CHRIST'S COLLEGE
CAMBRIDGE

Annual report of the Trustees
and Accounts prepared under the
Recommended Cambridge College Accounts (RCCA) format
for the year ended 30 June 2019

Christ's College
St Andrew's Street
Cambridge
CB2 3BU

Registered charity number 1137540

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OPERATING AND FINANCIAL REVIEW

1. STRUCTURE, GOVERNANCE & MANAGEMENT

Christ's College is a self-governing corporate body, established by royal charter. The Statutes & Ordinances, which are published on the College website, govern the activities of the College. The Governing Body is comprised of the Fellows of the College. A list of Fellows is also published on the College website. Undergraduate and postgraduate student representatives are also co-opted members of the Governing Body. The College is a registered charity (registered number 1137540) 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. The College Council is responsible for oversight of the management of the assets, income, expenditure and educational business of the College, in accordance with the directions and subject to the limitations laid down in the College statutes. The College Council consists of the Master, the Bursar and the Senior Tutor, *ex officio*, and ten members elected from the membership of the Governing Body. Each elected member is elected to serve for a period of two years and may be re-elected for two further terms of two years each. Members of the Council during the year ended 30 June 2019 were:

(ex officio)	Professor B J Stapleton FBA (Master), Mr D J Ball (Bursar), Dr R E Hunt (Senior Tutor)
(elected)	Dr Beck, Professor Betegh (to 28.09.18), Professor Edwardson Professor Gay, Professor Leslie, Professor Marteau, Dr Pfeifer, Dr Punskaya, Dr Read (from 28.09.18), Dr Shvets, Dr Vout

From 28 September 2018 to the year end, a majority of the Trustees were female.

No fees are paid to Fellows in respect of their duties as members of the College Council, although a number of the members of the Council hold office or employment with the College and receive remuneration in respect of the services they provide. Stipends, salaries and fees for these services are determined on the advice of a remuneration committee with external members. The total amount paid to serving members of the Council in the year ended 30 June 2019, including pension contributions, was £0.5m (2018: £0.5m). Declarations of interest are made systematically at meetings.

The Council is advised in carrying out its duties by a number of committees. The Financial Control Committee advises the Council on the annual budget, monitors income and expenditure during the year, and reviews the annual report and accounts before presentation to Council and Governing Body. The accounts of the College and its subsidiaries are externally audited. The Investments Committee, which includes members with relevant professional expertise, receives reports from professional advisers and advises the Council on estates and securities investments. The principal officers of the College are the Master, who is responsible overall for the work of the College, the Bursar who is its chief administrative and financial officer and the Senior Tutor who is responsible for the oversight of its educational work.

2. AIMS, OBJECTIVES AND PUBLIC BENEFIT

The College's objective is the advancement of education, religion, learning and research through the provision of a college within the University of Cambridge. The primary aim of the College, as an independent foundation within a collegiate university, is the provision of education leading to degrees awarded by the University of Cambridge. It also supports research by Fellows and students. The College creates public benefit in these ways, for both individual students and more broadly for society.

The College commits significant resources to various outreach activities designed to encourage undergraduate applications by able candidates from all backgrounds and schools. This supports the University's Access and Participation plan, which has been agreed with the Office for Students.

Financial aid is also provided to students. The College typically provides access bursaries, awarded on the assessment of financial need, for over 25% of UK/EU undergraduates and over 100 scholarships and prizes, awarded on performance in University examinations. The College also offers studentships and grants towards travel and research expenses for academic purposes.

Within the collegiate university, the College's educational role (in common with the other Colleges) is to select and admit its own undergraduates and graduates, to provide advice about programmes of study and arrange small-group teaching for undergraduates, to provide pastoral care and to monitor each individual student's progress. Ancillary to this role, the College provides a library, residential accommodation, catering and recreational facilities and a chapel. The College also makes provision for student activities in sport, music, drama and the visual arts. It seeks to enable its students to achieve their full potential, through both academic success and participation in the broad range of extra-curricular activities which the College and the University provide. The 500-year-old College site contains much that is uniquely important in the nation's architectural heritage. The College maintains these buildings and gardens, and allows public access to the gardens for most of the year.

The benefits afforded by collegiate life in the Cambridge system are the interactions that are fostered within a relatively small but diverse community, both academically across disciplines and socially, between students and Fellows (who are often leading scholars or researchers in their field). A high proportion of students live in or close by the College, take meals in College and participate in College clubs, societies, and sporting activities; some Fellows are resident in College and many are present in College during the day in term time, to teach, to participate in College business or because it is their base to carry out research. The drop-out rate among the College's undergraduates is extremely low, compared to the national average. This is attributed to the care taken in the selection of undergraduates for admission, the provision of pastoral care, the attention paid to teaching in small groups, the steps taken to monitor each individual student's progress, and the financial support available through bursaries in cases of hardship. The academic progress of graduate students reading for higher degrees is primarily the responsibility of the faculty or department of the University in which they work. The College however provides considerable support for these students also, through pastoral care, residential accommodation for many graduate students in College flats or houses, the opportunity to participate in social and sporting activities and to interact with the Fellowship, access to research and travel grants, and financial assistance.

3. FUNDING

3.1 The College's main sources of funding were income generated from its charitable activities and its investments:

	£000	
	2018/19	2017/18
Academic Fees & Charges	3,067	3,002
Residences, Catering & Conferences	4,182	4,175
Investment Income	3,136	2,981

The College also received donations and new endowments of £2.9m (2017-18: £2.4m).

3.2 The College continues to rely heavily on investment income, and on bequests and donations, in order to undertake its charitable activities. It continues to seek funding for:

- additional support for undergraduate and graduate students
- provision of teaching Fellowships
- additional accommodation for graduate students and improvement of other College facilities

Together with donations and legacies for general purposes, these will help the College to continue to provide the quality of teaching and collegiate experience to which we remain committed.

3.3 We are required to report each year on the approach taken to fundraising.

The Trustees are satisfied that the College's fundraising activity conforms to recognised standards of practice. The College is registered with the Fundraising Regulator.

The College benefits from charitable donations and legacies, which are mostly from members of the College, their families and friends. The Development Office produces a range of communications material to update College members on recent activities in College and describing current initiatives. Fundraising activity with these individuals is managed by the College's Development Office staff, who are salaried and do not receive any compensation linked to donations. We also receive some support from charitable foundations. We may make proactive approaches to such foundations and other 'corporate' donors.

There is also an annual telephone campaign, proactively contacting a number of College members. (Those who may be contacted are given each year a prior opportunity to opt out.) Campaign calls are made by current students at the College and appropriately supervised. The College engages a firm of consultants to work with the Development Office to deliver the campaign.

Fundraising activity is monitored in several ways. All donations are reported to the College's Governing Body (which includes the Trustees) at its regular meetings. There is also a College committee which meets regularly to receive reports on fundraising and to approve planned activity. No annual financial KPIs are set because the incidence of donations and bequests is unpredictable, but the College monitors the effectiveness of activity.

The College's practices protect College members and the general public, including vulnerable people, from frequent or pressured requests to make donations. Individuals' preferences in relation to all College communications are recorded and respected.

No complaints about fundraising matters were received during the year.

4. ACHIEVEMENTS AND PERFORMANCE

The Trustees have had due regard throughout the year to the Charity Commission's guidance on public benefit, and consider that the College again delivered its planned public benefits in 2018/19.

4.1 Educational Activities

It is pleasing to report that for the second successive year the College's undergraduates achieved the best performance in University Tripos examinations, as measured by the Tompkins Table. Undergraduates also participated in a wide range of other sporting, cultural and charitable activities, with a number of notable achievements.

Graduate students also continued to achieve good academic results, while the graduate community within the College was active in organizing academic and social events through the MCR.

The College operates within policies and strategies determined by the University and the Colleges collectively, for example on admissions targets and the provision of teaching. The numbers of undergraduate and graduate students in residence and registered with the University were:

	2018/19	2017/18
Undergraduates	437	440
Postgraduates	249	258

4.2 Research Activities

The College provided a variety of financial support to Fellows and students for research, with a number receiving recognition of their achievements during the year.

The College also provides Fellowships for early career academics both as Junior Research Fellows and as College Teaching Officers. In 2018-19 there were in total 17 such Fellows, including one on leave ('intermitting'), and 4 new elections were made during the year.

5. FINANCIAL REVIEW

The College has prepared its consolidated accounts in accordance with the Recommended Cambridge College Accounts or 'RCCA' format.

5.1 Statement of Comprehensive Income & Expenditure

There was again a deficit on continuing operations (excluding donations). Fee income from UK and EU undergraduates is regulated. There was also an increase in the staff pensions deficit relating to the cost of funding prior years' service.

Significant gains were made on investments (net of distributions during the year).

The College was fortunate to receive generous donations and bequests, including a major donation to purchase an additional graduate hostel very close to the College, which has been refurbished and will accommodate students for the 2019-20 academic year.

5.2 Balance Sheet

The consolidated balance sheet remains strong, with retained investment gains and donations increasing total reserves to £197m (2018: £190m). The College has sufficient liquid funds to meet all normal contingencies.

5.3 Reserves Policy

Unrestricted reserves totalled £78m (2018: £76m), of which £76m represents conservatively valued fixed assets, giving "free reserves" of £2m. These are considered adequate, taking into account the predictable nature of the College's main classes of unrestricted income and expenditure. (Any future increases in pension provisions for past service will be funded over a number of years.) There are also Endowment assets of £107m which support the College's activities.

5.4 Investments

The College makes long term investments to generate income to support its charitable activity, while also seeking to preserve the real value of its capital (after inflation) to maintain inter-generational equity between current and future beneficiaries. The main elements of the College's investment policy are:

- Asset allocation to achieve through diversification an appropriate balance between expected risks and returns – the main classes of investment currently held are equities, directly owned UK property and various non-equity 'alternative investments' including credit and hedge funds.

- Investment through or on the advice of carefully selected professional managers.

- Oversight on behalf of the Trustees by an Investments Committee comprised of Fellows and members of the College with relevant professional experience.

The College's external managers take ESG factors into account in their investment processes.

Total returns from the College's investments were in excess of the amount appropriated to fund current spending, as set out in note 3b to the accounts. Total returns of about 6.3% were made on securities and about 7.7% on commercial and agricultural property holdings, with an overall return of under 7%. The distribution from the endowment during the year was just over 3% of the opening value of the endowment.

5.5 Risk Management

The Council has established policies and procedures to manage the major risks to which the College is exposed. There are three main types of risk, relating to:

- The safety of the College's buildings and facilities. These risks are mitigated primarily by management procedures, including compliance with relevant regulations, and alarm systems.

- The security of the College's assets. There are both physical security measures in place and established financial control procedures. Cyber security measures are in place to protect information assets. Insurance arrangements are reviewed annually with professional advisers.

- Investment risks relating to the College's long term investments. The main risk mitigation measures, as described in section 5.4, are an asset allocation policy which provides diversification by type of investment, management of investments by carefully selected professional managers and oversight of asset allocation and investment performance by an Investments Committee which includes both Trustees and experienced investment professionals.

There are, as always, uncertainties regarding the future external environment within which the College will operate, most notably regarding higher education policy and funding. The Council considers however that the College will be able to respond effectively to changes in that environment.

6. PLANS FOR THE FUTURE

The College does not anticipate major changes to its education and research activities in the foreseeable future, with student numbers in particular now expected to remain stable. Activity will also continue to support the University’s Access and Participation commitments. Plans have been prepared to construct additional student accommodation on the main College site, in response to past increases in student numbers, but planning permission has now been secured. As noted above, there are various uncertainties about the external environment.

Mr D J Ball
Bursar
Christ’s College
Cambridge

Date: 4 October 2019

The College's principal external advisers

Auditors	PEM Salisbury House Station Road Cambridge CB1 2LA
Legal Advisers	Ashtons Legal Chequers House 77-81 Newmarket Road Cambridge CB5 8EU
Bankers	Lloyds Black Horse House Castle Park Cambridge CB3 0AR
Property Managers	Bidwells Bidwells House Trumpington Road Cambridge CB2 9LD
Investment Managers	Various

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 funds and assets for which the Governing Body is responsible, in accordance with the College's statutes.

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.

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.

The College Council is responsible for reviewing the effectiveness of the system of internal control. The Council's review is informed by the work of the various committees, the Bursar 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.

Responsibilities of the Trustees

The trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The College's statutes and the statutes and ordinances of the University of Cambridge require the College 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 trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The trustees are responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept.

The trustees are responsible for taking reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

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

Independent auditors' report to the Trustees of Christ's College

Opinion

We have audited the financial statements of Christ's College (the 'College') for the year ended 30 June 2019 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 notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are 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 trustees 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

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 auditors' 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/auditorsresponsibilties. This description forms part of our auditors' report.

Use of our report

This report is made solely to the College trustees, as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our audit work has been undertaken so that we might state to the College trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed

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

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, its May Ball and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 24. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies other than the May Ball, since these are not material.

Recognition of income

Academic fees
Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

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.

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.

Donations and endowments (continued)

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

Total return
With effect from 1 July 2012, the College has invested its endowment investment portfolio and allocated a proportion of the related earnings and capital appreciation to the income and expenditure account in accordance with the total return investment concept. The allocation to income is determined by a spending rule, which is designed to maintain an appropriate balance between annual levels of distribution from the endowment and the maintenance over time of the real value of the endowment.

Prior to 1 July 2012, all investment income was credited to the income and expenditure account in the period in which it was received.

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

Cambridge Bursary Scheme
The College receives a contribution from the University towards this scheme. The College continues to include the gross payment made to eligible students as expenditure and the contribution from the University as Income under "Academic Fees and Charges".

To summarise, the net payment has been shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

	2019	2018
	£'000	£'000
Income (see note 1)	159	147
Expenditure	329	314
Net payment	170	167

Foreign currency translation
Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. 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.

Fixed assets

Land and buildings
The buildings on the main College site have been valued at depreciated replacement cost. The value of the land on the main College site has not been capitalised.

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 lives as follows:

Specialised buildings	100 years
Flats & hostels	50 years

Leasehold land is depreciated over the life of the lease up to a maximum 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.

Furniture, fitting and equipment
Furniture, fittings and equipment costing less than £20k 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:

IT fibre	20 years
Furniture and fittings	10 years
Motor vehicles and general equipment	10 years
Computer equipment and fire alarms	5 years.

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. 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 market value. Listed securities are included at published prices. Unlisted securities are included at managers' valuations, which are prepared in accordance with accepted accounting standards. Overseas investments are translated into sterling at the rates ruling at the balance sheet date.

The College's investment in its development subsidiary is valued on the expected future cash flows of the company, discounted at an appropriate rate. Development land is valued by the Bursar, after discussion with professional advisers, using expected future cash flows, discounted at an appropriate rate.

Investment properties are valued on an annual basis by professional valuers, following RICS guidelines.

Investment income from securities is included as and when dividends and interest become payable. Interest on bank deposits is included on an accrual basis. Income from investment properties is recognised in the period in which the rental relates

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.

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 1137540) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 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 Church of England Funded Pension Scheme (CEFPS), a hybrid scheme, Universities Superannuation Scheme (USS), and two defined contribution pension schemes, Cambridge Colleges Group Pension Plan, which is administered by Aviva, and The NOW: Pensions Trust. The assets of the schemes are held in separate trustee administered funds.

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.

Cambridge Colleges Federated Pension Scheme (CCFPS)
In the case of the CCFPS, costs comprise service and finance costs.

Universities Superannuation Scheme (USS)
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.

Church of England Funded Pension Scheme (CEFPS)
As for the USS, because of the mutual nature of the CEFPS scheme, the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. The amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period and in addition there is also a deficit recovery plan in place for the CEFPS and a liability has been recognised for the contributions payable by the College under the plan.

Cambridge Colleges Group Pension Plan (administered by Aviva) and the NOW: Pensions Trust
The Aviva and NOW: Pensions schemes are defined contribution schemes, hence the cost charged to the Income and Expenditure Account represents the employer contributions due in the financial year.

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 unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

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.

Consolidated Statement of Comprehensive Income and Expenditure

Year ended 30 June 2019

	Note	Unrestricted	Restricted	Endowment	2019 Total	Unrestricted As restated	Restricted	Endowment	2018 Total As restated
Income		**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Academic fees and charges	1	3,067	-	-	3,067	3,002	-	-	3,002
Residences, catering and conferences	2	4,182	-	-	4,182	4,175	-	-	4,175
Investment income	3	83	-	-	83	48	-	-	48
Endowment return transferred	3	1,906	1,147	-	3,053	1,863	1,070	-	2,933
Other income		-			-	179	-	-	179
Total income before donations and endowments		9,238	1,147	-	10,385	9,267	1,070	-	10,337
Donations		1,757	600	-	2,357	1,008	521	-	1,529
New endowments		-	-	512	512	-	-	676	676
Capital grants for assets		-	31	-	31	-	182	-	182
Total income		10,995	1,778	512	13,285	10,275	1,773	676	12,724
Expenditure									
Education	4	4,357	1,390	-	5,747	3,991	1,160	-	5,151
Residences, catering and conferences	5	5,723	5	-	5,728	5,497	4	-	5,501
Other expenditure		5	1	-	6	261	1	-	262
Contribution under Statute G,II		42	22	-	64	38	21	-	59
Total expenditure	6	10,127	1,418	-	11,545	9,787	1,186	-	10,973
Surplus/(deficit) before other gains and losses		868	360	512	1,740	488	587	676	1,751
Gain/(loss) on disposal of fixed assets	8	-	-	-	-	2	-	-	2
Gain/(loss) on investments	9	385	490	5,482	6,357	510	606	4,187	5,303
Surplus/(deficit) for the year		1,253	850	5,994	8,097	1,000	1,193	4,863	7,056
Other comprehensive income									
Actuarial (loss) in respect of pension schemes	15	(847)	-	-	(847)	730	-	-	730
Total comprehensive income for the year		406	850	5,994	7,250	1,730	1,193	4,863	7,786

Statement of Changes in Reserves
Year ended 30 June 2019

	Note	Income and expenditure reserve			
		Unrestricted	Restricted	Endowment	**Total**
		£000	**£000**	**£000**	**£000**
Balance at 1 July 2018		76,117	13,032	100,358	189,507
Surplus/(Deficit) from income and expenditure statement		1,253	850	5,994	8,097
Other comprehensive income		(847)	-	-	(847)
Release of restricted capital funds spent in the year		2,016	(2,016)	-	-
Transfers between funds		(162)	26	136	-
Balance at 30 June 2019		78,377	11,892	106,488	196,757

	Note	Income and expenditure reserve			
		Unrestricted	Restricted	Endowment	**Total**
		£000	**£000**	**£000**	**£000**
Balance at 1 July 2017		74,426	11,837	95,497	181,760
Prior year adjustment: residue of donations following investment			1	(1)	-
Prior year adjustment: May Ball consolidation	23	(39)	-	-	(39)
		74,387	11,838	95,496	181,721
Surplus/(Deficit) from income and expenditure statement		1,000	1,194	4,862	7,056
Other comprehensive income		730	-	-	730
Balance at 30 June 2018		76,117	13,032	100,358	189,507

The notes on pages 22 to 37 form part of these accounts

Consolidated and College Balance Sheets as at 30 June 2019

	Note	2019 Consolidated £000	2019 College £000	2018 Consolidated £000	2018 College £000
Non-current Assets					
Fixed assets	8	76,380	76,380	74,119	74,119
Investments	9	126,626	126,626	122,089	122,089
Current assets					
Stocks	10	79	79	69	69
Trade and other receivables	11	809	725	980	943
Cash and cash equivalents	12	11,213	11,206	9,667	9,646
Creditors: amounts falling due within one year	13	(1,436)	(1,435)	(1,776)	(1,761)
Net current assets		10,665	10,575	8,940	8,897
Total Assets less current liabilities		213,671	213,581	205,148	205,105
Creditors: amounts falling due after more than one year	14	(10,000)	(10,000)	(10,000)	(10,000)
Provisions					
Pension provisions	15	(6,914)	(6,914)	(5,641)	(5,641)
Total net assets		196,757	196,667	189,507	189,464
Restricted reserves					
Income and expenditure reserve – endowment reserve	16	106,488	106,488	100,358	100,358
Income and expenditure reserve – restricted reserve	17	11,892	11,892	13,032	13,032
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		78,377	78,287	76,117	76,074
Total Reserves		196,757	196,667	189,507	189,464

The financial statements were approved by the College Council on 4 October 2019 and signed on its behalf by:

Mr D J Ball
Bursar, Christ's College, Cambridge

The notes on pages 22 to 37 form part of these accounts

Consolidated Cash Flow Statement
For the year ended 30 June 2019

		2019	2018
	Note	**£000**	**£000**
Net cash inflow from operating activities	19	1,849	2,030
Cash flows from investing activities	20	(303)	(2,495)
Increase/(decrease) in cash and cash equivalents in the year		1,546	(465)
Cash and cash equivalents at beginning of the year		9,667	10,132
Cash and cash equivalents at end of the year	12	11,213	9,667

The notes on pages 22 to 37 form part of these accounts

Notes to the Accounts
For the year ended 30 June 2019

1 Academic fees and charges

	2019 £000	2018 £000
Colleges fees:		
Fee income received at the Regulated Undergraduate rate	1,600	1,634
Fee income received at the Unregulated Undergraduate rate	624	555
Fee income received at the Graduate rate	684	666
Other income	159	147
Total	3,067	3,002

2 Income from residences, catering and conferences

		2019 £000	2018 £000
Accommodation	College members	2,358	2,329
	Conferences	718	674
Catering	College members	534	585
	Conferences	572	587
Total		4,182	4,175

3 Endowment return and investment income

	2019 £000	2018 £000
3a Analysis		
Total return contribution (see note 3b)	3,053	2,933
Other interest receivable	83	48
Total	3,136	2,981

3b Summary of total return

	2019 £000	2018 £000
Income from:		
Land and buildings	1,201	1,328
Quoted and other securities and cash	1,172	1,219
Gains/(losses) on endowment assets:		
Land and buildings	2,801	696
Quoted and other securities and cash	4,607	5,369
Investment management costs (see note 3c)	(371)	(377)
Total return for year	9,410	8,235
Total return transferred to income and expenditure reserve (see note 3a)	(3,053)	(2,933)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 19)	6,357	5,302

3c Investment management costs

	2019 £000	2018 £000
Land and buildings	(197)	(229)
Securities	(174)	(148)
Total	(371)	(377)

The costs shown for Securities include all investment fees invoiced to the College. It should be noted that other investment costs are also incurred within investment funds. Investments are valued net of all such costs and the total return shown in Note 3b is also net of all such costs.

4 Education expenditure

	2019	2018
		As restated
	£000	£000
Teaching	1,517	1,458
Tutorial	742	719
Admissions	355	333
Research	568	644
Scholarships and awards	894	803
Other educational facilities	1,671	1,194
Total	5,747	5,151

5 Residences, catering and conferences expenditure

		2019	2018
			As restated
		£000	£000
Accommodation	College members	3,800	3,704
	Conferences	650	611
Catering	College members	673	617
	Conferences	605	569
Total		5,728	5,501

6a Analysis of 2018/2019 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	2,599	3,011	137	5,747
Residences, catering and conferences	3,203	1,749	776	5,728
Other	-	70	-	70
Totals	5,802	4,830	913	11,545

Expenditure includes fundraising costs of £0.4m. This expenditure includes the costs of alumni relations.

6b Analysis of 2017/2018 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	As restated	As restated		
	£000	£000	£000	£000
Education	2,184	2,786	181	5,151
Residences, catering and conferences	3,073	1,733	695	5,501
Other	-	294	27	321
Totals	5,257	4,813	903	10,973

Expenditure includes fundraising costs of £0.4m. This expenditure includes the costs of alumni relations.

6c Auditors' remuneration

	2019	2018
	£000	£000
Other operating expenses include:		
Audit fees payable to the College's external auditors	33	33
Other fees payable to the College's external auditors	7	6

7 Staff costs

Consolidated	College Fellows £000	Other academic £000	Non-academic £000	2019 Total £000	2018 Total £000
Staff costs:					
Emoluments	1,030	-	3,295	4,325	4,154
Social security costs	98	-	263	361	351
Other pension costs	518	-	594	1,112	745
Holiday pay provision	-	-	4	4	7
Total	1,646	-	4,156	5,802	5,257
Average staff numbers:					
Academic (numbers of stipendiary staff)	51	-	1	52	47
Non-academic (full time equivalent)	3	-	106	109	109
Total	54	-	107	161	156

The Governing Body comprises 82 Fellows, of which the 54 declared above are stipendiary.

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

Trustees and key management personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The trustees of the college, i.e. the College Council, are also the key management personnel.

The members of College Council received no emoluments in their capacity as trustees of the charity, however they received emoluments totalling £0.4m (2018: £0.5m) in their capacity as college officers.

Notes to the Accounts
For the year ended 30 June 2019

8 Fixed assets

Consolidated and College	**Land and buildings £000**	**Assets in construction £000**	**Equipment £000**	**2019 Total £000**	**2018 Total £000**
Cost or valuation					
At beginning of year	75,150	3,868	1,978	80,996	77,237
Additions	2,412	525	237	3,174	3,758
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At end of year	77,562	4,393	2,215	84,170	80,995
Depreciation					
At beginning of year	6,060	-	817	6,877	5,973
Charge for the year	739	-	174	913	903
Eliminated on disposals	-	-	-	-	-
At end of year	6,799	-	991	7,790	6,876
Net book value					
At beginning of year	69,090	3,868	1,161	74,119	71,264
At end of year	70,763	4,393	1,224	76,380	74,119

The insured value of freehold land and buildings as at 30 June 2019 was £140.2m (2018: £129.1m).

9 Investments

	Consolidated 2019 £000	**College 2019 £000**	**Consolidated 2018 £000**	**College 2018 £000**
Balance at beginning of year	122,089	122,089	117,286	117,286
Additions	3,023	3,023	(379)	(379)
Disposals	(4,697)	(3,368)	(1,150)	(539)
Transfers	-	-	-	-
Gain/(loss)	7,408	6,079	6,066	5,455
Increase/(decrease) in cash balances held at fund managers	(1,197)	(1,197)	266	266
Balance at end of year	126,626	126,626	122,089	122,089
Represented by:				
Property	30,777	29,497	32,672	31,773
Securities	94,888	94,888	87,259	87,258
Investments in subsidiary undertakings	-	1,280	-	900
Cash in hand and at investment managers	951	951	2,148	2,148
Other investments	10	10	10	10
	126,626	126,626	122,089	122,089

Property includes certain land holdings valued by management, after discussion with the College's professional advisers, at £4.2m (2018: £5.0m)

Notes to the Accounts
For the year ended 30 June 2019

10 Stocks and work in progress

	Consolidated 2019 £000	College 2019 £000	Consolidated 2018 £000	College 2018 £000
Goods for resale	79	79	69	69
	79	79	69	69

11 Trade and other receivables

	Consolidated 2019 £000	College 2019 £000	Consolidated 2018 £000	College 2018 £000
Members of the College	41	41	56	56
Amounts due from subsidiary undertakings	-	149	-	288
Other receivables	370	370	375	421
Prepayments and accrued income	398	165	549	178
	809	725	980	943

12 Cash and cash equivalents

	Consolidated 2019 £000	College 2019 £000	Consolidated 2018 £000	College 2018 £000
Bank deposits	1	1	1	1
Current accounts	11,211	11,204	9,665	9,644
Cash at investment managers	951	951	2,148	2,148
Cash in hand	1	1	1	1
	12,164	12,157	11,815	11,794
Investment assets	(951)	(951)	(2,148)	(2,148)
	11,213	11,206	9,667	9,646

13 Creditors: amounts falling due within one year

	Consolidated 2019 £000	College 2019 £000	Consolidated 2018 £000	College 2018 £000
Trade creditors	294	293	455	455
Members of the College	104	104	149	149
University fees	36	36	-	-
Other creditors	89	89	221	220
Accruals and deferred income	913	913	951	937
	1,436	1,435	1,776	1,761

14 Creditors: amounts falling due after more than one year

	Consolidated 2019 £000	College 2019 £000	Consolidated 2018 £000	College 2018 £000
Other loan	(10,000)	(10,000)	(10,000)	(10,000)
	(10,000)	(10,000)	(10,000)	(10,000)

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £10 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.

15 Pension provisions

	Consolidated 2019 £000	College 2019 £000	Consolidated 2018 £000	College 2018 £000
Balance at beginning of year	(5,641)	(5,641)	(6,138)	(6,138)
Movement in year:				
Current service cost including life assurance (CCFPS)	(355)	(355)	(363)	(363)
Contributions	469	469	335	335
Other finance (income)/cost	(173)	(173)	(158)	(158)
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure (CCFPS)	(847)	(847)	730	730
Change in recovery plan, discount rate or contribution assumptions (USS & CEFPS)	(367)	(367)	(47)	(47)
Balance at end of year	(6,914)	(6,914)	(5,641)	(5,641)

16 Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated and College	Unrestricted permanent endowments £000	Restricted permanent endowments £000	2019 Total £000	2018 Total £000
Balance at beginning of year				
Capital	67,561	32,797	100,358	95,497
New donations and endowments	119	393	512	677
Transfers	-	136	136	(1)
Increase/(decrease) in market value of investments	4,246	1,236	5,482	4,185
Balance at end of year	71,926	34,562	106,488	100,358
Analysis by type of purpose				
Fellowship funds	-	10,217	10,217	9,838
Scholarship funds	-	829	829	799
Prize funds	-	398	398	383
Hardship funds	-	491	491	473
Bursary funds	-	12,393	12,393	11,530
Travel and research grant funds	-	1,791	1,791	1,694
Other funds	-	8,443	8,443	8,080
General endowments	71,926	-	71,926	67,561
	71,926	34,562	106,488	100,358
Analysis by asset				
Property	30,777	-	30,777	32,672
Securities	36,875	34,562	71,437	66,152
Loan to Unrestricted Reserves	4,274	-	4,274	1,534
	71,926	34,562	106,488	100,358

17 Restricted Reserves

Reserves with restrictions are as follows:

Consolidated and College	**Capital Grants unspent**	**Permanent unspent and other restricted income**	**Restricted expendable endowment**	**2019 Total**	**2018 Total**
	£000	**£000**	**£000**	**£000**	**£000**
Balance at beginning of year					
Capital	3,667	-	4,445	8,112	7,009
Accumulated income	157	4,313	450	4,920	4,828
New grants	31	-		31	182
New donations	-	-	600	600	521
Endowment return transferred	96	928	122	1,146	1,069
Increase/(decrease) in market value of investments	143	162	185	490	607
Expenditure	(2)	(905)	(510)	(1,417)	(1,185)
Transfers	(2,016)	-	26	(1,990)	1
Balance at end of year	2,076	4,498	5,318	11,892	13,032
Capital	1,947	-	4,461	6,729	8,112
Accumulated income	129	4,498	857	5,163	4,920
	2,076	4,498	5,318	11,892	13,032
Analysis by type of purpose					
Fellowship Funds		2,434	2,660	5,094	4,943
Scholarship Funds		211	636	847	792
Prize Funds		60	-	60	55
Hardship Funds		222	-	222	215
Bursary Funds		374	1,188	1,562	1,302
Travel Grant Funds		469	379	848	802
Other Funds	2,076	728	455	3,259	4,923
	2,076	4,498	5,318	11,892	13,032

18 Memorandum of Unapplied Total Return

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

	2019 £000	2018 £000
Unapplied Total Return at beginning of year	88,243	82,941
Unapplied Total Return for year (see note 3b)	6,357	5,302
Unapplied Total Return at end of year	94,600	88,243

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

	2019 £000	2018 £000
Surplus/(deficit) for the year	8,097	7,056
Adjustment for non-cash items		
Depreciation	913	903
(Loss)/gain on endowments, donations and investment property	(7,408)	(6,066)
Decrease/(increase) in stocks	(10)	(5)
Decrease/(increase) in trade and other receivables	171	313
Increase/(decrease) in creditors	(340)	(404)
Pension costs less contributions payable	426	233
Net cash inflow from operating activities	1,849	2,030

20 Cash flows from investing activities

	2019 £000	2018 £000
Proceeds of disposal of tangible fixed assets	-	-
Non-current investment disposal	5,894	884
Endowment funds invested	(3,023)	379
Payments made to acquire non-current assets	(3,174)	(3,758)
Total cash flows from investing activities	(303)	(2,495)

21 Capital commitments

	2019 £000	2018 £000
Capital commitments at 30 June are as follows:		
Authorised and contracted	£4.0m	-

22 Pension schemes

The College participates in two defined benefits schemes, the Cambridge Colleges Federated Pensions Scheme (CCFPS) and the Church of England Funded Pension Scheme (CEFPS), one hybrid scheme, the Universities Superannuation Scheme (USS), and two defined contribution schemes, Cambridge Colleges Group Personal Pension Scheme and Now: Pensions scheme.

The total pension cost, after personal health insurance contributions, for the year to 30 June 2019 (see note 7) was as follows:

	2019 £000	2018 £000
CCFPS: charge to Statement of Comprehensive Income & Expenditure	443	421
USS: charge to Statement of Comprehensive Income & Expenditure	543	206
CEFPS	-19	10
Cambridge College Group Personal Pension Scheme	109	90
NOW: Pensions	36	18
	1,112	745

Universities Superannuation Scheme

The total cost charged to the Income and Expenditure account was £0.5m (2018: £0.2m).

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.

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

The 2017 valuation was the fourth valuation for the scheme 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%.

The key financial assumptions used in the 2017 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI – 0.53% reducing linearly to CPI – 1.32% Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21 Years 21 +: CPI + 1.7%

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:

	2017 valuation
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_2016 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:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.8	27.8

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.

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pensions increases (CPI)	2.11%	2.02%

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 £0.39m, a decrease of £0.25m from the current year end provision and a lower charge through the Statement of Comprehensive Income of £0.13m.

Cambridge Colleges Federated Pension Scheme

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

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 since that date.

The principal actuarial assumptions at the balance sheet date were as follows:

	2019 % p.a.	2018 % p.a.
Discount rate	2.25	2.70
Increase in salaries	2.90	2.75
Retail Prices Index (RPI) assumption	3.40	3.25
Consumer Prices Index (CPI) assumption	2.40	2.25
Pension increases in payment (RPI max 5% p.a.)	3.30	3.15
Pension increases in payment (CPI max 2.5%)	1.90	1.80

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 (previously 21.9 years).
- Female age 65 now has a life expectancy of 24.0 years (previously 23.8 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.1 years (previously 23.3 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.5 years (previously 25.4 years).

Members are assumed to retire at their normal retirement age (65) apart from in the following indicated cases:

	Male	Female
Active Members – Option 1 Benefits	65	63
Deferred Members – Option 1 Benefits	62	60

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current commutation factors in these calculations.

The amounts recognised in the balance sheet as at 30 June 2019 (with comparative figures as at 30 June 2018) are as follows:

	30 June 2019	30 June 2018
	£'000	£'000
Market value of plan assets	12,209	11,057
Present value of plan liabilities	(18,481)	(16,413)
Net defined benefit asset/(liability)	(6,272)	(5,356)

The amounts recognised in the income and expenditure account for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	30 June 2019	30 June 2018
	£'000	£'000
Current service cost	334	343
Administrative expenses	22	20
Interest on net defined benefit (asset)/liability	145	153
(Gain)/loss on plan changes	23	0
Curtailment (gain)/loss	0	0
Total charge	523	516

Changes in the present value of the plan liabilities for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	30 June 2019	30 June 2018
	£'000	£'000
Present value of plan liabilities at beginning of period	16,412	16,669
Current service cost	334	343
Employee contributions	18	17
Benefits paid	(428)	(436)
Interest on plan liabilities	442	432
Actuarial losses/(gains)	1,680	(612)
(Gain)/loss on plan changes	23	0
Curtailment (gain)/loss	0	0
Present value of Scheme liabilities at end of period	18,481	16,412

Changes in the fair value of plan assets for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	30 June 2019	30 June 2018
	£'000	£'000
Market value of plan assets at beginning of period	11,057	10,788
Contributions paid by the College	453	311
Employee contributions	18	17
Benefits paid	(428)	(436)
Administrative expenses	(35)	(35)
Interest on plan assets	297	279
Return on assets, less interest included in I&E	846	133
Market value of Scheme assets at end of period	12,209	11,057
Actual return on plan assets	411	411

The major categories of plan assets as a percentage of total Scheme assets at 30 June 2019 (with comparative figures at 30 June 2018) are as follows:

	30 June 2019	30 June 2018
Equities	57%	64%
Bonds & Cash	34%	30%
Property	9%	6%
Total	100%	100%

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) is as follows:

	30 June 2019	30 June 2018
	£'000	£'000
Return on assets, less interest included in I&E	846	133
Expected less actual plan expenses	(13)	(15)
Experience gains and losses arising on plan liabilities	179	(119)
Changes in assumptions underlying the present value of plan liabilities	(1,859)	732
Actuarial gain/(loss) recognised in OCI	(847)	730

Movements in the net defined benefit asset/(liability) during the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	30 June 2019	30 June 2018
	£'000	£'000
Net defined benefit asset/(liability) at beginning of year	(5,356)	(5,881)
Recognised in I&E	(523)	(516)
Contributions paid by the College	454	311
Actuarial gain/(loss) recognised in the OCI	(847)	730
Net defined benefit asset/(liability) at end of year	(6,272)	(5,356)

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

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	31 June 2015
	£'000	£'000	£'000	£'000	£'000
Present value of Scheme liabilities	(18,481)	(16,413)	(16,669)	(14,594)	(12,912)
Market value of Scheme assets	12,209	11,057	10,788	9,671	8,284
Surplus/(deficit) in the Scheme	(6,272)	(5,356)	(5,881)	(4,923)	(4,628)

	30 June 2019 £'000	30 June 2018 £'000	30 June 2017 £'000	30 June 2016 £'000	31 June 2015 £'000
Actual return less expected return on Scheme assets	846	133	1,038	1,118	709
Experience gain/(loss) arising on Scheme liabilities	179	(119)	92	69	40
Change in assumptions underlying present value of Scheme liabilities	(1,859)	732	(1,931)	(1,305)	(574)

Funding Policy

Actuarial 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 actuarial valuation are different to those adopted under FRS102.

The last such actuarial valuation was as at 31 March 2017. 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 dated 28 June 2018 and are as follows:

- Annual contributions of not less than £178,856 p.a. payable for the period from 1 July 2018 to 31 March 2034.

These payments are subject to review following the next funding valuation, due as at 31 March 2020.

Church of England Funded Pensions Scheme

The college participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOCIE in the year are contributions payable towards benefits and expenses accrued in that year (2018: £5.0k, 2017:£9.3k), plus the figures highlighted in the table below as being recognised in the SOCIE, giving a overall recovery of £19.0k for 2018 (2017: total charge of £10.3k).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2015. A valuation as at 31 December 2018 is currently underway, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m , assessed using the following assumptions:

- An investment strategy of:
    - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030 (with the remainder in return-seeking assets); and
    - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contribution payable (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	**January 2016 to December 2017**	**January 2018 to December 2025**
Deficit repair contributions	14.1%	11.9%

The deficit recovery contributions under the recovery plan in force as at 31 December 2016, 31 December 2017 and 31 December 2018 were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2018	**2017**
	£	**£**
Balance sheet liability at 1 January	24,000	23,000
Deficit contribution paid	-3,000	-3,000
Interest cost (recognised in SOCIE)	0	0
Remaining change to the balance sheet liability* (recognised in the SOCIE)	-21,000	4,000
Balance sheet liability at 31 December	0	24,000

* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2018	**December 2017**	**December 2016**
Discount rate	2.1% pa	1.4% pa	1.5% pa
Price inflation	3.1% pa	3.0% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.5% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, the Christ's College could become responsible for paying a share of that Responsible Body's pension liabilities.

23 Prior Year Adjustments

Prior year comparative figures have been restated to reflect a revised allocation of overheads, with £0.6m (2018: £0.6m) formerly charged to Other Expenditure now being charged to Education and Residences, catering and conferences.

24 Principal subsidiary and associated undertakings and other significant investments

Name of subsidiary undertaking	*Country of registration and operation*	*Class of share*	*Proportion held*	*Nature of business*
Christ's College Enterprises Ltd	England	Ordinary	100%	Property Development
Christ's College Trading Ltd	England	Ordinary	100%	Hospitality

25 Related Party Transactions

During the year no fees or expenses were paid to Fellows in respect of their duties as members of the Council or Governing Body. (2018: nil)

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

26 Contingent Liabilities

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

27 USS Post Balance Sheet Event

As set out in Note 22 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 £0.25m in the provision for the obligation to fund the deficit on the USS pension which would instead be £0.39m. 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.