other Pension Costs	92	103	316	511	599
	<u>1,415</u>	<u>1,138</u>	<u>3,760</u>	<u>6,313</u>	<u>6,244</u>

9 FIXED ASSETS

a Tangible Assets - Consolidated

	College Site Land, Flats & Buildings £'000	Assets in Construction £'000	College Hostels & Houses £'000	Fixtures Fittings Equipment £'000	Møller Centre £'000	Total £'000
<b>COST/VALUATION</b>						
At 1 July 2017	79,933	298	7,573	6,898	21,619	116,321
Additions	4,238	1,380	-	298	4	5,920
Disposals	-	-	-	(79)	-	(79)
Cost at 30 June 2018	<u>84,171</u>	<u>1,678</u>	<u>7,573</u>	<u>7,117</u>	<u>21,623</u>	<u>122,162</u>
<b>DEPRECIATION</b>						
At 1 July 2017	15,557	-	1,704	4,434	4,529	26,224
Provided for the year	1,351	-	126	469	470	2,416
Eliminated on Disposal	-	-	-	(79)	-	(79)
Depreciation at 30 June 2018	<u>16,908</u>	<u>-</u>	<u>1,830</u>	<u>4,824</u>	<u>4,999</u>	<u>28,561</u>
<b>NET BOOK VALUE</b>						
At 30 June 2018	<u>67,263</u>	<u>1,678</u>	<u>5,743</u>	<u>2,293</u>	<u>16,624</u>	<u>93,601</u>
At 30 June 2017	<u>64,376</u>	<u>298</u>	<u>5,869</u>	<u>2,464</u>	<u>17,090</u>	<u>90,097</u>

The insured value of freehold land and buildings as at 30 June 2018 was £108,713k (2017: £103,931k).

The value of land included in the above at 30 June 2018 was £2,823k (2017: £Nil).

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

9a Tangible Assets - College

	College Site Land, Flats & Buildings £'000	Assets in Construction £'000	College Hostels & Houses £'000	Fixtures Fittings Equipment £'000	Møller Centre £'000	Total £'000
<b>COST/VALUATION</b>						
At 1 July 2017	79,933	298	7,573	2,640	11,105	101,549
Additions	4,238	1,380	-	158	-	5,776
Disposals	-	-	-	(78)	-	(78)
Cost at 30 June 2018	<u>84,171</u>	<u>1,678</u>	<u>7,573</u>	<u>2,720</u>	<u>11,105</u>	<u>107,247</u>
<b>DEPRECIATION</b>						
At 1 July 2017	15,557	-	1,704	1,676	2,776	21,713
Provided for the year	1,351	-	126	227	185	1,889
Eliminated on Disposal	-	-	-	(78)	-	(78)
Depreciation at 30 June 2018	<u>16,908</u>	<u>-</u>	<u>1,830</u>	<u>1,825</u>	<u>2,961</u>	<u>23,524</u>
<b>NET BOOK VALUE</b>						
At 30 June 2018	<u>67,263</u>	<u>1,678</u>	<u>5,743</u>	<u>895</u>	<u>8,144</u>	<u>83,723</u>
At 30 June 2017	<u>64,376</u>	<u>298</u>	<u>5,869</u>	<u>964</u>	<u>8,329</u>	<u>79,836</u>

9b 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.

10 INVESTMENT ASSETS

	Consolidated 2018 £'000	College 2018 £'000	Consolidated 2017 £'000	College 2017 £'000
Balance at 1 July 2017	88,258	95,243	76,536	83,521
Additions	66,189	66,189	6,922	6,922
Disposals	(54,989)	(54,974)	(7,225)	(7,225)
Gain on Investment Valuation	5,741	5,741	12,343	12,343
(Decrease) in Cash Balances at Fund Managers	(3,153)	(3,153)	(318)	(318)
Balance as at 30 June 2018	<u>102,046</u>	<u>109,046</u>	<u>88,258</u>	<u>95,243</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

<b>10 INVESTMENT ASSETS (CONT)</b>	<b>Consolidated 2018</b>	<b>College 2018</b>	<b>Consolidated 2017</b>	<b>College 2017</b>
<b>Represented by:</b>	£'000	£'000	£'000	£'000
Property	9,787	9,787	9,400	9,400
Quoted Securities - Equities	91,939	91,939	75,452	75,452
Investment in Subsidiary Undertakings	-	7,000	15	7,000
Cash Held for Reinvestment	320	320	3,391	3,391
	<b>102,046</b>	<b>109,046</b>	<b>88,258</b>	<b>95,243</b>

<b>11 STOCKS</b>	<b>Consolidated 2018</b>	<b>College 2018</b>	<b>Consolidated 2017</b>	<b>College 2017</b>
	£'000	£'000	£'000	£'000
Fellows Wine Cellar	533	533	498	498
Other Stocks	58	30	58	32
	<b>591</b>	<b>563</b>	<b>556</b>	<b>530</b>

<b>12 DEBTORS</b>	<b>Consolidated 2018</b>	<b>College 2018</b>	<b>Consolidated 2017</b>	<b>College 2017</b>
	£'000	£'000	£'000	£'000
Trade Debtors	1,006	183	1,081	377
Members of the College	957	957	945	945
Amounts due from Subsidiary Undertakings	-	756	-	785
Prepayments and Accrued Income	202	77	127	54
Other	888	888	553	553
Debtors due in greater than one year	-	-	25	25
	<b>3,053</b>	<b>2,861</b>	<b>2,731</b>	<b>2,739</b>

<b>13 CASH</b>	<b>Consolidated 2018</b>	<b>College 2018</b>	<b>Consolidated 2017</b>	<b>College 2017</b>
	£'000	£'000	£'000	£'000
Bank Deposits	4,004	4,004	2,513	2,512
Current Accounts and in Hand	1,047	27	1,632	1,008
	<b>5,051</b>	<b>4,031</b>	<b>4,145</b>	<b>3,520</b>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Consolidated	College	Consolidated	College
	2018	2018	2017	2017
	£'000	£'000	£'000	£'000
Trade Creditors	1,053	694	918	670
Members of the College	1,101	1,101	1,036	1,036
Amounts due to Subsidiary Companies	-	2	-	1
University Fees	-	-	60	60
Contribution to Colleges Fund	45	45	35	35
Bank Loans	-	-	434	434
Social Security and other Taxation payable	329	286	404	300
Other	2,181	1,492	2,161	1,452
	<b>4,709</b>	<b>3,620</b>	<b>5,048</b>	<b>3,988</b>

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	Consolidated	College	Consolidated	College
	2018	2018	2017	2017
	£'000	£'000	£'000	£'000
Bank Loans	-	-	2,580	2,580
Other Creditors	316	316	342	342
Amounts due within 1 to 5 years	<u>316</u>	<u>316</u>	<u>2,922</u>	<u>2,922</u>
Amounts payable wholly or partly after 5 years				
College Bonds	24,000	24,000	11,000	11,000
Total	<b>24,316</b>	<b>24,316</b>	<b>13,922</b>	<b>13,922</b>

The College had a loan with Lloyds Bank which was repaid during the year (2017: £935k). The final repayment was due in August 2022. Interest was charged at 5.42% until 30 September 2015 and at base rate plus 0.5% from then until the end of the agreement. The College also had a loan with Unity Trust which was repaid during the year (2017: £2,079k). The final repayment was due in June 2019. Interest was charged at 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 charged 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. The College issued a second bond in 2017/18 for £13m. Interest is charged at 2.42% and the bond is due to be repaid in October 2057.

16 PENSION PROVISIONS	USS	CCFPS	Total	Total
	2018	2018	2018	2017
	£'000	£'000	£'000	£'000
Balance at 1 July 2017	582	1,446	2,028	2,166
Movement in the year:				
Contributions paid by the College	-	(229)	(229)	(229)
Finance cost	(48)	56	8	106
Actuarial loss recognised in Statement of Comprehensive Income and Expenditure	-	(488)	(488)	(15)
Balance as at 30 June 2018	<b>534</b>	<b>785</b>	<b>1,319</b>	<b>2,028</b>



CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

17 ENDOWMENT RESERVE

Restricted net assets relating to endowments are as follows:

CONSOLIDATED/COLLEGE	Restricted Permanent £'000	Unrestricted Permanent £'000	Total 2018 £'000	Total 2017 £'000
Balance at 1 July 2017	16,594	16,254	32,848	28,617
New Endowments Received	10	-	10	10
Capital withdrawn	-	(1,228)	(1,228)	(929)
	<u>10</u>	<u>(1,228)</u>	<u>(1,218)</u>	<u>(919)</u>
Increase in Market Value of Investments	714	701	1,415	4,221
Plus: Capital withdrawn to Income	-	1,228	1,228	929
	<u>714</u>	<u>1,929</u>	<u>2,643</u>	<u>5,150</u>
Balance as at 30 June 2018	<b><u>17,318</u></b>	<b><u>16,955</u></b>	<b><u>34,273</u></b>	<b><u>32,848</u></b>

Analysis by Type of Purpose

	Restricted Permanent £'000	Unrestricted Permanent £'000	Total 2018 £'000	Total 2017 £'000
Archives	9,588	-	9,588	9,192
Bursary	388	-	388	364
Endowment	77	-	77	74
Fellowship	485	-	485	465
JRF	2,498	-	2,498	2,395
Library	276	-	276	265
Other	5	-	5	5
Prize	46	-	46	44
Studentship/Scholarship	3,852	-	3,852	3,691
Travel Funds	103	-	103	99
Corporate Capital	-	16,955	16,955	16,254
	<b><u>17,318</u></b>	<b><u>16,955</u></b>	<b><u>34,273</u></b>	<b><u>32,848</u></b>

Analysis by Asset

Investments	17,318	16,955	34,273	32,848
	<b><u>17,318</u></b>	<b><u>16,955</u></b>	<b><u>34,273</u></b>	<b><u>32,848</u></b>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

18 RESTRICTED RESERVES

Reserves with restrictions are as follows:

<b>CONSOLIDATED/COLLEGE</b>	<b>Capital Grants Unspent</b> £'000	<b>Permanent Unspent &amp; Other Restricted Income</b> £'000	<b>Restricted Expendable Endowment</b> £'000	<b>Total 2018</b> £'000	<b>Total 2017</b> £'000
Balance at 1 July 2017					
Capital	5	-	5,313	5,318	12,757
Accumulated Income	-	4,825	-	4,825	3,894
	<u>5</u>	<u>4,825</u>	<u>5,313</u>	<u>10,143</u>	<u>16,651</u>
New Grants Received	-	-	226	226	208
New Endowments Received	1,294	506	999	2,799	1,060
Endowment Return Transferred	-	587	282	869	785
Expenditure	-	(757)	(617)	(1,374)	(1,152)
Capital Grants Utilised	-	-	-	-	(8,374)
Increase in Market Value of Investments	-	211	134	345	965
Balance as at 30 June 2018	<u><b>1,299</b></u>	<u><b>5,372</b></u>	<u><b>6,337</b></u>	<u><b>13,008</b></u>	<u><b>10,143</b></u>
Balance as at 30 June 2018					
Capital	1,299	-	6,337	7,636	5,318
Accumulated Income	-	5,372	-	5,372	4,825
<b>CONSOLIDATED/COLLEGE</b>	<u><b>1,299</b></u>	<u><b>5,372</b></u>	<u><b>6,337</b></u>	<u><b>13,008</b></u>	<u><b>10,143</b></u>

<b>Analysis by Type of Purpose</b>	<b>Capital Grants Unspent</b> £'000	<b>Permanent Unspent &amp; Other Restricted Income</b> £'000	<b>Restricted Expendable Endowment</b> £'000	<b>Total 2018</b> £'000	<b>Total 2017</b> £'000
Archives	-	1,058	369	1,427	1,383
Building	1,299	38	-	1,337	177
Bursary	-	859	1,736	2,595	1,567
Development Office	-	131	198	329	316
Endowment	-	26	196	222	208
Fellowship	-	653	1,351	2,004	1,835
JRF	-	723	118	841	794
Library	-	48	7	55	48
Other	-	103	1,911	2,014	1,768
Prize	-	73	87	160	153
Research Funds	-	20	24	44	50
Studentship/Scholarship	-	1,613	318	1,931	1,798
Travel Funds	-	27	22	49	46
	<u><b>1,299</b></u>	<u><b>5,372</b></u>	<u><b>6,337</b></u>	<u><b>13,008</b></u>	<u><b>10,143</b></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

**19 MEMORANDUM OF UNAPPLIED TOTAL RETURN**

Included within reserves the following amounts represent the unapplied total return of the College:

	<b>2018</b>	<b>2017</b>
	£'000	£'000
Unapplied Total Return at 1 July 2017	53,584	42,312
Unapplied Total Return for the Year (see note 3b)	4,404	11,272
Unapplied Total Return at 30 June 2018	<u><b>57,988</b></u>	<u><b>53,584</b></u>

**20 RECONCILIATION OF CONSOLIDATED SURPLUS FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	£'000	£'000
Surplus for the Year	8,721	12,268
<b>Adjustment for Non-cash Items</b>		
Depreciation	2,416	2,478
Investment Income	(2,112)	(1,936)
Gain on Endowments, Donations and Investment Property	(5,741)	(12,343)
Increase/(Decrease) in Stocks	(35)	(39)
Increase in Debtors	(322)	(46)
Increase in Creditors	69	(388)
Pension Costs	(221)	(123)
<b>Adjustment for Investing or Financing Activities</b>		
Investment Income	2,112	1,936
Interest Payable	927	599
<b>Net Cash Inflow from Operating Activities</b>	<u><b>5,814</b></u>	<u><b>2,406</b></u>

**21 CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	£'000	£'000
Payments to Acquire Non-current Assets	(5,919)	(2,541)
Purchase of Investment Assets	(7,225)	(7,225)
Sale of Investment Assets	(823)	7,846
Net Cash Outflow from Capital Expenditure and Financial Investment	<u><b>(13,967)</b></u>	<u><b>(1,920)</b></u>

**22 CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	£'000	£'000
Increase in Long Term Bond	13,000	-
Repayment of Amounts Borrowed	(3,014)	(417)
Interest Payable and Charges	(927)	(599)
Net Cash Inflow/(Outflow) from Financing	<u><b>9,059</b></u>	<u><b>(1,016)</b></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

**23 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	At Beginning of Year £'000	Cash Flows £'000	At End of Year £'000
Cash at Bank and in Hand	4,145	906	5,051
Net Funds	<u>4,145</u>	<u>906</u>	<u>5,051</u>

**24 CAPITAL COMMITMENTS**

	2018 £'000	2017 £'000
Capital Commitments at 30 June 2018 are as follows:		
<b>CONSOLIDATED</b>		
Authorised and Contracted	<u>4,492</u>	<u>1,142</u>
<b>COLLEGE</b>		
Authorised and Contracted	<u>4,492</u>	<u>742</u>

**25 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 Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The 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. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

**25 PENSION SCHEMES (CONT)**

The total cost charged to the profit and loss account is £350k (2017: £350k).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2014 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed. Since the College cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

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

Defined benefit liability numbers for the Scheme for accounting purposes have been produced using the following

	<b>2018</b>	<b>2017</b>
Discount rate	2.64%	2.57%
Pensionable salary growth	N/A	N/A
Price increases (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	<b>2018</b>	<b>2017</b>
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.	98% of SAPS S1NA "light" YOB unadjusted for males. 99% of SAPS S1NA "light" YOB with a -1 year adjustment for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.	CMI_2014 with a long term rate of 1.5% p.a

The current life expectancies on retirement at age 65 are:

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

**Existing benefits**

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

**25 PENSION SCHEMES (CONT)**

**Cambridge Colleges Federated Pension Scheme**

The College also operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme. This College section closed for all accrual on 31 March 2007 when all active members were made deferred.

The liabilities of the plan have been calculated, at 30 June 2018, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	<b>30/06/18</b>	<b>30/06/17</b>
	<b>% pa</b>	<b>% pa</b>
Discount rate	2.70%	2.60%
Retail Price Index (RPI) assumption	3.25%	3.35%
Consumer Price Index (CPI)	2.25%	2.35%
Pension Increases (RPI max 5% pa)	3.15%	3.25%

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI\_2017 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2017: S2PA with CMI\_2017 future improvement factors and a long-term future improvement rate of 1.25% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (2017: 22.1 years)
- Female age 65 now has a life expectancy of 23.8 years (2017: 23.9 years)
- Male age 45 now and retiring in 20 years has a life expectancy of 23.3 years (2017: 23.5 years)
- Female age 45 now and retiring in 20 years has a life expectancy of 25.4 years (2017: 25.4 years)

**Employee Benefit Obligations**

The amounts recognised in the balance sheet as at 30 June 2018 are as follows:

	<b>2018</b>	<b>2017</b>
	£'000	£'000
Present value of scheme liabilities	(9,001)	(9,547)
Market value of scheme assets	8,217	8,101
Deficit in the Scheme	<b><u>(784)</u></b>	<b><u>(1,446)</u></b>

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

	<b>2018</b>	<b>2017</b>
	£'000	£'000
Administrative expenses	16	16
Interest on net defined benefit liability	46	46
	<b><u>62</u></b>	<b><u>62</u></b>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

25 PENSION SCHEMES (CONT)

Changes in the present value of the scheme liabilities are as follows:	2018 £'000	2017 £'000
Present value of scheme liabilities at beginning of period	9,546	8,938
Interest on plan liabilities	244	245
Actuarial (losses)/gains	(398)	759
Benefits paid	(391)	(396)
Present value of scheme liabilities at end of period	<u>9,001</u>	<u>9,546</u>

Changes in the fair value scheme assets are as follows:	2018 £'000	2017 £'000
Market value of scheme assets at beginning of period	8,102	7,312
Return on assets, less interest included in income and expenditure	98	782
Administrative expenses	(26)	(24)
Contributions by employer	229	229
Interest on plan assets	205	199
Benefits and expenses paid	(391)	(396)
Market value of plan assets at end of period	<u>8,217</u>	<u>8,102</u>

Actual return on plan assets	<u>305</u>	<u>981</u>
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The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2018	2017
Equities	64%	67%
Bonds and Cash	30%	27%
Property	6%	6%
	<u>100%</u>	<u>100%</u>

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ended 30 June 2018 is as follows:

	2018 £'000	2017 £'000
Actual return less expected return on plan assets	98	782
Expected less actual plan expenses	(9)	(8)
Experience gains and losses arising on plan liabilities	75	81
Changes in assumptions underlying the present value of plan liabilities	324	(840)
Actuarial loss recognised in the statement of total recognised gains and losses	<u>488</u>	<u>15</u>

Movement in surplus/(deficit) during the years are as follows:

	2018 £'000	2017 £'000
Net defined benefit liability at beginning of year	(1,446)	(1,628)
Contributions paid by the College	229	229
Recognised in income and expenditure	(55)	(62)
Actuarial gain	488	15
Net defined benefit liability at end of year	<u>(784)</u>	<u>(1,446)</u>

# CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

## NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

### 26 INVESTMENT PROPERTY LEASES

The College owned a number of commercial properties which were sold during the year. The income from the properties was included in investment income (note 3).

	<b>2018</b>	<b>2017</b>
	£'000	£'000
Rental income due to the College within one year	-	580

### 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 Institute Ltd	- Residential and Day Conferences
Churchill Conferences Ltd	- Residential and Day Conferences
Churchill Residences II Ltd	- Residential Construction

The activities of the Møller Institute Ltd and Churchill Conferences Ltd have been consolidated with those of the College. The Møller Institute Ltd changed its name from The Møller Centre for Continuing Education Ltd on 18 December 2017. 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.

	<b>2018</b>	<b>2017</b>
	£'000	£'000
<b>Turnover</b>		
The Møller Institute Ltd	6,741	6,459
Churchill Conferences Ltd	1,171	984
Churchill Residences II Ltd	1,440	717
<b>Net Assets</b>		
The Møller Institute Ltd	10,021	9,851
Churchill Conferences Ltd	8	7
Churchill Residences II Ltd	1	1

The Møller Institute Ltd owned 26% of the shares of Møller PSFG Cambridge Ltd but these were sold during the year. Møller PSFG Cambridge Ltd was 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:



CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2018

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<b>College share of Møller PSFG Cambridge Ltd</b>	<b>2018</b>	<b>2017</b>
	£'000	£'000
Turnover	-	791
Profit before tax		(4)
Taxation	-	
Profit after tax	-	(4)
Fixed assets		1
Current Assets	-	170
Liabilities due within one year	-	(115)
	-	56

The Møller Institute Ltd owed Møller PSFG Cambridge Ltd £Nil at the year end (2017: £19k).