

**CHURCHILL COLLEGE IN THE  
UNIVERSITY OF CAMBRIDGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**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 2019**

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# CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

## REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30 JUNE 2019

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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 2018/19 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	Ms M Nair (to 30/01/18), Ms J Ijaz (from 24/01/19)	
MCR Council Member	Mr J Hodgkinson (from 30/01/18), Ms A Harper (from 24/1/19)	
JCR President	Mr A Brice (to 21/11/18), Mr A Baylis (to 01/09/19), Mr K Heal (from 01/09/19)	
JCR Member	Mr M Hedman (from 02/02/18), Mr K Heal (to 01/09/19), Mr W Bashir (from 01/09/19)	
Staff Members	Mrs S Cook, Mr D Spaxman	
Fellows	Dr K Stott (to 31/12/18)	Dr P van Houten
	Prof A M Finch (to 30/09/18)	Mr B Phipps
	Dr J Toner	Dr S Savory
	Dr Jardine-Wright	Dr M Holmes
	Dr A Reid (from 06/01/19)	Dr M Linterman (from 06/01/19)

### 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 Funds and Property Managers

Charities Property Fund	Edgbaston Investment Partners	LGT Capital Partners
IVI Umbrella Fund	Fundsmith LLP	Lindsell Train Global Funds
CIM Dividend Fund	Heronbridge Investment	Charles Stanley Pan Asset

### Legal Advisers

Mills & Reeve LLP	Hewitsons LLP	Greenwoods GRM LLP
Botanic House	Shakespeare House	Compass House, Vision Park
98-100 Hills Road	42 Newmarket Road	Impington, Histon
Cambridge	Cambridge	Cambridge
CB2 1PH	CB5 8EP	CB24 9AD

# CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

## OPERATING AND FINANCIAL REVIEW

FOR THE YEAR ENDED 30 JUNE 2019

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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 surpluses from these operations are donated to the College under a Deed of Covenant 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 858 (854 in 2017/18) 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 8 research fellows in the College for all or part of the academic year 2018/19.
- a scheme to provide a collegiate base for 10 post-doctoral By-Fellows each year, for three year duration. There were 34 post-doctoral By-Fellows in 2018/19

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

#### FOR THE YEAR ENDED 30 JUNE 2019

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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 £1,041k in grants, bursaries and studentships including the provision of 72 grants to enable postgraduate students to participate in research conferences;
- the College's own resources, a total subsidy of over £2.43 million (£1.57 million in 2017/18) 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 issued 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 near record number of Firsts and a very high number of 2.1s being obtained. This led to the highest merit score that the College has ever achieved. The number of Advanced Students decreased slightly compared with the previous year but performance and results continue to be good.

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. However, although the proportion of offers to state education students remained high, the acceptance level fell from 76.5% to 62.2%. The 2019 percentage is 76%.

	2018	2019
Applications	83.3%	81.6%
Offers	76.6%	71.4%
Accepted	76.5%	62.2%

The Archives Centre achieved renewal of its Accreditation status – which defines good practice and agreed standards for archive services across the UK, thereby encouraging and supporting the development of the archive service. During 2018/19 the Archives Centre opened the papers of Professor Sir Robert Edwards and Lord and Lady Soames, and lent material to two major exhibitions in the United States.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

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#### Financial Review

##### a) Surplus for the Year

The College made a surplus of £1.4m before investment/pension scheme gains compared with a surplus of £2.8m in 2017/18. The decrease is mainly due to an exceptional charge in 2018/19 of £908k in respect of the USS pension fund. The additional costs incurred following the implementation from the strategic staffing review recommendations were offset by additional income. The level of donations remained the same at about £4m – see c below.

##### b) Academic Fees and Charges

These are primarily the tuition fees paid by or on behalf of students and they increased by 6.0% compared with 2018/19. This was the result of an increase in the individual charges for tuition fees and a small increase in the number of fee paying students. 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 £4.0m compared with £3.9m last year. Although the total is similar only £500k was raised for building projects compared with £1.3m last year. £1.1m new endowment was raised for various funds to support students in the longer term as well as £278k endowment for the Archives Centre.

The College also received two unrestricted long-term donations totalling of £252k. Also included in unrestricted donations is the money that is gift aided to the College from its wholly owned subsidiaries, which totalled £982k this year (£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 7.2% compared with 7.6% the previous year. This compares favourably with the College's benchmark return for 2018/19 of 2.9%. £2.5 million new funds were invested in the Amalgamated Investment Fund during the year, made up of new donations and unspent income held in restricted funds.

The College drew down a total of £3,668k in accordance with the agreed formula for smoothing total return from year to year compared with the drawdown of £3,278k the previous year. The drawdown per unit was 3.51% of the value at 30 June 2019 compared with 3.39% per unit as at 30 June 2018.

##### e) Conferences and Catering income

The College's accommodation was at almost full occupancy during term time. Income from College Members (students and fellows) for accommodation and catering increased by 4%.

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 11% to over £2.3m in 2018/19, following a 10% increase last year.

##### f) Maintenance of Buildings

Total expenditure on routine building maintenance, including staff costs, was just under £1.1 million, about £200k more than last year. The College spent £4.7 million on capital projects during 2018/19. The construction of 3 new graduate houses on the site of 36 Storey's Way was completed during the year.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

#### FOR THE YEAR ENDED 30 JUNE 2019

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Major projects undertaken in 2018/19 included:

- the rewiring and refurbishment of two staircases - 50 and 51
- refurbishment of 68 Storey's Way
- the redevelopment of 36 Storey's Way

In addition, £102k was spent on the Møller Centre fixtures and fittings and £14k 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 4.1%. This was due to the implementation of the strategic staffing review which added some additional posts and increased costs at the lower end of the pay scales as well as adding discretionary increments. A 2.5% pay increase was awarded to non-academic staff from October 2018 and many were also eligible for standard increments. Academic rates of pay increased by 2%.

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. 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 £41k on staff training during the year.

The costs of the USS pension scheme increased slightly this year with employer's contributions increasing from 18.0% to 19.5% on 1 April 2109. A further increase to 22.5 % will take effect on 1 October 2019. Employee contributions have also increased. The College is required to show its estimated share of the pension fund deficit recovery plan in its accounts and this was calculated to be £908k for 2018/19.

#### **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 extreme financial difficulty.

The Colleges reserves are made up of restricted funds, unrestricted funds and those unrestricted funds which the College has designated for a particular purpose. Some of the restricted reserves are permanent ie they cannot be spent. The College's reserves are primarily held in the form of operational assets and investments. The value of the College's unrestricted reserves is in excess of £120m though about £85m is in the form of operational assets.

The College does not need to increase its unrestricted reserves or set a particular target of unrestricted funds to ensure that it can continue to operate through a particularly difficult financial period. However, the College does need to ensure that sufficient reserves can be converted to cash to finance its way through a period of extreme financial adversity and should identify the level of cash that could be required.

In order to identify an appropriate level of reserves, a risk based review of all income streams and areas of expenditure was carried out in 2018/19. This suggests that a reserve of between £5m and £7m is required to enable the College to continue with its core functions for at least 12 months during a period of particularly adverse financial circumstances.

The College is confident that it could achieve cash sums of between £5m and £7m, if required, through the sale of investment assets or residential properties.

## **CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**

### **OPERATING AND FINANCIAL REVIEW (CONT)**

#### **FOR THE YEAR ENDED 30 JUNE 2019**

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The above policy takes into account the requirement to pay interest on the bonds issued by the College but not the capital repayments as these are not due for repayment until 2043 at the earliest.

The reserve policy will be revised in 2028 to include the bond repayments ie 15 years prior to the date the first repayment is due.

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

The College's reserve policy is based on the risk identification approach. This requires an understanding of the income streams and their risk profile, the degree of commitment to expenditure and the overall risk environment in which the College operates.

#### **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 regularly 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 2019/20 include the end of the ongoing staircase refurbishment and rewiring project, with the final 2 staircases being completed in the Summer of 2019. Roof repairs to the Library and Wolfson Hall will be carried out. 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. A major IT transformation project has been started and will take place over the next two years.

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 2019

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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 2018/19 included the Master, Vice-Master, Bursar, Senior Tutor, Tutor for Advanced Students, Finance Manager, Dr J Ackroyd, Professor R Goldstein, Professor T Minshall, Professor D Ralph, Dr J Toner, Dr A Webb, Mr N Canetty-Clarke (external member), Mr T Ingram (external member) and representatives of the JCR and MCR.

6. Mr N Canetty-Clarke (external member) is the Chairman of the audit and risk committee. The elected members of the Governing Body are Professor P Harris and Dr D Green with responsibility for reporting on any matters of operational or financial concern to the College Council. Mr D Woods is an external member of the committee.
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 2019 are set out on page 2.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

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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 system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2019 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: 3 December 2019

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### RESPONSIBILITIES OF THE COLLEGE COUNCIL

FOR THE YEAR ENDED 30 JUNE 2019

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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: 3 December 2019

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

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

FOR THE YEAR ENDED 30 JUNE 2019

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#### Opinion

We have audited the financial statements of Churchill College for the year ended 30 June 2019 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 2019, 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 2019

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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.

#### **Use of this 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: 18 December 2019

**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 2019

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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.

The functional and presentational currency of the College is GBP. The level of rounding applied is to the nearest £000

#### **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 its 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 Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

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

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. Legacy Accounting**

For legacies, entitlement is taken as the earlier of the date of which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material

#### **e. 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.

#### **f. 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.

#### **g. 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.

## **CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**

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

#### **FOR THE YEAR ENDED 30 JUNE 2019**

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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.

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.

#### **Debtors**

Short term debtors are measured at transaction price, less impairment.



## **CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**

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

**FOR THE YEAR ENDED 30 JUNE 2019**

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#### **Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **Creditors**

Short term creditors are measured at the transaction price.

#### **Financial Instruments**

The College only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income and Expenditure.

#### **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.

## CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

### STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

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#### **Pension schemes**

##### **a) 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 Colleges' 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.

##### **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 in 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 2019

CONSOLIDATED	Note	2019			2018				
		Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
<b>INCOME</b>									
Academic Fees and Charges	1	3,929	205		4,134	3,699	225		3,924
Residence, Catering and Conferences	2	14,655	1		14,656	13,708	1		13,709
Endowment Return Transferred	3	2,686	982	(3,668)		2,409	869	(3,278)	
Other Investment Income	3	62		1,664	1,726	62		2,050	2,112
<b>Total Income before Donations and Endowments</b>		<u>21,332</u>	<u>1,188</u>	<u>(2,004)</u>	<u>20,516</u>	<u>19,878</u>	<u>1,095</u>	<u>(1,228)</u>	<u>19,745</u>
Donations		536	1,026		1,562	814	506		1,320
New Endowments			977	9	986		999	10	1,009
Other Capital Grants for Assets			502		502		1,294		1,294
<b>Total Income</b>		<u>21,868</u>	<u>3,693</u>	<u>(1,995)</u>	<u>23,566</u>	<u>20,692</u>	<u>3,894</u>	<u>(1,218)</u>	<u>23,368</u>
<b>EXPENDITURE</b>									
Education	4	5,992	575		6,567	4,951	530		5,481
Residence, Catering and Conferences	5	14,106	2		14,108	13,103	7		13,110
Investment Management Costs	3	69			69	109			109
Other Expenditure	6	901	662		1,563	806	837		1,643
Contribution Under Statute G,II		40	-	-	40	45	-	-	45
<b>Total Expenditure</b>		<u>21,108</u>	<u>1,239</u>		<u>22,347</u>	<u>19,014</u>	<u>1,374</u>		<u>20,388</u>
<b>Surplus/(Deficit) before other Gains and Losses</b>		<u>760</u>	<u>2,454</u>	<u>(1,995)</u>	<u>1,219</u>	<u>1,678</u>	<u>2,520</u>	<u>(1,218)</u>	<u>2,980</u>
Gain on Investments		2,416	428	3,248	6,092	2,753	345	2,643	5,741
<b>Surplus for the Year</b>		<u>3,176</u>	<u>2,882</u>	<u>1,253</u>	<u>7,311</u>	<u>4,431</u>	<u>2,865</u>	<u>1,425</u>	<u>8,721</u>
<b>Other Comprehensive Income</b>									
Actuarial Gain in Respect of Pension Schemes	16	(29)			(29)	488			488
Share of Associate Loss	27								
Associate Sold in Year	27					(56)			(56)
<b>Total Comprehensive Income for the Year</b>		<u>3,147</u>	<u>2,882</u>	<u>1,253</u>	<u>7,282</u>	<u>4,863</u>	<u>2,865</u>	<u>1,425</u>	<u>9,153</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

COLLEGE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2019

COLLEGE	Note	2019				2018			
		Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
<b>INCOME</b>									
Academic Fees and Charges	1	3,929	205		4,134	3,699	225		3,924
Residence, Catering and Conferences	2	7,610	1		7,611	7,247	1		7,248
Endowment Return Transferred	3	2,686	982	(3,668)		2,409	869	(3,278)	
Other Investment Income	3	53		1,664	1,717	41		2,050	2,091
<b>Total Income before Donations and Endowments</b>		<b>14,278</b>	<b>1,188</b>	<b>(2,004)</b>	<b>13,462</b>	<b>13,396</b>	<b>1,095</b>	<b>(1,228)</b>	<b>13,263</b>
Donations		1,465	1,026		2,491	1,057	506		1,563
New Endowments			977	9	986		999	10	1,009
Other Capital Grants for Assets			502		502		1,294		1,294
<b>Total Income</b>		<b>15,743</b>	<b>3,693</b>	<b>(1,995)</b>	<b>17,441</b>	<b>14,453</b>	<b>3,894</b>	<b>(1,218)</b>	<b>17,129</b>
<b>EXPENDITURE</b>									
Education	4	5,992	575		6,567	4,951	530		5,481
Residence, Catering and Conferences	5	7,768	2		7,770	7,034	7		7,041
Investment Management Costs	3	69			69	109			109
Other Expenditure	6	901	662		1,563	806	837		1,643
Contribution Under Statute G,II		40	-	-	40	45	-	-	45
<b>Total Expenditure</b>		<b>14,770</b>	<b>1,239</b>		<b>16,009</b>	<b>12,945</b>	<b>1,374</b>		<b>14,319</b>
<b>Surplus/(Deficit) before other Gains and Losses</b>		<b>973</b>	<b>2,454</b>	<b>(1,995)</b>	<b>1,432</b>	<b>1,508</b>	<b>2,520</b>	<b>(1,218)</b>	<b>2,810</b>
Gains on Investments		2,416	428	3,248	6,092	2,753	345	2,643	5,741
<b>Surplus for the Year</b>		<b>3,389</b>	<b>2,882</b>	<b>1,253</b>	<b>7,524</b>	<b>4,261</b>	<b>2,865</b>	<b>1,425</b>	<b>8,551</b>
<b>Other Comprehensive Income</b>									
Actuarial Gain in Respect of Pension Schemes	16	(29)			(29)	488			488
<b>Total Comprehensive Income for the Year</b>		<b>3,360</b>	<b>2,882</b>	<b>1,253</b>	<b>7,495</b>	<b>4,749</b>	<b>2,865</b>	<b>1,425</b>	<b>9,039</b>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2019

CONSOLIDATED	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
<b>Balance at 1 July 2018</b>	126,717	13,008	34,273	173,998
Surplus from statement of comprehensive income and expenditure	3,176	2,882	1,253	7,311
Other Comprehensive Income	(29)	-	-	(29)
Release of Restricted Capital Funds Spent in the year	1,799	(1,799)	-	-
<b>Balance at 30 June 2019</b>	<u>131,663</u>	<u>14,091</u>	<u>35,526</u>	<u>181,280</u>

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	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>

**CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**

**COLLEGE STATEMENT OF CHANGES IN RESERVES**

**FOR THE YEAR ENDED 30 JUNE 2019**

<b>COLLEGE</b>	<b>Income and Expenditure Reserve</b>			<b>Total £'000</b>
	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Endowment £'000</b>	
<b>Balance at 1 July 2018</b>	123,688	13,008	34,273	170,969
Surplus from statement of comprehensive income and expenditure	3,389	2,882	1,253	7,524
Other Comprehensive Income	(29)	-	-	(29)
Release of Restricted Capital Funds Spent in the year	1,799	(1,799)	-	-
<b>Balance at 30 June 2019</b>	<u>128,847</u>	<u>14,091</u>	<u>35,526</u>	<u>178,464</u>

<b>COLLEGE</b>	<b>Income and Expenditure Reserve</b>			<b>Total £'000</b>
	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Endowment £'000</b>	
<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>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2019

	Note	Consolidated 2019 £'000	College 2019 £'000	Consolidated 2018 £'000	College 2018 £'000
<b>FIXED ASSETS</b>					
Tangible Assets	9	95,924	86,419	93,601	83,723
Investments	10	108,833	115,833	102,046	109,046
		<u>204,757</u>	<u>202,252</u>	<u>195,647</u>	<u>192,769</u>
<b>CURRENT ASSETS</b>					
Stock	11	659	636	591	563
Debtors	12	2,780	3,228	3,053	2,861
Cash	13	5,229	2,732	5,051	4,031
		<u>8,668</u>	<u>6,596</u>	<u>8,695</u>	<u>7,455</u>
Creditors: Amounts Falling Due Within One Year	14	(5,510)	(3,749)	(4,709)	(3,620)
<b>NET CURRENT ASSETS</b>		<u>3,158</u>	<u>2,847</u>	<u>3,986</u>	<u>3,835</u>
Creditors: Amounts Falling Due After One Year	15	(24,304)	(24,304)	(24,316)	(24,316)
<b>NET ASSETS EXCLUDING PENSION PROVISION</b>		<u>183,611</u>	<u>180,795</u>	<u>175,317</u>	<u>172,288</u>
Pension Provision	16	(2,331)	(2,331)	(1,319)	(1,319)
<b>NET ASSETS INCLUDING PENSION PROVISION</b>		<u><u>181,280</u></u>	<u><u>178,464</u></u>	<u><u>173,998</u></u>	<u><u>170,969</u></u>
<b>RESTRICTED RESERVES</b>					
<b>Income and Expenditure Reserves</b>					
Endowment Reserve	17	35,526	35,526	34,273	34,273
Restricted Reserve	18	14,091	14,091	13,008	13,008
		<u>49,617</u>	<u>49,617</u>	<u>47,281</u>	<u>47,281</u>
<b>UNRESTRICTED RESERVES</b>					
<b>Income and Expenditure Reserve</b>					
Unrestricted		131,663	128,847	126,717	123,688
		<u>181,280</u>	<u>178,464</u>	<u>173,998</u>	<u>170,969</u>

The financial statements were approved by College Council on 3 December 2019 and signed on its behalf by:



Dame Athene Donald  
Master



Mrs T M James  
Bursar

The notes on pages 24 to 39 form part of these accounts.

**CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2019**

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<b>CONSOLIDATED</b>		<b>2019</b>	<b>2018</b>
	Note	£'000	£'000
Net Cash Inflow from Operating Activities	20	4,800	3,702
Cash Flows from Investing Activities	21	(3,819)	(11,855)
Cash Flows from Financing Activities	22	(803)	9,059
<b>Increase/(Decrease) in Cash and Cash Equivalents in Year</b>		<b>178</b>	<b>906</b>
Cash and Cash Equivalents at Beginning of Year		5,051	4,145
<b>Cash and Cash Equivalents at End of Year</b>		<b>5,229</b>	<b>5,051</b>



CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

**1 ACADEMIC FEES AND CHARGES**

	<b>2019</b>	<b>2018</b>
	£'000	£'000
College Fees:		
Fee income received at the Publicly-funded Undergraduate rate	1,898	1,849
Fee income received at the Privately-funded Undergraduate rate	733	603
Fee income received at the Graduate rate	924	902
	<u>3,555</u>	<u>3,354</u>
Other Income	579	570
	<u><b>4,134</b></u>	<u><b>3,924</b></u>

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

		<b>Consolidated</b>	<b>College</b>	<b>Consolidated</b>	<b>College</b>
		<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
		£'000	£'000	£'000	£'000
Accommodation	College Members	3,990	4,370	3,932	4,300
	Conferences	3,779	1,159	3,910	904
	International Programmes	2,755	187	2,182	297
Catering	College Members	901	901	843	843
	Conferences	2,847	936	2,446	789
	International Programmes	384	58	396	115
		<u><b>14,656</b></u>	<u><b>7,611</b></u>	<u><b>13,709</b></u>	<u><b>7,248</b></u>

**3 ENDOWMENT RETURN AND INVESTMENT INCOME**

	<b>2019</b>	<b>2018</b>
	£'000	£'000
<b>3a Analysis</b>		
Total Return Contribution (see note 3b)	3,668	3,278
Quoted Securities	23	15
Interest	30	26
Other		
Less: Excess of Total Return over Investment Income Received	(2,004)	(1,228)
<b>COLLEGE</b>	<u><b>1,717</b></u>	<u><b>2,091</b></u>
Interest	9	21
<b>CONSOLIDATED</b>	<u><b>1,726</b></u>	<u><b>2,112</b></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

**3b Summary of Total Return**

	<b>2019</b>	<b>2018</b>
	£'000	£'000
Income From:		
Land and Buildings	-	514
Quoted and Other Securities and Cash	1,664	1,536
	<u>1,664</u>	<u>2,050</u>
Gains/(Losses) on Endowment Assets		
Land and Buildings		870
Quoted and Other Securities	6,092	4,871
	<u>6,092</u>	<u>5,741</u>
Investment Management Costs (see note 3c)	(69)	(109)
	<u>7,687</u>	<u>7,682</u>
<b>Total Return for the Year</b>	<b>7,687</b>	<b>7,682</b>
Total Return Transferred to Income and Expenditure Account (see note 3a)	(3,668)	(3,278)
Unapplied Total Return for Year Included within Statement of Comprehensive Income and Expenditure (see note 19)	<u>4,019</u>	<u>4,404</u>

**3c Investment Management Costs**

Quoted Securities	69	67
Land and Buildings	-	42
	<u>69</u>	<u>109</u>

**4 EDUCATION EXPENDITURE**

	<b>College</b>	<b>College</b>
	<b>2019</b>	<b>2018</b>
	£'000	£'000
Teaching	2,535	2,124
Tutorial	937	746
Admissions (Incl Access Grants)	1,338	1,102
Research	679	473
Scholarships and Awards	597	607
Other Educational Facilities	481	429
	<u>6,567</u>	<u>5,481</u>

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

		<b>Consolidated</b>	<b>College</b>	<b>Consolidated</b>	<b>College</b>
		<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
		£'000	£'000	£'000	£'000
Accommodation	College Members	4,003	4,003	3,783	3,783
	Conferences	5,330	1,274	5,256	912
	International Programmes	205	205	300	300
Catering	College Members	1,679	1,679	1,517	1,517
	Conferences	2,855	573	2,187	462
	International Programmes	36	36	67	67
		<u>14,108</u>	<u>7,770</u>	<u>13,110</u>	<u>7,041</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

6 OTHER EXPENDITURE	2019	2018
	£'000	£'000
Archives Centre	506	498
Bond & Loan Interest/Charges	803	927
Other	254	218
<b>COLLEGE AND CONSOLIDATED</b>	<b><u>1,563</u></b>	<b><u>1,643</u></b>

7a ANALYSIS OF 2018/19 EXPENDITURE BY ACTIVITY

	<u>Staff Costs (Note 8)</u>	<u>Other Operating Expenses</u>	<u>Depreciation</u>	<u>Total</u>
	£'000	£'000	£'000	£'000
<b>CONSOLIDATED</b>				
Education (Note 4)	3,850	2,300	417	6,567
Residences, Catering and Conferences (Note 5)	6,637	5,361	2,110	14,108
Other (Note 6) *	493	1,070	-	1,563
	<b><u>10,980</u></b>	<b><u>8,731</u></b>	<b><u>2,527</u></b>	<b><u>22,238</u></b>
<b>COLLEGE</b>				
Education (Note 4)	3,850	2,300	417	6,567
Residences, Catering and Conferences (Note 5)	3,333	2,816	1,621	7,770
Other (Note 6) *	493	1,070	-	1,563
	<b><u>7,676</u></b>	<b><u>6,186</u></b>	<b><u>2,038</u></b>	<b><u>15,900</u></b>

\* Expenditure includes fundraising costs of £423k. This expenditure includes the cost of the alumni office.

7b ANALYSIS OF 2017/18 EXPENDITURE BY ACTIVITY

	<u>Staff Costs (Note 8)</u>	<u>Other Operating Expenses</u>	<u>Depreciation</u>	<u>Total</u>
	£'000	£'000	£'000	£'000
<b>CONSOLIDATED</b>				
Education (Note 4)	2,910	2,188	383	5,481
Residences, Catering and Conferences (Note 5)	6,025	5,052	2,033	13,110
Other (Note 6) *	450	1,193	-	1,643
	<b><u>9,385</u></b>	<b><u>8,433</u></b>	<b><u>2,416</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.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

<b>7c Auditors Remuneration</b>	<b>2019</b>	<b>2018</b>
	£'000	£'000
Other Operating Costs include:		
Audit Fees payable to College's External Auditors	15	15
Audit Fees payable to Subsidiaries' External Auditors	11	8
Other Fees payable to Subsidiaries' and College's External Auditors	1	1
	<u>27</u>	<u>24</u>

<b>8 STAFF COSTS</b>	<b>Academic</b>	<b>Academic</b>	<b>Non -</b>	<b>Total</b>	<b>Total</b>
<b>CONSOLIDATED</b>	<b>2019</b>	<b>Related</b>	<b>Academic</b>	<b>2019</b>	<b>2018</b>
	£'000	£'000	£'000	£'000	£'000
Staff Costs:					
Emoluments	1,427	979	6,508	8,914	8,404
Social Security Costs	75	83	443	601	391
Other Pension Costs	1,144	65	256	1,465	591
	<u>2,646</u>	<u>1,127</u>	<u>7,207</u>	<u>10,980</u>	<u>9,386</u>

There were 117 fellows with voting rights on the Governing Body at 30 June 2019. The remuneration of all fellows has been included in the figures above.

<b>Average Staff Numbers (Full time equivalents)</b>	<b>2019</b>	<b>2018</b>
	Number	Number
Academic	28	29
Academic Related	26	25
Non-Academics	213	201
	<u>267</u>	<u>255</u>

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

	<b>Consolidated</b>	<b>College</b>	<b>Consolidated</b>	<b>College</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
£100,000 - £109,999	-	-	1	-
£110,000 - £119,999	<u>1</u>	<u>-</u>	<u>-</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:

	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2018</b>
	£'000	£'000
Aggregate Emoluments	<u>278</u>	<u>271</u>

**CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**

**NOTES TO FINANCIAL STATEMENTS (CONT)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**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 £32k (2018: £23k).

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

	<b>Academic 2019</b>	<b>Academic Related 2019</b>	<b>Non - Academic 2019</b>	<b>Total 2019</b>	<b>Total 2018</b>
<b>COLLEGE</b>	£'000	£'000	£'000	£'000	£'000
Staff Costs:					
Emoluments	1,427	979	3,472	5,878	5,416
Social Security Costs	75	83	271	429	386
Other Pension Costs	1,144	65	160	1,369	511
	<b><u>2,646</u></b>	<b><u>1,127</u></b>	<b><u>3,903</u></b>	<b><u>7,676</u></b>	<b><u>6,313</u></b>

**9 FIXED ASSETS**

**a Tangible Assets - Consolidated**

	<b>College Site Land, Flats &amp; Buildings</b>	<b>Assets in Construction</b>	<b>College Hostels &amp; Houses</b>	<b>Fixtures Fittings Equipment</b>	<b>Møller Centre</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>COST/VALUATION</b>						
At 1 July 2018	84,171	1,678	7,573	7,117	21,623	122,162
Additions	784	3,541	78	447	-	4,850
Disposals	-	-	-	(320)	-	(320)
Transfers	5,219	(5,219)	-	-	-	-
Cost at 30 June 2019	<b><u>90,174</u></b>	<b><u>-</u></b>	<b><u>7,651</u></b>	<b><u>7,244</u></b>	<b><u>21,623</u></b>	<b><u>126,692</u></b>
<b>DEPRECIATION</b>						
At 1 July 2018	16,908	-	1,830	4,824	4,999	28,561
Provided for the year	1,491	-	128	464	444	2,527
Eliminated on Disposal	-	-	-	(320)	-	(320)
Depreciation at 30 June 2019	<b><u>18,399</u></b>	<b><u>-</u></b>	<b><u>1,958</u></b>	<b><u>4,968</u></b>	<b><u>5,443</u></b>	<b><u>30,768</u></b>
<b>NET BOOK VALUE</b>						
At 30 June 2019	<b><u>71,775</u></b>	<b><u>-</u></b>	<b><u>5,693</u></b>	<b><u>2,276</u></b>	<b><u>16,180</u></b>	<b><u>95,924</u></b>
At 30 June 2018	<b><u>67,263</u></b>	<b><u>1,678</u></b>	<b><u>5,743</u></b>	<b><u>2,293</u></b>	<b><u>16,624</u></b>	<b><u>93,601</u></b>

The insured value of freehold land and buildings as at 30 June 2019 was £115,122k (2018: £108,713k ).

The value of land included in the above at 30 June 2019 and 30 June 2018 was £2,823k.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

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 2018	84,171	1,678	7,573	2,720	11,105	107,247
Additions	784	3,541	78	331	-	4,734
Disposals	-	-	-	(262)	-	(262)
Transfers	5,219	(5,219)	-	-	-	-
Cost at 30 June 2019	<u>90,174</u>	<u>-</u>	<u>7,651</u>	<u>2,789</u>	<u>11,105</u>	<u>111,719</u>
<b>DEPRECIATION</b>						
At 1 July 2018	16,908	-	1,830	1,825	2,961	23,524
Provided for the year	1,491	-	128	234	185	2,038
Eliminated on Disposal	-	-	-	(262)	-	(262)
Depreciation at 30 June 2019	<u>18,399</u>	<u>-</u>	<u>1,958</u>	<u>1,797</u>	<u>3,146</u>	<u>25,300</u>
<b>NET BOOK VALUE</b>						
At 30 June 2019	<u>71,775</u>	<u>-</u>	<u>5,693</u>	<u>992</u>	<u>7,959</u>	<u>86,419</u>
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>

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 2019 £'000	College 2019 £'000	Consolidated 2018 £'000	College 2018 £'000
Balance at 1 July 2018	102,046	109,046	88,258	95,243
Additions	12,384	12,384	66,189	66,189
Disposals	(12,624)	(12,624)	(54,989)	(54,974)
Gain on Investment Valuation	6,092	6,092	5,741	5,741
(Decrease) in Cash Balances at Fund Managers	935	935	(3,153)	(3,153)
Balance as at 30 June 2019	<u>108,833</u>	<u>115,833</u>	<u>102,046</u>	<u>109,046</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

<b>10 INVESTMENT ASSETS (CONT)</b>	<b>Consolidated 2019</b>	<b>College 2019</b>	<b>Consolidated 2018</b>	<b>College 2018</b>
	£'000	£'000	£'000	£'000
<b>Represented by:</b>				
Property	9,841	9,841	9,787	9,787
Quoted Securities - Equities	97,279	97,279	91,939	91,939
Investment in Subsidiary Undertakings	-	7,000	-	7,000
Cash Held for Reinvestment	1,713	1,713	320	320
	<b>108,833</b>	<b>115,833</b>	<b>102,046</b>	<b>109,046</b>

<b>11 STOCKS</b>	<b>Consolidated 2019</b>	<b>College 2019</b>	<b>Consolidated 2018</b>	<b>College 2018</b>
	£'000	£'000	£'000	£'000
Fellows Wine Cellar	606	606	533	533
Other Stocks	53	30	58	30
	<b>659</b>	<b>636</b>	<b>591</b>	<b>563</b>

<b>12 DEBTORS</b>	<b>Consolidated 2019</b>	<b>College 2019</b>	<b>Consolidated 2018</b>	<b>College 2018</b>
	£'000	£'000	£'000	£'000
Trade Debtors	1,150	222	1,006	183
Members of the College	988	988	957	957
Amounts due from Subsidiary Undertakings	-	1,516	-	756
Prepayments and Accrued Income	174	34	202	77
Other	468	468	888	888
	<b>2,780</b>	<b>3,228</b>	<b>3,053</b>	<b>2,861</b>

<b>13 CASH</b>	<b>Consolidated 2019</b>	<b>College 2019</b>	<b>Consolidated 2018</b>	<b>College 2018</b>
	£'000	£'000	£'000	£'000
Bank Deposits	2,700	2,700	4,004	4,004
Current Accounts and in Hand	2,529	32	1,047	27
	<b>5,229</b>	<b>2,732</b>	<b>5,051</b>	<b>4,031</b>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Consolidated	College	Consolidated	College
	2019	2019	2018	2018
	£'000	£'000	£'000	£'000
Trade Creditors	1,134	641	1,053	694
Members of the College	1,072	1,072	1,101	1,101
Amounts due to Subsidiary Companies	-	2	-	2
University Fees	69	69	-	-
Contribution to Colleges Fund	40	40	45	45
Social Security and other Taxation payable	457	352	329	286
Other	2,738	1,573	2,181	1,492
	<b>5,510</b>	<b>3,749</b>	<b>4,709</b>	<b>3,620</b>

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	Consolidated	College	Consolidated	College
	2019	2019	2018	2018
	£'000	£'000	£'000	£'000
Other Creditors	304	304	316	316
Amounts due within 1 to 5 years	304	304	316	316
Amounts payable wholly or partly after 5 years				
College Bonds	24,000	24,000	24,000	24,000
Total	<b>24,304</b>	<b>24,304</b>	<b>24,316</b>	<b>24,316</b>

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
	2019	2019	2019	2018
	£'000	£'000	£'000	£'000
Balance at 1 July 2018	534	785	1,319	2,028
Movement in the year:				
Contributions paid by the College	(32)	(17)	(49)	(229)
Finance cost	12	91	103	8
Actuarial loss recognised in Statement of Comprehensive Income and Expenditure	929	29	958	(488)
Balance as at 30 June 2019	<b>1,443</b>	<b>888</b>	<b>2,331</b>	<b>1,319</b>



CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

17 ENDOWMENT RESERVE

Restricted net assets relating to endowments are as follows:

<b>CONSOLIDATED/COLLEGE</b>	<b>Restricted Permanent</b> £'000	<b>Unrestricted Permanent</b> £'000	<b>Total 2019</b> £'000	<b>Total 2018</b> £'000
Balance at 1 July 2018	17,318	16,955	34,273	32,848
New Endowments Received	9	-	9	10
Capital withdrawn	-	(2,004)	(2,004)	(1,228)
	<u>9</u>	<u>(2,004)</u>	<u>(1,995)</u>	<u>(1,218)</u>
Increase in Market Value of Investments	629	615	1,244	1,415
Plus: Capital withdrawn to Income	-	2,004	2,004	1,228
	<u>629</u>	<u>2,619</u>	<u>3,248</u>	<u>2,643</u>
Balance as at 30 June 2019	<b><u>17,956</u></b>	<b><u>17,570</u></b>	<b><u>35,526</u></b>	<b><u>34,273</u></b>

<b>Analysis by Type of Purpose</b>	<b>Restricted Permanent</b> £'000	<b>Unrestricted Permanent</b> £'000	<b>Total 2019</b> £'000	<b>Total 2018</b> £'000
Archives	9,936	-	9,936	9,588
Bursary	411	-	411	388
Endowment	80	-	80	77
Fellowship	503	-	503	485
JRF	2,589	-	2,589	2,498
Library	286	-	286	276
Other	5	-	5	5
Prize	47	-	47	46
Studentship/Scholarship	3,992	-	3,992	3,852
Travel Funds	107	-	107	103
Corporate Capital	-	17,570	17,570	16,955
	<b><u>17,956</u></b>	<b><u>17,570</u></b>	<b><u>35,526</u></b>	<b><u>34,273</u></b>

<b>Analysis by Asset</b>				
Investments	17,956	17,570	35,526	34,273
	<b><u>17,956</u></b>	<b><u>17,570</u></b>	<b><u>35,526</u></b>	<b><u>34,273</u></b>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

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 2019</b> £'000	<b>Total 2018</b> £'000
Balance at 1 July 2018					
Capital	1,299	-	6,337	7,636	5,318
Accumulated Income	-	5,372	-	5,372	4,825
	<u>1,299</u>	<u>5,372</u>	<u>6,337</u>	<u>13,008</u>	<u>10,143</u>
New Grants Received	-	-	206	206	226
New Endowments Received	502	1,026	977	2,505	2,799
Endowment Return Transferred	-	624	358	982	869
Expenditure	-	(310)	(929)	(1,239)	(1,374)
Capital Grants Utilised	(1,799)	-	-	(1,799)	-
Increase in Market Value of Investments	-	293	135	428	345
Balance as at 30 June 2019	<u><u>2</u></u>	<u><u>7,005</u></u>	<u><u>7,084</u></u>	<u><u>14,091</u></u>	<u><u>13,008</u></u>
Balance as at 30 June 2019					
Capital	2	-	7,084	7,086	7,636
Accumulated Income	-	7,005	-	7,005	5,372
<b>CONSOLIDATED/COLLEGE</b>	<u><u>2</u></u>	<u><u>7,005</u></u>	<u><u>7,084</u></u>	<u><u>14,091</u></u>	<u><u>13,008</u></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 2019</b> £'000	<b>Total 2018</b> £'000
Archives	-	1,172	388	1,560	1,427
Building	2	33	-	35	1,337
Bursary	-	1,848	2,195	4,043	2,595
Development Office	-	137	206	343	329
Endowment	-	29	205	234	222
Fellowship	-	950	1,402	2,352	2,004
JRF	-	832	119	951	841
Library	-	55	8	63	55
Other	-	65	2,059	2,124	2,014
Prize	-	74	98	172	160
Research Funds	-	30	30	60	44
Studentship/Scholarship	-	1,756	346	2,102	1,931
Travel Funds	-	24	28	52	49
	<u><u>2</u></u>	<u><u>7,005</u></u>	<u><u>7,084</u></u>	<u><u>14,091</u></u>	<u><u>13,008</u></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

**19 MEMORANDUM OF UNAPPLIED TOTAL RETURN**

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

	<b>2019</b>	<b>2018</b>
	£'000	£'000
Unapplied Total Return at 1 July 2018	57,988	53,584
Unapplied Total Return for the Year (see note 3b)	4,019	4,404
Unapplied Total Return at 30 June 2019	<u><u>62,007</u></u>	<u><u>57,988</u></u>

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

	<b>2019</b>	<b>2018</b>
	£'000	£'000
Surplus for the Year	7,311	8,721
<b>Adjustment for Non-cash Items</b>		
Depreciation	2,527	2,416
Investment Income	(1,726)	(2,112)
Gain on Endowments, Donations and Investment Property	(6,092)	(5,741)
Increase/(Decrease) in Stocks	(68)	(35)
Increase in Debtors	273	(322)
Increase in Creditors	789	69
Pension Costs	983	(221)
Interest Payable	803	927
<b>Net Cash Inflow from Operating Activities</b>	<u><u>4,800</u></u>	<u><u>3,702</u></u>

**21 CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2019</b>	<b>2018</b>
	£'000	£'000
Payments to Acquire Non-current Assets	(4,850)	(5,919)
Purchase of Investment Assets	(13,319)	(7,225)
Sale of Investment Assets	12,624	(823)
Investment Income	1,726	2,112
Net Cash Outflow from Capital Expenditure and Financial Investment	<u><u>(3,819)</u></u>	<u><u>(11,855)</u></u>

**22 CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>2019</b>	<b>2018</b>
	£'000	£'000
Increase in Long Term Bond	-	13,000
Repayment of Amounts Borrowed	-	(3,014)
Interest Payable and Charges	(803)	(927)
Net Cash Inflow/(Outflow) from Financing	<u><u>(803)</u></u>	<u><u>9,059</u></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

**23 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>At Beginning of Year</b>	<b>Cash Flows</b>	<b>At End of Year</b>
	£'000	£'000	£'000
Cash at Bank and in Hand	5,051	178	5,229
Net Funds	<u>5,051</u>	<u>178</u>	<u>5,229</u>

**24 CAPITAL COMMITMENTS**

	<b>2019</b>	<b>2018</b>
	£'000	£'000
Capital Commitments at 30 June 2018 are as follows:		
<b>CONSOLIDATED/COLLEGE</b>		
Authorised and Contracted	<u>659</u>	<u>4,492</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 recovery 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 £343k (2018: £350k).

At the financial year end the latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2017 (the valuation date). This was carried out using the projected unit method. The 2018 actuarial valuation was finalised after the year end which indicated a shortfall of £3.6 billion.

The 2017 valuation was the fourth 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 £60.0 billion and the value of the Scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

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

	<b>2019</b>	<b>2018</b>
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Price increases (CPI)	2.11%	2.02%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on 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:

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.
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.

The current life expectancies on retirement at age 65 are:

	<b>2019</b>	<b>2018</b>
Males currently aged 65 (years)	15.0	25.0
Females currently aged 65 (years)	26.0	26.0
Males currently aged 45 (years)	27.0	27.0
Females currently aged 45 (years)	28.0	28.0

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019:

	<b>2019</b>	<b>2018</b>
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension Increase (CPI)	2.11%	2.02%

# CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

## NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

### 25 PENSION SCHEMES (CONT)

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 30 June 2019, and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £855k, a decrease of £588k from the current year end provision and a lower charge through the Statement of Comprehensive Income of £587k

#### 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 2019, 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

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

	30/06/19 % pa	30/06/18 % pa
Discount rate	2.25%	2.70%
Retail Price Index (RPI) assumption	3.40%	3.25%
Consumer Price Index (CPI)	2.40%	2.25%
Pension Increases (RPI max 5% pa)	3.30%	3.15%

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI\_2018 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2018: 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 21.8 years (2018: 21.9 years)
- Female age 65 now has a life expectancy of 24.0 years (2018: 23.8 years)
- Male age 45 now and retiring in 20 years has a life expectancy of 23.1 years (2018: 23.3 years)
- Female age 45 now and retiring in 20 years has a life expectancy of 25.5 years (2018: 25.4 years)

#### Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2019 are as follows:

	2019 £'000	2018 £'000
Present value of scheme liabilities	(9,502)	(9,001)
Market value of scheme assets	8,614	8,217
Deficit in the Scheme	<b>(888)</b>	<b>(784)</b>

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

	2019 £'000	2018 £'000
Administrative expenses	17	16
Interest on net defined benefit liability	22	38
Loss on plan changes	53	-
	<b>92</b>	<b>54</b>

**CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE**

**NOTES TO FINANCIAL STATEMENTS (CONT)**

**FOR THE YEAR ENDED 30 JUNE 2019**

**25 PENSION SCHEMES (CONT)**

Changes in the present value of the scheme liabilities are as follows:	<b>2019</b>	<b>2018</b>
	£'000	£'000
Present value of scheme liabilities at beginning of period	9,001	9,546
Interest on plan liabilities	237	244
Actuarial (losses)/gains	661	(398)
Benefits paid	(450)	(391)
Loss on plan changes	53	
Present value of scheme liabilities at end of period	<u><b>9,502</b></u>	<u><b>9,001</b></u>

Changes in the fair value scheme assets are as follows:	<b>2019</b>	<b>2018</b>
	£'000	£'000
Market value of scheme assets at beginning of period	8,217	8,102
Return on assets, less interest included in income and expenditure	642	98
Administrative expenses	(28)	(26)
Contributions by employer	17	229
Interest on plan assets	216	205
Benefits and expenses paid	(450)	(391)
Market value of plan assets at end of period	<u><b>8,614</b></u>	<u><b>8,217</b></u>
Actual return on plan assets	<u><b>858</b></u>	<u><b>305</b></u>

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

	<b>2019</b>	<b>2018</b>
Equities	57%	64%
Bonds and Cash	34%	30%
Property	9%	6%
	<u><b>100%</b></u>	<u><b>100%</b></u>

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ended 30 June 2019 is as follows:

	<b>2019</b>	<b>2018</b>
	£'000	£'000
Actual return less expected return on plan assets	642	98
Expected less actual plan expenses	(10)	(9)
Experience gains and losses arising on plan liabilities	32	75
Changes in assumptions underlying the present value of plan liabilities	(693)	324
Actuarial loss recognised in the statement of total recognised gains and losses	<u><b>(29)</b></u>	<u><b>488</b></u>

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

	<b>2019</b>	<b>2018</b>
	£'000	£'000
Net defined benefit liability at beginning of year	(784)	(1,447)
Contributions paid by the College	17	229
Recognised in income and expenditure	(92)	(54)
Actuarial gain	(29)	488
Net defined benefit liability at end of year	<u><b>(888)</b></u>	<u><b>(784)</b></u>

# CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

## NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2019

### 26 RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of its Trustees it is inevitable that transactions will take place with organisations in which a member of the College Council may have an interest. All transactions involving organisations in which a member of the College Council may have an interest are conducted at arm's length and in accordance with the College's normal procedures. There are no other related party transactions. The College's officers are members of College Council and their emoluments are shown in note 8. No other members of Council received emoluments from the College.

### 27 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 enable them to be consolidated with those of the College.

	2019	2018
	£'000	£'000
<b>Turnover</b>		
The Møller Institute Ltd	7,376	6,741
Churchill Conferences Ltd	938	1,171
Churchill Residences II Ltd	3,706	1,440
<b>Net Assets</b>		
The Møller Institute Ltd	9,806	10,021
Churchill Conferences Ltd	7	8
Churchill Residences II Ltd	1	1

### 28 POST BALANCE SHEET EVENT

As set out in Note 25 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed post year end. This results in a decrease of £588k in the provision for the obligation to fund the deficit on the USS pension which would instead be £855k. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2020.

The 31 March 2018 actuarial valuation of the Retirement Income Builder section of the Scheme was finalised on 13 September 2019. The latest valuation has resulted in new, lower contribution rates, which replace the rates under the 2017 valuation as follows:

	Contribution Rates 2017 Valuation		Contribution Rates 2018 Valuation	
	01/10/19 to 31/03/20	From 01/04/20	01/10/19 to 31/03/20	From 01/04/20
Members	10.4%	11.4%	9.6%	11.0%
Employers	22.5%	24.2%	21.1%	23.7%
Total	<u>32.9%</u>	<u>35.6%</u>	<u>30.7%</u>	<u>34.7%</u>