

QUEENS' COLLEGE, CAMBRIDGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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QUEENS' COLLEGE, CAMBRIDGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30 JUNE 2016

The full name of the College is "The Queen's College of St Margaret and St Bernard, commonly called Queens' College in the University of Cambridge". The College is a corporate body consisting of the President, Fellows and Scholars.

The Governing Body, which consists of the President and the Fellows, with four student observers, holds at least six meetings each year. The Governing Body met ten times in the year to which this report relates. The President, Professorial Fellows and Official Fellows are the voting members of the Governing Body and, since the Governing Body exercises general control and management of the College, its voting members are the trustees of the charity.

*President

The Rt Hon. Prof. Lord Eatwell

Life Fellows

Prof. A C Spearing

Dr B A Callingham

Prof. J E Carroll

Prof. P G Stein⁺⁵

Revd Dr B L Hebblethwaite

Dr J T Green

Dr T H Coaker

Dr W A Phillips

Revd Dr B I Bradshaw

Prof. A. N. Hayhurst

Prof. P Spufford

Dr C J Pountain

Prof. Lord Oxburgh

Revd Canon J C Polkinghorne

Prof J Diggle

His Hon. Judge Bridge

Prof K F Priestley

Revd Dr J M Holmes

Dr H J Field²

Dr C N Pitelis²

*Professorial Fellows

Prof. P H Haynes

Prof. E A H Hall

Prof. A N Lasenby

Prof. D.K. Menon

Prof. R W Prager

*Official Fellows

Dr A D Cosh

Prof. R R Weber

Prof. J A Jackson

Prof. R G Fentiman

Prof. D Cebon

Prof R L Jones

Dr E G Kahrs

Dr A H Gee

Prof D R Ward

Prof J L Scott

Dr J W F Allison

Prof B J Glover

Dr M J Milgate

Dr R A W Rex

Prof C E Bryant

Dr M P V Crowley

Dr J C Muldrew

Dr J W P Campbell

Dr H R N Jones

Prof M J Dixon

Dr A C Thompson

Dr J R Gog

Dr A A Seshia

Prof E M Terentjev

Dr I Sitaridou

Dr A Zurcher

Dr A M Rossi

Mr J Spence

Dr G J McShane

Dr M Edmonds

Dr J J Maguire

Dr G M Fraser

Dr L S Tiley

Dr R Nickl

Dr J W Kelly

Dr A C Rice

Dr D J Butterfield

Dr A Paterson

Dr E Gallo

Mr R M C Kitt

Dr S Haggarty

Dr C J Bickerton

Mr C Karakoulas

Dr C Brendon

Dr S Pegler

Dr D J Parker

Dr G Denyer Willis

Dr T Bekinschtein²

Dr E McPherson²

Dr J Baxendine²

Miss A Bumke²

Dr A Zaccone²

Bye-Fellows

Dr R D H Walker

Dr A D Challinor

Dr G H Treece

Dr H J Stone

Mr T S Butlin

Mr S J Price

Dr S Wollston¹

Dr M E B Tait

Revd T C Harling

Dr M Williamson

Dr R M Faragher

Dr T S Cordiner

Dr E Moyroud

Dr I K Patterson²

Dr J M Escartin Esteban³

Dr B Roman⁴

Research Fellows

Dr F I Paddeu

Dr I Martincorena

Miss O Rosenboim

Dr V Acedo-Matellan

Dr M Polgovsky Ezcurra²

Mr M S Keibek²

Emeritus Fellows

Dr A M W Glass

Prof J Russell²

Prof. A M Gamble²

¹ To 30th September 2015

² From 1st October 2015

³ From 1 January 2016

⁴ From 27th May 2016

⁺⁵ Obit 7 August 2016

*Charity Trustees

QUEENS' COLLEGE, CAMBRIDGE

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Senior Officers

President	The Rt. Hon. Professor Lord Eatwell
Vice-President	Professor E A H Hall
Senior Tutor	Dr J W Kelly
Senior Bursar	Mr J Spence

PRINCIPAL COMMITTEES

Bursarial Committee

The Rt Hon. Professor Lord Eatwell, President
Professor E A H Hall, Vice President
Mr J Spence, Senior Bursar
Dr R D H Walker, Estates Bursar
Dr J W Kelly, Senior Tutor
Mr R M C Kitt, Development Director
Mr C Karakoulas, Domestic Bursar
Professor R L Jones
Dr A H Gee
Dr R A W Rex
Dr D Butterfield
Dr A C Rice

Fellowships Committee

The Rt Hon Professor Lord Eatwell, President
Professor E A H Hall, Vice-President
Dr J W Kelly, Senior Tutor
Mr J Spence, Senior Bursar
Professor R W Prager
Professor E M Terentjev
Dr L S Tiley
Dr R Nickl
Dr C J Bickerton
Dr A C Thompson

Investments Committee

The Rt Hon. Professor Lord Eatwell, President
Professor E A H Hall, Vice President
Mr J Spence, Senior Bursar
Professor R R Weber
Dr M J Milgate
Professor M J Dixon, Dean of College
Mr R R Foulkes (Queens' Alumnus)
Mr A Pomfret (Queens' Alumnus)
Mrs A Koerling (Queens' Alumna)

Teaching and Learning Committee

Dr J W Kelly, Senior Tutor
Dr A C Thompson, Admissions Tutor
All Directors of Studies of the College
Tutors charged with Admissions
Admissions Co-ordinator
Graduate Administrator

Tutorial Committee

The Rt Hon. Professor Lord Eatwell, President
Dr J W Kelly, Senior Tutor
Professor M J Dixon, Dean of College
Mr C Karakoulas, Domestic Bursar
All Tutors of the College
Revd T C Harling, Chaplain

QUEENS' COLLEGE, CAMBRIDGE

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 30 JUNE 2016

PROFESSIONAL ADVISORS

Auditors

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

Actuaries

Cartwright Group Ltd
Suite 7, 2nd Floor, The Hub, IQ Farnborough
Farnborough
Hampshire
GU14 7JP

Bankers

National Westminster Bank plc
23 Market Street
Cambridge
CB2 3PA

Investment Fund Managers

Heronbridge Investment Management LLP
1 Queen Street
Bath
BA1 1HE

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Property Advisors

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Carter Jonas LLP
6 – 8 Hills Road
Cambridge
CB2 1NH

Solicitors

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

CHARITY INFORMATION

Charity Registration 1137495

Registered Address Silver Street, Cambridge CB3 9ET

Website www.queens.cam.ac.uk

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation

Queens' College, Cambridge is a self-governing academic community and body corporate, comprising the President, Fellows and Scholars and is one of the thirty-one Colleges in the University of Cambridge. The provisions which regulate the purposes and administration of the College are to be found in its Royal Charter, dated 30th March 1448, and its Statutes, as made in 1955 and variously amended from time to time.

The Governing Body

The Charity Trustees of the College are the voting members of the Governing Body, being its President, Professorial Fellows and Official Fellows, appointed by the Governing Body in accordance with the Statutes of the College. The membership of the Governing Body is given on page 3.

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

Under the College Statutes, the Governing Body has the discretion to form committees to consider and to make recommendations to the Governing Body in accordance with the College's Statutes. The Governing Body also has the discretion to delegate powers to committees. The Governing Body has formed a number of committees, the principal ones being:-

- **Bursarial Committee** – to oversee the financial management of the College in accordance with the College Statutes, under the overall direction of the Governing Body. In accordance with the College Statutes, the Senior Bursar, advised by the Bursarial Committee, is responsible for the financial management of the College, subject to the overall direction of the Governing Body. The Bursarial Committee, without the Bursars, acts as an Audit Committee;
- **Investments Committee** – to keep under continual review the investments of the College, against agreed benchmarks, to recommend and implement the investment policy approved by the Governing Body, to maintain consultation with the College's financial advisors;
- **Fellowships Committee** – to consider and advise the Governing Body on the general needs of the College in relation to appointments to Fellowships, in all classes, in accordance with the Statutes of the College;
- **Teaching and Learning Committee** - to review all aspects of College teaching and its relationship to University teaching and to make recommendations accordingly to the Governing Body;
- **Tutorial Committee** – to review and consider general issues pertaining to the welfare of students of the College and to advise the Governing Body on all matters of policy pertaining to student welfare.

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These Committees are a key component of the College's system of internal control, which is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the extent and nature of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30th June 2016 and up to the date of approval of the financial statements. The Governing Body is responsible for ensuring the effectiveness of the systems of internal control: all the above Committees make regular reports to the Governing Body through the medium of detailed minutes, as well as dedicated reports.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work of the various Committees, the Senior College Officers and other 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.

Induction and Training of Members of the Governing Body

Upon admission to the Fellowship, new members of the Governing Body receive, inter alia:-

- A copy of the College Statutes
- A copy of the most recent Annual Report and Accounts
- A copy of procedures and policies relating to the College
- An up-to-date list of College Officers, Committees and their membership
- A copy of the Charity Commission's guide to the responsibilities of a Charity Trustee (both the full and summary versions)
- A copy of Being a Trustee (the Charity Commission's easy read guidance, which explains the main things that a Trustee needs to know)
- Copies of minutes of previous meetings of the Governing Body and its principal committees
- A declaration of qualifications to be a Trustee (to be signed and held by the College)
- A list of all diary dates relevant to membership of the Governing Body
- Information about the management of conflicts of interest
- The latest circulars from the Charity Commission

Each new member has an induction meeting with the Senior Bursar, prior to attending a meeting of the Governing Body.

Risk Management

The Governing Body is committed to an ongoing policy of identifying, monitoring and managing the risks that might adversely affect the operations and reputation of the College. The Bursarial Committee, chaired by the President, reviews periodically the operational, financial, regulatory and legal risks facing the College, (including reviewing the Corporate Risk Register) and reports accordingly to the Governing Body. The Governing Body keeps under review the structures to deal with risk and is satisfied that appropriate structures are in place to identify, manage and mitigate the risks faced by the College.

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Scope of Financial Statements

The financial statements are a consolidation of the results of Queens' College and its subsidiaries, QC Enterprises Limited and Q College Property Limited. Q College Property Limited has continued to be non-trading during the year.

AIMS AND OBJECTIVES OF THE COLLEGE

The College is an institution of higher education. Its purposes are the promotion of study and prayer.

The College has the following aims and objectives:

- to maintain the College's emphasis on the individual in academic and pastoral provision; to deliver an excellent undergraduate education by safeguarding the provision of small-group teaching through the College-based supervision system; and to achieve and maintain the highest standards in education at both undergraduate and postgraduate levels while maintaining pastoral support through the tutorial system;
- to support a community of Fellows, students and staff, allowing the benefits of a large, internationally renowned University to be realised in a small and close-knit community;
- to promote academic research of the highest quality by Fellows and students;
- to maintain and enhance the endowments and benefactions, historic buildings and grounds of the College for the benefit of future generations.

Remaining an independent foundation, forming part of a collegiate university, is fundamental to the College's long-term strategy. The College endorses the University's mission and core values and agrees that the partnership between the University and the Colleges is central to Cambridge's future development. The College will continue to play an active role in University bodies and in contributing to the formulation of University policy.

In pursuit of its aims and objectives, as well as its charitable objects, the College admits (as junior members) undergraduate and graduate students matriculated in the University of Cambridge. It provides financial and other support to those of its members who require it in order to achieve its aims and objects and it supports teaching and research in the University. In furtherance of its objects, the College maintains and manages an endowment of property and financial assets. Besides financial and tutorial support, the College also supplies accommodation, catering and other services to its members and others.

Public benefit statement

In accordance with its Royal Charter of 1448, the College's charitable objects are the promotion of study and prayer through the provision of a College in the University of Cambridge.

The College provides, in conjunction with the University of Cambridge, an education for some 508 undergraduate and 522 graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and

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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.

The College additionally advances study 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;
- 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 academics from outside the University of Cambridge; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including important special collections), so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely, as well as external scholars and researchers.

The College carries forward the tradition, continuous since its foundation, of being a place of prayer. In particular, the College:

- Maintains and supports the Chapel as a place of prayer and holds a variety of religious services on week days and at weekends during term, which are open to the general public and visitors.
- Supports, through the College Chaplaincy team, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in study.

However, beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and visiting schoolchildren and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities. The services in the College Chapel are open to the public and are attended by local residents and visitors to Cambridge.

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The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

The College charges the following fees:

- a) College composition fees at externally regulated rates to undergraduates entitled to those rates and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to Overseas undergraduates and any Home/EU undergraduates not entitled to the regulated rates; and
- b) Accommodation and meal charges at reasonable rates.

In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University, other Colleges and the Isaac Newton Trust, bursary support for those of limited financial means. In 2015/2016, 85 undergraduates (out of our 442 Home/EU undergraduates) received such bursaries with a total value of £254,965. The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement. It is widely advertised, on the University website, on College websites and in the Admissions Prospectus. The College spent £102,251 on additional bursaries in 2015/2016.

The College also supports all students through a grant scheme to assist with attendance at conferences, and travel grants. In 2015/2016 the College spent £29,282 on this scheme.

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship. In 2015/2016 the College made hardship grants totalling £65,026.

The sole condition for admission as an undergraduate to Queens' is academic potential. The College will use its best endeavours to ensure that no student is prevented from studying here because of disability or any other social or financial consideration. We are particularly keen to receive applications from schools with no previous tradition of sending students to Cambridge. To further this aim, and to fulfil our desire to widen access to the University in general, we have developed an extensive programme of activities to support potential applicants. We run several open days each year, allowing applicants to experience a Cambridge College for themselves. We receive visits from schools in College and also go out and visit schools ourselves. We run seminars for teachers and allow teachers to observe our interviews to give them a real sense of how our admission process works from the inside. Our outreach and widening participation activity, as part of a University-wide agreement to link areas to Colleges, is particularly focused on Bradford, Kent and Havering but we are happy to engage with any school that contacts us. All this activity is coordinated through the Admissions Office and is the responsibility of our Admissions Tutor and our Schools Liaison Officer.

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In order to fulfil its charitable purposes, the College employs College Lecturers, Tutors, Clergy and senior academic and administrative officers. These posts are qualifying offices under the College Statutes. The appointment of Fellows is a result of their employment in a qualifying office which office is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the President and Fellows occurs solely through their employment in a relevant qualifying office by means of salaries, stipends and employment related benefits and is objectively reasonable, measured against academic stipends generally; moreover, annual pay increases normally follow national settlements applying to the university sector, as implemented by the University of Cambridge. Without the employment through qualifying offices of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

The President and Fellows of the College also receive benefits as beneficiaries. These comprise research grants, conference grants, book grants etc. These benefits are provided with the intention of furthering the College's aims. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to other beneficiaries of the College.

Academic Performance

In 2015/2016 475 undergraduates sat University classed examinations with 82.95% obtaining grades in the First Class or the upper division of the Second Class (or in the undivided Second Class).

Funding of the College

Queens' College is funded from several sources as follows:

	2015/2016	2014/2015	2013/2014	2012/2013
Academic Fees	24.9%	27.5%	28.7%	30.4%
College Accommodation	24.2%	25.1%	25.9%	25.9%
College Catering	6.9%	7.4%	8.2%	8.7%
Conference Activities (including Catering)	9.8%	9.1%	12.4%	10.9%
Investment Income	19.5%	20.8%	16.4%	14.4%
Donations	13.3%	8.8%	7.3%	8.8%
Other	1.4%	1.3%	1.1%	0.9%

The above table excludes new endowments from the calculations as they are, by definition, gifts of a capital nature and not to be expended. Future income from the new endowments will appear as Investment Income.

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Financial Review

This year sees the introduction of a revised accounting standard for the Colleges within the University of Cambridge. The Income and Expenditure account has been amended to bring it more into line with the standards followed by other charities: The previous Statement of Total Recognised Gains and Losses has been abolished. This means that new endowments are, for the first time, shown in the Income and Expenditure account, although these gifts are, by definition of a capital nature and cannot be expended but must become part of the College's permanent endowment. It is, therefore, doubtful that this is a sensible approach for permanently endowed charities, such as the College, to follow as it amalgamates true income with enhancements to the endowment. The previous year's results have been restated to reflect the new standard.

In common with other organisations, the financial year to 30th June 2016 has been a challenging one in difficult economic circumstances. The College has continued to pursue its principal goals of providing a first class educational and research environment to undergraduates, graduate students and Fellows alike, whilst striving to live within its means.

The College's principal objective to provide a world class education to its undergraduates and graduate students places a heavy burden on its resources. Last year this meant spending c£9,000 on each undergraduate student, mainly through the intensive support provided by the individual's Director of Studies, Supervisors and Tutors. The total cost of educating 508 undergraduates, 522 graduate students and funding research came to £6,116,000. Our academic fee income, including Cambridge Bursaries money, was £3,534,000, leaving the balance of £2,582,000 to be found from the College's own resources, including from the generosity of its old members. Excluding the costs of research, which are met through dedicated income streams, the balance of £2,305,000 is equal to c£4,540 per undergraduate, being 50% of the total cost.

The balance funded from the College's own resources has steadily increased over recent years and presents a significant, continuing challenge to the College. Undergraduates admitted since Michaelmas 2013 now pay higher University fees for themselves, with a likely commensurate need for increased bursary provision. Increased levels of debt are likely to put heavy pressure on Queens' hardship funds.

Financial Results

The College achieved an Operating Surplus, before New Endowments of £1,227,000, as set out in the Income and Expenditure Statement on page 25. This result also included £1,861,000 of donations of a revenue nature, or unrestricted in respect of their capital, principally in support of education, but it does not include new endowments totalling £3,085,000 in support of various College's activities, including funds for fellowships and teaching, bursaries and hardship funds. The College is very grateful to those of its old members who continue to support it so generously.

The surplus after taking account of new endowments, in accordance with the new standard, amounted to £4,312,000 (2014/15 £1,880,000).

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Year ended 30 th June	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
Operating Income	13.91	12.28	11.15	10.54	10.55
Expenditure	<u>12.68</u>	<u>12.24</u>	<u>10.69</u>	<u>10.08</u>	<u>9.74</u>
Operating Surplus (Deficit)	1.23	0.04	0.46	0.46	0.85
New Endowments	<u>3.08</u>	<u>1.84</u>			
Total Surplus before Other Gains and Losses	4.31	1.88			

The Operating Surplus includes income from the Endowment of £2,678,000, while any realised gains or losses for the Endowment are included in the Other Gains and Losses.

The Operating Surplus of £1,227,000 is realised after charging depreciation of £1,903,000. The depreciation charge has more than doubled in the last eight years, but still does not yet quite reflect the true annual cost to the College of maintaining and enhancing its operational properties, including the main College site. This year the College shows as part of its comprehensive Income and Expenditure account other gains and losses relating to investments assets (£2,738,000) and pension liabilities (-£264,000) giving a total surplus of £6,786,000. Neither of these figures are true income being "marked to market" items.

There are a number of financial highlights to draw to your attention:

- overall income before New Endowments was 12.8% higher than the previous year;
- overall expenditure increased by 5.8% over the previous year;
- the contribution to the College's overhead of its conference activities was still significant at £1.35 million, this was some 21% higher than in 2014/2015. In cash terms it is the same level achieved in 2008/2009 and reflects the difficult trading environment;
- the deficit on the Education Account was £2,583,000;
- the College's Residence and Catering activity showed a deficit of £253,000. This is 50% less than last year;
- the net assets of the College stand at £96.6 million, following the increase in fixed assets, an increase in investment assets' capital values and a 10% increase in the pension liability under FRS17.

The College is not immune from the effects of an economic downturn and it took several years after the financial crisis for Endowment Income to recover. This year Endowment Income has increased by 4%. The income generated from the Endowment this year is the highest it has ever been.

Main Endowment and Investment Assets

The College, as a long term investor, has a medium risk appetite for the management of its investments. While risk parameters are agreed with the College's Fund Managers, there are no ethical restrictions placed on the investments that may be made, save that the Managers are required to have due regard to a company's environmental, social and governance record. The market value of the main Endowment and Investment Assets at 30th June 2016 was £75.93 million, invested in global equities (63%), cash, (3.7%), a charity multi asset fund (5.9%) residential property, farmland and property unit trusts (16.8%) and the

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balance in the recognised alternative asset classes of private equity and absolute return funds. It should be noted that the private equity investments are unquoted and shown at managers' estimated value on a "marked to market" basis; a new departure for this year in accordance with the revised accounting standard.

The College's direct investment property assets have not been re-valued during the year.

	2016	2015	2014	2013	2012
	£mn	£mn	£mn	£mn	£mn
Year ended 30th June					
Endowment & Investments Assets	75.93	69.09	65.37	58.58	53.14
Actual Income	2.68	2.57	1.83	1.51	1.54
Gains (Losses)	<u>2.73</u>	<u>3.01</u>	<u>6.79</u>	<u>5.44</u>	<u>(1.79)</u>
Total Return	5.41	5.58	8.62	6.95	(0.25)

The total recorded return on the investment assets in the year was 7.91% (8.54% 2015). Unlike some Colleges in Cambridge, Queens' only uses its Actual Income in its day to day operations. The College does not drawdown any of its investment gains but accumulates them within reserves as it is, relatively speaking, an under-endowed College.

Capital Expenditure and Building Renewals

During the year the College spent £3.1 million on maintaining, improving and enhancing its buildings and their environs. This year saw the completion of the work on the buildings at Owlstone Croft. The College has continued with its ongoing programme of refurbishing the College's main site accommodation, as well as its houses within the city, to improve the quality of the accommodation it provides its undergraduates and graduates. This is part of a long term programme.

Future Capital Projects

In 2016/2017, the College will renew the roof on the north side of Old Court above the Library, an area of College last renewed in 1911. The College will also continue with its expenditure programme to improve and enhance the College Estate.

Long Term Debt Issue

The significant projects of the last two years were funded, as previously reported, using the proceeds of an unsecured long-term debt issue in which the College participated with 18 other Colleges. The College's share of the issue was £8 million with an average life of 34 years at an effective rate of 4.42% per annum fixed for the duration of the loan. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges. This issue was a good example of the Cambridge Colleges working well together for a common purpose.

Staff Costs

Approximately 50% of the College's total expenditure is represented by staff costs, both academic and non-academic. It is likely that pay settlements will be very subdued for the foreseeable future. There is, however, a high cost associated with pension contributions. The Cambridge Colleges Federated Pension Scheme (CCFPS), a pension scheme exclusively for non-academic staff, has its full liability recorded in the balance sheet under FRS17. The deficit shown this year has increased by £264,000. There is an additional

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impact in the staff costs shown in the Income and Expenditure account of £248,000 arising from FRS 17. The College is reducing its pension liability under the scheme with additional contributions over a thirteen year period.

Reserves Policy

The College's unrestricted funds amount to £43.5 million, before any pension asset or liability, and are represented in the balance sheet by the College's operational buildings, which are used for teaching and residential purposes, and by part of the investment portfolio. The Endowment Assets and restricted funds amount to £59.44 million and are represented by part of the investment portfolio.

The College takes a long term view of the investment portfolio and attempts to protect its value in real terms and, as a result, to strike an equitable balance between the interests of the present members of the College and future generations. Any new donations or bequests received during the year are added to Unrestricted Funds, unless the donor has made it clear that the funds are to be spent on a particular project.

Principal Risks and Uncertainties

The principal risks and uncertainties that the College faces may be briefly summarised:

- the current economic uncertainties, following the credit crunch and its aftermath as well as the recent referendum in the United Kingdom on membership of the European Union, have a significant effect on the markets in which the College invests and it is possible that capital values will be highly volatile and investment income may again be adversely affected;
- the economic situation may adversely affect the College's conference activities which are a significant contributor to the College's overheads;
- although the College has a long term programme of building renewal and improvement, it is always possible with buildings of the age of the College's estate that there will be unexpected issues that may arise;
- the volatility in investment markets could be one of the factors that may give rise to a deterioration in the pension liability;
- the failure of academic fees to keep up with the rise in academic costs, as well as the inevitable uncertainties with a significant change to the funding of Universities in England, mean that the funding and costs associated with the College's core activity will need to be kept under constant review.

Future Plans

During the course of the coming year the College intends to pursue a number of developments in its pursuit of academic excellence. It will continue to work on encouraging applications from applicants with high academic potential from all parts of society.

The Governing Body of the College is currently undertaking a comprehensive review of its strategy in all areas of its activity. Conclusion of this review is likely to occur during the next financial year.

It will also continue to develop plans for raising funds to enhance significantly the College's endowment to enable it to continue achieving its objectives following agreed strategic priorities for fundraising approved by the Governing Body in 2010. It will focus principally on raising permanent capital funds for fellowships and teaching, the core activity of the College. Through the Alumni & Development Office, the College will again undertake in 2016/2017 a telephone fund raising campaign. This is an activity that many other Colleges undertake, often with considerable success.

The major building plans have been mentioned earlier in this report.

QUEENS' COLLEGE, CAMBRIDGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

Conclusion

The College's financial provision can be described as adequate, although by no means comfortable, but there is a great deal to be done to secure properly the long term future of the College especially for the provision of teaching and research excellence, providing for graduate students and refurbishing and enhancing the historic and other operational buildings.

In the medium term, the College needs to increase its endowment from all sources by at least £45 million and the College is making some progress towards this goal. The College will also continue to control costs and manage resources to best effect to support its principal objective of providing a first class education. It is not at all certain that academic fees will be increased adequately to meet the full costs of educating our undergraduates and the College needs to plan and act accordingly.

There is no doubt that the challenging environment in which the College has operated in the last year will continue for the foreseeable future and the College will strive to use its resources wisely and efficiently in these difficult circumstances.

The Rt. Hon. Professor Lord Eatwell
Mr J Spence, Senior Bursar
Mr B Karakoulas, Domestic Bursar
Mr R M C Kitt, Development Director
Dr A H Gee
Dr D J Butterfield

Professor E A H Hall, Vice-President
Dr R D H Walker, Estates Bursar
Dr J W Kelly, Senior Tutor
Professor R L Jones
Dr R A W Rex
Dr A Rice

QUEENS' COLLEGE, CAMBRIDGE

RESPONSIBILITIES OF THE GOVERNING BODY

FOR THE YEAR ENDED 30 JUNE 2016

The Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The Bursarial Committee has day to day responsibility, under the overall direction of the Governing Body, for ensuring that there is an effective system of internal control and that accounting records are properly kept in accordance with the College's Statutes. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University, for approval by the Governing Body 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 Governing Body is required to:

- select suitable accounting policies and then apply these 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.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to achieve policy, aims and objectives and to safeguard the assets of the College and prevent and detect fraud and other irregularities.

Any system of internal control, however, is designed to manage rather than eliminate risk and can only provide reasonable, not absolute, assurance against failure to achieve policy aims and objectives and material misstatement or loss.

The Governing Body 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.

QUEENS' COLLEGE, CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

FOR THE YEAR ENDED 30 JUNE 2016

We have audited the financial statements of Queens' College for the year ended 30 June 2016 which comprise the consolidated statement of comprehensive income and expenditure, the consolidated statement of changes in reserves, the consolidated balance sheet, the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body, as a body, in accordance with College's Statutes, the Statutes of the University of Cambridge and with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's Governing Body those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNING BODY AND AUDITORS

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

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the College's affairs as at 30 June 2016 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and

QUEENS' COLLEGE, CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

FOR THE YEAR ENDED 30 JUNE 2016

- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date:

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016

Basis of preparation

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 17. Intra-group balances are eliminated on consolidation.

A separate balance sheet and related notes for the College are not included in the accounts because the College's subsidiary company is a conference and banqueting trading company which donates its profits to the College each year. The balance sheet for the College alone would not be materially different to the one included in the accounts.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

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.

Donations and endowments

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 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.

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016

Donations and endowments (continued)

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

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

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

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

Investment income and change in value of investment assets

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

Other income

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

Cambridge Bursary Scheme

In 2015-16, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, Cambridge University reimbursed the SLC for the full amount and each College paid their portion (based on their own eligible students) to the University.

However, to remain consistent with previous years' presentation as well as the system agreed for 2016-17 (where the College pays Cambridge Bursaries to eligible students and receives a contribution from the University), for 2015-16 the College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges", although strictly speaking this was not a College transaction for this year.

The net payment of £98,468 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£156,497
Expenditure	£254,965

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.

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

Fixed assets

Land and buildings

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

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful economic lives of 50 years.

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

The cost of additions to operational property shown in the balance sheet includes the cost of land. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	33.33% per annum

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 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Fixed asset 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.

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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

Contingent liabilities and assets

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

Taxation

The College is a registered charity (number 1137495) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

Contribution under Statute G, II

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

Pension costs

The College participates in two funded defined benefit pension schemes, Cambridge Colleges Federated Pension Scheme (CCFPS) and the Universities Superannuation Scheme (USS)

Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the Fellows' or employees' services.

Universities Superannuation Scheme (USS)

Throughout the current and preceding periods, the Universities Superannuation Scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

Pension costs (continued)

within the scheme will fund the overall deficit), the College also recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS 102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any material unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Transition to the 2015 RCCA

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

Reserves

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

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

QUEENS' COLLEGE, CAMBRIDGE

Consolidated Statement of Comprehensive Income and Expenditure

FOR THE YEAR ENDED 30 JUNE 2016

		2015-16				2014-15			
	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
INCOME									
Academic fees & charges	1	3,534			3,534	3,388			3,388
Residences, catering and conferences	2	5,614			5,614	5,114			5,114
Endowment and investment income	3	1,196	938	544	2,678	1,058	933	575	2,566
Other income		202			202	166			166
Total income before donations and endowments		10,546	938	544	12,028	9,726	933	575	11,234
Donations		1,861			1,861	1,032			1,032
Deferred Capital write back		0			0	0			0
New endowments			857	2,228	3,085		1,128	713	1,841
Capital grants from colleges fund					0				0
Other capital grants for assets			15		15		15		15
Total income		12,407	1,810	2,772	16,989	10,758	2,076	1,288	14,122
EXPENDITURE									
Education	4	4,859	714	544	6,117	4,451	793	575	5,819
Residences, catering and conferences	5	5,867			5,867	5,586			5,586
Other expenditure		671			671	808			808
Contribution under Statute G, II		22			22	29			29
Total expenditure	6	11,419	714	544	12,677	10,874	793	575	12,242
Surplus (deficit) before other gains and losses		988	1,096	2,228	4,312	(116)	1,283	713	1,880
Gains(loss) on disposal of fixed assets	8	0			0	0			0
Gains(loss) on investments	9	1,567	378	793	2,738	983	634	1,400	3,017
Surplus (deficit) for the year		2,555	1,474	3,021	7,050	867	1,917	2,113	4,897
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets					0				0
Actuarial gain(loss) in respect of pension schemes	15	(264)			(264)	555			555
Total comprehensive income for the year		2,291	1,474	3,021	6,786	1,422	1,917	2,113	5,452

The notes on pages 29 to 42 form part of these accounts

QUEENS' COLLEGE, CAMBRIDGE

Statement of Changes in Reserves Year Ended 30th June 2016

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
	£'000	£'000	£'000	£'000
Balance at 1 July 2015				
Opening balance	34,943	16,156	38,808	89,907
Surplus/(Deficit) from income and expenditure statement	2,555	1,474	3,021	7,050
Other comprehensive income	(264)	0	0	(264)
Release of restricted capital funds spent in year	15	(15)	0	0
Balance at 30th June 2016	37,249	17,615	41,829	96,693

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
	£'000	£'000	£'000	£'000
Balance at 1 July 2014				
Opening balance	32,711	14,254	36,695	83,660
Prior year adjustment-deferred capital opening balance	1,046	0	0	1,046
Prior year adjustment-USS pension deficit provision	(251)	0	0	(251)
Surplus/(Deficit) from income and expenditure statement	867	1,917	2,113	4,897
Other comprehensive income	555	0	0	555
Release of restricted capital funds spent in year	15	(15)	0	0
Balance at 30th June 2015	34,943	16,156	38,808	89,907

The notes on pages 29 to 42 form part of these accounts

QUEENS' COLLEGE, CAMBRIDGE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 Group £'000	2015 Group £'000
NON CURRENT ASSETS			
Fixed assets	8	35,231	33,806
Heritage Assets	8	15	15
Investments	9	75,934	69,099
		<u>111,180</u>	<u>102,920</u>
CURRENT ASSETS			
Stocks	10	413	397
Trade and other receivables	11	2,178	3,126
Cash and cash equivalents	12	(858)	(233)
		<u>1,733</u>	<u>3,290</u>
Creditors: amounts falling due within one year	13	1,950	2,581
Total Assets less current liabilities		110,963	103,629
Creditors: amounts falling due after more than one year	14	(8,000)	(8,000)
Provisions			
Pension provisions	15	(6,270)	(5,722)
Other provisions		0	0
Total net assets		<u>96,693</u>	<u>89,907</u>
Restricted reserves			
Income and expenditure reserve-endowment reserve	17	41,829	38,808
Income and expenditure reserve-restricted reserve	18	17,615	16,156
Unrestricted Reserves			
Income and expenditure reserve-Unrestricted		37,249	34,943
TOTAL RESERVES		<u>96,693</u>	<u>89,907</u>

The notes on pages 29 to 42 form part of these accounts

These accounts were approved by the Governing Body on 30 September, 2016 and signed on their behalf by

Lord Eatwell
President

Jonathan Spence
Senior Bursar

QUEENS' COLLEGE, CAMBRIDGE

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
	Note	£'000	£'000
Net cash inflow from operating activities	19	4,477	623
Cash flows from investing activities	20	(4,748)	(121)
Cash flows from financing activities	21	<u>(354)</u>	<u>(354)</u>
Increase/(decrease) in cash equivalents in the year		(625)	148
Cash and cash equivalents at beginning of the year		(233)	(381)
Cash and cash equivalents at end of the year	12	<u><u>(858)</u></u>	<u><u>(233)</u></u>

The notes on pages 29 to 42 form part of these accounts

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

1 Academic fees and charges

	2016	2015
	£000	£000
Fee income received at the Regulated undergraduate rate	2,005	1,992
Fee income received at the unregulated undergraduate rate	431	394
Fee income received at the Graduate rate	942	832
Other Income	156	170
	<u>3,534</u>	<u>3,388</u>

2 Income from residences, catering and conferences

Accommodation:	College members	3,325	3,086
	Conferences and banquets	466	365
Catering:	College members	942	913
	Conferences and banquets	881	750
Total		<u>5,614</u>	<u>5,114</u>

3 Endowment and investment income

3a Analysis

	2016	2015
	£000	£000
Income from:		
Land and buildings	3	6
Quoted securities	2,146	2,193
Fixed interest securities	0	0
Income from short-term investments	11	6
Other interest receivable	518	361
Total	<u>2,678</u>	<u>2,566</u>

3b Investment management costs

	2016	2015
	£000	£000
Land and buildings	2	16
Quoted securities - equities	39	0
Fixed interest securities	0	0
Other investments	0	0
Cash	0	0
Total	<u>41</u>	<u>16</u>

4 Education expenditure

	2016	2015
	£000	£000
Teaching	2,920	2,723
Tutorial	1,188	1,165
Admissions	519	460
Research	279	277
Scholarships and awards	613	619
Other educational facilities	598	575
Total	<u>6,117</u>	<u>5,819</u>

5 Residences, catering and conferences expenditure

Residences, catering and conferences expenditure		2016	2015
		£000	£000
Accommodation:	College members	3,552	3,421
	Conferences and banquets	486	399
Catering:	College members	1,084	1,120
	Conferences and banquets	745	646
Total		5,867	5,586

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

6a Analysis of 2015/2016 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	3,351	2,110	656	6,117
Residences, catering and conferences	2,726	1,894	1,247	5,867
Other	298	395	0	693
	<u>6,375</u>	<u>4,399</u>	<u>1,903</u>	<u>12,677</u>

Expenditure includes fundraising costs of £443,275. This expenditure includes the costs of alumni relations

6b Analysis of 2014/2015 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	3,016	2,150	653	5,819
Residences, catering and conferences	2,505	1,911	1,170	5,586
Other	239	377	0	616
	<u>5,760</u>	<u>4,438</u>	<u>1,823</u>	<u>12,021</u>

Expenditure includes fundraising costs of £379,236. This expenditure includes the costs of alumni relations

6c Auditors' remuneration

	2016 £000	2015 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	29	28
Other fees payable to the College's external auditors	1	2

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

7 Staff costs

Consolidated	College Fellows	Other academic	Non- academic	Total	Total
	£000	£000	£000	2016 £000	2015 £000
Staff Costs:					
Emoluments	1,345	224	3,813	5,382	4,822
Social security	113	0	287	400	391
Pension	240	0	353	593	547
	<u>1,698</u>	<u>224</u>	<u>4,453</u>	<u>6,375</u>	<u>5,760</u>
Average staff numbers (full-time equivalents)	31.0	n.a.	146.5	177.5	169.5
Academic numbers of Governing Body	53				

Of the 59 Fellows declared above 56 are stipendiary.

No Fellow received any remuneration in respect of their role as a charity Trustee.

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The President, Senior Bursar, and Senior Tutor are the College's key management personnel.

	Total 2016 £'000	Total 2015 £'000
Key management personnel aggregated emoluments	261	260

8 Fixed assets

	Land and buildings £000	Assets in construction £000	Equipment £000	Heritage Assets £000	2016 Total £000	2015 Total £000
Cost or valuation						
At beginning of year	42,544	1,909	2,029	15	46,497	36,938
Additions at cost	3,113	(58)	273	0	3,328	9,977
Transfers	0	0	0	0	0	0
Disposals	0	0	353	0	353	418
At end of year	<u>45,657</u>	<u>1,851</u>	<u>1,949</u>	<u>15</u>	<u>49,472</u>	<u>46,497</u>
Depreciation						
At beginning of year	11,707	0	969	0	12,676	11,271
Charge for the year	1,519	0	384	0	1,903	1,823
Eliminated on disposal	0	0	353	0	353	418
Written back on revaluation	0	0	0	0	0	0
At end of year	<u>13,226</u>	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>14,226</u>	<u>12,676</u>
NET BOOK VALUE						
At end of year	<u>32,431</u>	<u>1,851</u>	<u>949</u>	<u>15</u>	<u>35,246</u>	<u>33,821</u>
At beginning of year	<u>30,837</u>	<u>1,909</u>	<u>1,060</u>	<u>15</u>	<u>33,821</u>	<u>25,667</u>

The insured value of freehold land and buildings as at 30 June 2016 was £143m (2015: £142m).

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

8 Tangible fixed assets (continued)

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 July 2005 have been capitalised. However the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of the cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous years were as follows:

	2016	2015	2014	2013	2012
	£000	£000	£000	£000	£000
Acquisitions purchased with specific donations	0	0	0	0	0
Acquisitions purchased with College funds	0	0	0	0	0
Total cost of acquisitions purchased	0	0	0	0	0
Value of acquisitions by donation	0	0	0	0	0
Total acquisitions capitalised	0	0	0	0	0

9 Fixed asset investments

	2016	2015
	Total	Total
	£000	£000
Balance at beginning of year	69,099	73,371
Additions	11,353	7,020
Disposals	7,256	14,309
Less: impairment on unquoted securities	0	0
Gain/(loss)	2,738	3,017
Increase/(decrease) in cash balances held at fund managers	0	0
Balance at end of year	75,934	69,099
Represented by:		
Property	12,104	6,683
Quoted securities – equities	51,643	51,837
Fixed interest securities	587	500
Other investments	7,276	3,917
Cash in hand & at investment managers	4,324	6,162
Total	75,934	69,099

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

10 Stocks and work in progress

	2016	2015
	£000	£000
Goods for resale	413	396
Work in progress	0	0
Other Stocks	0	1
	<u>413</u>	<u>397</u>

11 Trade and other receivables

	2016	2015
	£000	£000
Members of the College	15	17
Amounts due from subsidiary undertakings	0	0
Other receivables	2,097	3,042
Prepayments and accrued income	66	67
	<u>2,178</u>	<u>3,126</u>

12 Cash and cash equivalents

	2016	2015
	£000	£000
Short-term money market investments		
Bank deposits		
Current accounts	(867)	(242)
Cash in hand	9	9
	<u>(858)</u>	<u>(233)</u>

13 Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	902	1,261
Members of the College	316	291
Amounts due to subsidiary undertakings	0	0
Receipts in advance	636	926
University Fees	74	74
Contribution to Colleges Fund	22	29
Accruals and deferred income		
Other creditors		
	<u>1,950</u>	<u>2,581</u>

14 Long term loan

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £8 million. The Loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

15 Pension provisions	2016	2015
CCFPS	£000	£000
Balance at beginning of year	5,382	5,498
Movement in year:		
Current service costs including life assurance	872	860
Contributions	(624)	(421)
Other finance cost	0	0
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	264	(555)
Balance at end of year	5,894	5,382
USS		
Balance at beginning of year	340	251
Current service costs including life assurance	249	283
Contributions	(223)	(201)
Other finance cost	10	7
Balance at end of year	376	340

16 Principal subsidiary undertakings

The College owns 100% of the ordinary share capital of QC Enterprises Limited, a company incorporated in England. The principal activity of the company is the provision of conference and banqueting services at the College.

17 Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2016 Total £000	2015 Total £000
Balance at beginning of year				
Capital	14,881	23,927	38,808	36,695
New Donations and endowments	2,221	7	2,228	713
Increase/(decrease) in market value of investments	364	429	793	1,400
Balance at end of year	17,466	24,363	41,829	38,808

Analysis by type of purpose

Fellowship funds	9,479	0	9,479	7,769
Scholarship funds	2,601	0	2,601	2,453
Prize Funds	0	0	0	0
Hardship funds	100	0	100	98
Bursary funds	3,646	0	3,646	2,959
Travel grant funds	238	0	238	233
Other funds	112	0	112	109
General	1,290	24,363	25,653	25,187
	17,466	24,363	41,829	38,808

Analysis by asset

Property	2,784	3,883	6,667	3,753
Investments	13,687	19,092	32,779	31,594
Cash	995	1,388	2,383	3,461

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

18 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2016 Total £000	2015 Total £000
Balance at beginning of year	0	503	15,653	16,156	14,254
Capital	0	0	15,258	15,258	14,016
Accumulated income	0	503	395	898	238
New grants	0	0	0	0	0
New donations	15	0	857	872	1,143
Endowment return transferred	0	460	478	938	933
Other investment income	0	0	0	0	0
Increase/(decrease) in market value of investments	0	0	378	378	634
Expenditure	0	248	466	714	793
Capital grants utilised	15	0	0	15	15
Balance at end of year	0	715	16,900	17,615	16,156
capital	0	0	17,012	17,012	15,258
Accumulated income	0	715	(112)	603	898
Analysis of other restricted funds/donations by type of purpose					
Fellowship funds	0	505	12,692	13,197	11,859
Scholarship funds	0	50	584	634	685
Prize Funds	0	0	0	0	0
Hardship funds	0	(8)	1,137	1,129	1,076
Bursary funds	0	127	452	579	552
Travel grant funds	0	21	29	50	43
Other funds	0	20	1,814	1,834	1,758
General	0	0	192	192	183

19 Reconciliation of consolidated surplus for the year to net cash inflow from operating activities

	2016 £000	2015 £000
Surplus/(deficit) for the year	7,050	4,897
Adjustment for non-cash items		
Depreciation	8	1,903
Loss/(gain) on endowments, donations and investment property	17	(2,738)
Decrease/(increase) in stocks	10	(16)
Decrease/(increase) in trade and other receivables	11	948
Increase/(decrease) in creditors	13	(630)
Increase/(decrease) in provisions		0
Pension costs less contributions payable	15	284
Adjustment for investing or financing activities		
Investment income	(2,678)	(2,566)
Interest payable	354	354
Profit on the sale on non-current assets	0	0
Net cash inflow from operating activities	4,477	623

QUEENS' COLLEGE, CAMBRIDGE
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20 Cash flows from investing activities

	2016	2015
	£000	£000
Proceeds from the sales of non-current fixed assets	0	0
Non-current investment disposal	7,256	14,309
Investment income	2,678	2,566
Endowment funds invested	0	0
Withdrawal of deposits	0	0
Payments made to acquire non-current assets	(14,682)	(16,996)
Total cash flows from investing activities	(4,748)	(121)

21 Cash flows from financing activities

	2016	2015
	£000	£000
Interest paid	(354)	(354)
Interest element of finance rental payment	0	0
New secured loans	0	0
Repayments of amounts borrowed	0	0
Capital element of finance lease rental payment	0	0
Total cash flows from financing activities	(354)	(354)

22 Capital commitments

	2016	2015
	£000	£000
Capital commitments at 30 June 2016 are as follows:		
Authorised and contracted	750	0
Authorised but not yet contracted for	500	0

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

23 Transition to 2015 RCCA

As explained in the accounting policies, these are the College's first financial statements prepared in accordance with FRS 102 and the 2015 RCCA. The accounting policies set out in 'The Statement of Principal Accounting Policies' have been applied in preparing the comparative information for the year ended 30 June 2015 and the opening financial information at 1 July 2015 resulting in a restatement of these figures.

In accordance with FRS 102 a reconciliation of opening balances is provided here.

	30 June	2015
		£000
Surplus (Deficit) for the year as previously stated		352
Revised treatment of deferred capital		(46)
Adjustment for movement in pension deficit funding provision of USS		(89)
Adjustment for gains (losses) previously recognised in the statement of Recognised Gains and Losses	3,017	
New Endowments	1,841	
Other capital grants for fixed assets	15	
Actuarial profit (loss) in respect of pension schemes	555	
		<u>5,428</u>
Total Comprehensive Income as restated		<u><u>5,645</u></u>
	01 July	30 June
	2014	2015
	£000	£000
Reconciliation of reserves and balances		
Reserve balances as previously stated	83,660	89,233
Revised treatment of deferred capital	1,046	1,014
Pension deficit funding provision	(251)	(340)
Reserve balances restated	<u><u>84,455</u></u>	<u><u>89,907</u></u>

24 RELATED PARTIES

The College maintains a Register of Interest for all Fellows and College employees with spending authority. It is updated every six months and during the year to 30th June 2016 it reveals that no material events occurred. The College continues its investment in joint equity properties with 3 College Fellows. The total investment by the College in 2015 amounted to £382,175.

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

PENSION COSTS

The College participates in two defined benefit pension schemes.

UNIVERSITIES SUPERANNUATION SCHEME

The total cost charged to the Income and Expenditure is £248,000 (2015: £555,000) as shown in note 15.

The latest available full actuarial valuation of the scheme was at 31 March 2014 (“the valuation date”), which was carried out using the projected unit method.

Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

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

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

	2016	2015
Discount rate	3.6%	3.3%
Pensionable salary growth	n/a	3.5% in the first year and 4.0% thereafter
Pension increases (CPI)	2.2%	2.2%

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

Male members’ mortality	98% of S1NA [“light”] YoB tables – No age rating
Female members’ mortality	99% of S1NA [“light”] YoB tables - Rated down 1 year

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

	2016	2015
Males currently aged 65 (years)	24.3	24.2
Females currently aged 65 (years)	26.5	26.4
Males currently aged 45 (years)	26.4	26.3
Females currently aged 45 (years)	28.8	28.7
	2016	2015
Scheme assets	£49.8bn	£49.1bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

CAMBRIDGE COLLEGES FEDERATED PENSION SCHEME

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme.

The liabilities of the plan have been calculated for the purposes of FRS 102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, at 31 March 2014, but allowing for the different assumptions required under FRS 102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	<u>30 June</u> <u>2016</u>	<u>30 June</u> <u>2015</u>
Discount rate	2.8%	3.7%
Rate of increase in salaries	2.4%*	2.75%**
RPI assumption	2.9%	3.25%
CPI assumption	1.9%	2.25%
Pension increased in payment (RPI Max 5% pa)	2.7%	3.05%
Pension increases in payment (CPI Max 2.5% pa)	1.7%	n/a

*1.5% in 2016, 2.4% thereafter.

**1.5% in 2015 and 2016, 2.75% thereafter.

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2015 future improvement factors and a long-term rate of future improvement of 1% pa (2015: same base table with CMI_2014 future improvement factors and a long-term future improvement rate of 1% pa). This results in the following life expectancies:

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

QUEENS' COLLEGE, CAMBRIDGE

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FOR THE YEAR ENDED 30 JUNE 2016

PENSION SCHEMES (CONTINUED)

The assets in the Scheme and the expected rates of return were:

	<i>Long-term rate of return expected at 30/06/2016</i>	<i>Value at 30/06/2016</i>	<i>Long-term rate of return expected at 30/06/2015</i>	<i>Value at 30/06/2015</i>	<i>Long-term rate of return expected at 30/06/2014</i>	<i>Value at 30/06/2014 £</i>
Equities and Hedge Funds		7,623,501	7.0%	7,479,375	7.0%	6,691,513
Cash, Bonds & Net Current Assets		4,522,416	3.9%	2,709,919	3.9%	2,198,640
Property		<u>775,271</u>	6.0%	<u>650,380</u>	6.0%	<u>669,152</u>
Total	3.4%	<u>12,921,188</u>	6.0%	<u>10,839,674</u>	6.0%	<u>9,559,305</u>

The following results were measured in accordance with the requirements of FRS17:

	2016 £	2015 £	2014 £
Total market value of assets	12,921,188	10,839,674	9,559,305
Present value of Scheme liabilities	<u>(18,815,463)</u>	<u>(16,221,268)</u>	<u>(15,057,595)</u>
Surplus/(deficit) in the Scheme	<u>(5,894,275)</u>	<u>(5,381,594)</u>	<u>(5,498,290)</u>

The amounts recognised in income and expenditure are as follows:

	30 June 2016 £	30 June 2015 £
In staff costs: Current service cost (net of employee contributions)	<u>672,482</u>	<u>627,201</u>
In endowment and investment income:		
Interest cost	607,579	636,297
Expected return on pension scheme assets	<u>(406,949)</u>	<u>(403,783)</u>
Net return	<u>200,630</u>	<u>232,514</u>
Actual return on pension scheme assets	<u>1,843,864</u>	<u>1,310,524</u>

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

PENSION SCHEMES (CONTINUED)

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

	30 June 2016	30 June 2015
	£	£
Present value of plan liabilities at beginning of period	16,221,268	15,057,595
Current service cost (including employee's contributions)	839,576	773,891
Interest on plan liabilities	607,579	636,297
Actuarial (gains) losses	1,700,544	351,742
(Gain)/loss on plan changes	0	0
Curtailment (gain)/loss	0	0
Benefits paid	(553,504)	(598,257)
Present value of plan liabilities at end of period	18,815,463	16,221,268

Changes in the fair value of scheme assets are as follows:

	30 June 2016	30 June 2015
	£	£
Market value of plan assets at beginning of year	10,839,674	9,559,305
Contributions by the College	624,060	421,412
Additional contributions by members (including AVCs)	167,094	146,690
Benefits (and expenses) paid	(553,504)	(598,257)
Interest on plan assets	406,949	403,783
Return on assets, less interest included in Profit & Loss	1,436,915	906,741
Market value of plan assets at end of year	12,921,188	10,839,674

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

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
	£	£	£	£	£
Present value of plan liabilities	(18,815,463)	(16,221,268)	(15,057,595)	(13,136,940)	(10,841,678)
Market value of plan assets	12,921,188	10,839,674	9,559,305	8,879,707	7,689,276
Surplus/(deficit)	(5,894,275)	(5,381,594)	(5,498,290)	(4,257,233)	(3,152,402)
Experience adjustments on plan liabilities	50,242	305,907	(75,896)	16,474	(92,398)
Change in assumptions underlying present value of plan liabilities	(1,750,786)	(657,649)	(999,399)	(1,536,936)	(137,133)

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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

Funding policy

Funding valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the funding valuation are different to those adopted under FRS 102.

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

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dates 4 March 2016 and are as follows:

- Annual contributions of not less than £171,782 pa payable for the period from 1 July 2015 to 31 March 2029.

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