



Annual Report & Financial Statements Year Ended 30 June 2019

GIRTON COLLEGE

Huntingdon Road

Cambridge

CB3 0JG

Registered Charity No. 1137541

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Members of the Augmented Council

The members of the Augmented Council during the year 2018-19 were as follows:

Susan Jane Smith MA DPhil FBA	Liliana Janik MPHIL PHD
Carlo Acerini BSC MBChB DCH MRCP	Henrik Latter BA PHD
MD MA FRCPC FRCP	Arik Kershenbaum MA PHD
Harriet Dorothy Allen MA PHD MSC	Clive Lawson MA PHD
Matthew James Allen MA VETMB PHD	Ross Ian Lawther MA PHD
Anna Barford, MA PHD	Karen Lesley Lee MA
Crispin Henry William Barnes BSC PHD	Alex Liu MA MESC DPhil
Charles J M Bell MA PHD MB BCHIR	Deborah Lowther MA
Jenny K Blackhurst MA MA	Santa-Phani Gopal Madabhushi PHD
Edward John Briscoe BA MPHIL PHD	Simone Maghenzani BA MA PHD
Fiona Justine Cooke MA BM BCH MSC	Hilary Frances Marlow BA MA PHD
PHD	Kamiar Mohaddes BSC MPHIL PHD
Nik Cunniffe MA MSC MPHIL PHD	Stephanie Palmer SJD LLM
Stuart Davis BA PHD	Heidi Radke DRVETMED
Amy Rosamund Donovan BA MPHIL MSC	R James E Riley BA MA PHD
PHD	Angela Charlotte Roberts PHD
Judith Ann Drinkwater MA	Thomas J Roulet MSC MPHIL PHD
Colm Durkan BA PHD FIET	Jochen H Runde MPHIL PHD
Deborah J Easlick BA	Evis Sala MD PHD
Martin William Ennis MA PHD	Stuart Ashley Scott MA PHD
Sebastian Falk BA PGCE PHD	Shona Wilson Stark LLB LLM PHD
Diana Fusco BPHYS MPHYS PHD	Sophia Marie Irmgard Shellard-von
Christopher John Bristow Ford MA PHD	Weikersthal BSC PHD
Abigail Lesley Fowden MA PHD	Hugh Richard Shercliff MA PHD
Alexandra Mary Fulton BSC PHD	Stelios Tofaris MA PHD
Sinead Maria Garrigan Mattar BA DPHIL	Helen Anne Van Noorden BA MPHIL PHD
Benjamin John Griffin MA PHD	James Wade BA MA PH
Maureen Jane Hackett BA MA	Emma Jane Louise Weisblatt BA PHD
Aaron Hornkohl BA MA PHD	Claire Emma White BA PHD
Katherine Hughes, BSC BVSC MRCVS PHD	Per-Olof Helge Wikstrom BA PHD FBA
Arnold Conway Hunt MA PHD	Samantha Katherine Williams BA MSC PHD
Morag Ann Hunter BA PHD	Neil Wright PHD
Andrew Irvine BSC PHD	

College Advisors

Auditors

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

Bankers

Barclays Bank plc
9 – 11 Saint Andrews Street
Cambridge CB2 3AA

Investment Manager

Partners Capital LLP
5 Young Street
London
W8 5EH

Solicitors

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

Report of the Council

Scope of the Financial Statements

- 1) The enclosed financial statements are the consolidated financial statements of Girton College for the year ended 30th June 2019. The activities of student societies have not been consolidated.

Objectives and activities

Aims and objectives

- 2) The objects of the College are *the advancement of education, religion, learning and research and in particular the preparation of persons for taking examinations and proceeding to the degrees of the University of Cambridge.*
- 3) The College Council's four main strategic academic priorities are:
 - a) Widening participation;
 - b) Increasing the value added to the educational experience of students at Girton;
 - c) Supporting the all-round personal development of all members of the Girton community; and
 - d) Maintaining a world-class Fellowship.
- 4) Supporting these are a further three strategic priorities:
 - a) Developing the operational estate;
 - b) Achieving financial sustainability; and
 - c) Enhancing communications.
- 5) These seven strategic priorities are underpinned by a commitment to good governance.

Significant activities

- 6) The College has two major streams of operating activity:

Education

- a) The College provides a research-infused learning environment for undergraduate and graduate students, early career researchers and established academics, supporting teaching, research, pastoral care, library and information services, social activities, sports, music and the arts, and all round personal development; and

Residences, Catering and Conferences.

- b) The College provides living accommodation and catering services for College members from two sites in Cambridge, the main College site on Huntingdon Road, close to Girton village, and Swirles Court on Pheasant Drive in the new urban district of Eddington. The College also carries on, as ancillary activities, a conference and events business, and a new commercial business, Girton Summer Programmes, providing summer schools for international students of University age.
- 7) The College is also responsible as trustee for the management of the permanent endowment capital of the 149 (2018: 134) restricted and unrestricted trust funds, which comprise its Amalgamated Trust Funds (ATF) scheme. These funds have been accumulated over the life of the College from the gifts of generous donors and benefactors and they enable the College to provide

financial support for individuals and a range of other purposes which would not otherwise be possible.

- 8) The College actively solicits further donations to these funds to enhance the scope of this support.

Funding

- 9) The College's charitable activities are funded in part by the fees and charges paid by College members and other users, and in part by donations, bequests and the restricted and unrestricted income generated by the investment of permanent endowment capital and general reserves.

- 10) The College's endowment assets and investments are professionally managed by an outsourced investment office. Funds are invested in a diverse range of assets on a total return basis with a view to securing a consistent funding stream to support the College's activities in pursuit of its charitable objectives.

- 11) Students pay for tuition as follows:

a) Undergraduates:

- i) Undergraduates entitled to Student Support are charged at externally regulated rates and are funded by such grant or loan funding arrangements as are from time to time approved by the Government. Tuition fee income paid by these students is shared with the University; and
- ii) Overseas undergraduates and any Home/EU undergraduates not entitled to Student Support are charged at a rate determined by the College. University fees are charged in addition;

b) Graduate students: the College receives a share of the overall fee income paid by graduate students in the University.

- 12) Students are charged for their accommodation and meals at rates intended to cover the cost of provision, but not to make any surplus for the College.

- 13) The College maintains an active and well-resourced alumni relations and development office with a view to securing a growing number and value of philanthropic gifts to the College for its own charitable purposes, and to support individual members of the College in their pursuit of learning and research.

Public benefit

- 14) The Council have complied with their duty regarding public benefit, having regard to the Charity Commission's guidance.

- 15) Founded in 1869 by Emily Davies and Barbara Bodichon, Girton is distinctive as Britain's first residential institution for the higher education of women, and has subsequently aspired to set the pace on matters of equality and inclusion. Girton was the first of the women's colleges in Oxbridge to admit men and is now open to anyone with a passion for learning and the ability and inclination to pursue it.

- 16) The College follows a rigorous and objective recruitment process, as part of the University of Cambridge, for selecting the best candidates for admission.
- 17) As a not-for-profit organisation, the College sets its charges for members only as high as is necessary to cover costs. Bursary and other financial support is offered to individuals, wherever possible, in an effort to ensure that no one is dissuaded from applying, taking up a place or completing their studies because of financial hardship.

Strategies for achieving aims and objectives

- 18) The College Council's goals in relation to its present strategic aims and objectives are as follows. The College is also committed by its statutes and strategic plan to good governance, key elements of which are profiled later in this document.

Widening participation

- 19) Substantially to enhance Girton's applicant base in order to attract an increasingly diverse body of well-qualified students from within and beyond the UK, as befits a large College in a world-class University;
- 20) To grow the pool of good quality first-choice applicants, enabling, for undergraduates, a reduced rate of de-selection, across all subjects;
- 21) To be outstandingly successful in widening participation, securing a broad spread of well-informed entrants from all income groups and educational sectors, in almost all subject areas and for every level of degree, whilst maintaining a broadly 50:50 gender ratio.
- 22) For postgraduates, to increase the proportion of PhD students (relative to Masters) by about 10 per cent, while maintaining a 50:50 arts/science mix, to achieve a balanced, effectively functioning, MCR;
- 23) To continue to manage the admissions process fairly, effectively and transparently in light of targets set by Government, rules and agreements in the University, and the unique qualities of the College;
- 24) To admit excellent students with most to gain from Girton's educational ethos.

Adding value

- 25) To enable students to realize their full intellectual potential;
- 26) To maintain the provision of first-rate educational, library, archive and information resources, and adjust to changing technologies and demands in relation to these;
- 27) To safeguard and steward the human resource-base for Girton's educational offer;
- 28) To be among the top 10 Cambridge Colleges for value added to school examinations points-predicted degree outcomes by a Girton education;

- 29) To improve undergraduate results overall, and in particular to support Girton students to secure more 1st-class degrees, and fewer 2:2 and 3rd-class results;
- 30) To take measures to ensure that any gender gap in degree results is not amplified at Girton and to ensure that all systematic differences in educational experience and degree outcomes are monitored and addressed for Girton students;
- 31) To attend to the challenge of adding value for Girton's postgraduate community as student numbers grow and expectations rise.

Supporting all-round personal development

- 32) To support all-round personal development for all College members (employees and students alike);
- 33) To enhance and enlarge the 'transferable skills' offered to undergraduates, complementing Faculty-based initiatives;
- 34) To support music, sports and the arts, recognizing that these activities have an ambassadorial role for the College, as well providing educational value and life skills for students;
- 35) To maintain a living, learning and working environment conducive to all-round personal development, and in particular, one which builds self-confidence and protects wellbeing.

Maintaining a world-class Fellowship

- 36) To attract and maintain a Fellowship that is sufficiently large, diverse, motivated and incentivised to sustain the running of the College, the delivery of the curriculum, and the achievement of the wider educational goals (teaching, learning and research) to which Girton aspires.

Developing the estate

- 37) To realize the educational potential of the estate, maintaining a 'whole' College that is well integrated, open to all members, and greater than the sum of the diverse locational parts;
- 38) To steward responsibly and effectively the facilities, resources and assets comprising the integrated estate;
- 39) To make progress towards achieving carbon neutrality for the College as a whole;
- 40) To refresh and implement a rolling program of investment to maintain, renew and enhance the existing buildings on the Girton site;
- 41) To harness the potential of Ash Court, as a living and learning environment, which is integrated into the existing community, and is a resource for the College's residential conference and events business.

- 42) To formulate and implement a vision for the future of the estate, building on Girton's now-established position as a postgraduate (as well as undergraduate) College, and recognizing the needs of the growing postdoctoral community in the University.

Achieving financial sustainability

- 43) Place the College on a sustainable financial footing by increasing the size of the endowment sufficiently to enable a properly balanced budget, taking into account depreciation, maintenance and pension costs;
- 44) Manage costs by improving the efficiency of the operational estate;
- 45) Raise income by developing a profitable and sustainable conference, events and summer programmes business that engages with the wider aims of the College.

Enhancing communication

- 46) To improve the effectiveness of internal communications and information management in order to:
- a) Ensure that Girton's vision, mission, values and strategic aims are agreed and understood by all of those involved in College life, and implemented by key stakeholders in an effective manner;
 - b) Improve the creation, ownership and advancement of initiatives important to the smooth running and future development of the College;
 - c) Enable full participation by stakeholders in the policies and practices of the College, ensuring that Fellows, staff and students know about, understand and take an interest in decisions that affect them.
- 47) To use an effective programme of external communications and information management to improve the visibility, and raise the positive profile, of the College in order, in particular, to:
- a) Widen awareness and participation, and boost first choice applications from students;
 - b) Promote the College to prospective Fellows and other employees;
 - c) Enhance the quality of alumni relations, raise funds for *A Great Campaign*, and celebrate Girton's role in the history of Higher Education;
 - d) Publicise the availability of high quality catering, conference and events services to potential users.

Criteria for success

- 48) The Council and its committees monitor progress in achieving the College's strategic objectives against a wide range of quantitative and qualitative targets. The most important targets in relation to each of the seven strategic priorities are set out below.

Widening participation

- 49) The College works collaboratively with other institutions in the collegiate University, supporting Cambridge University's agreement with the Office for Students (previously the Office for Fair Access or OFFA). For 2018-19 the University's targets in relation to undergraduate admissions were:

- a) To continue to increase admissions of UK resident students from UK state-sector schools and colleges so that they amount to 69.1% of the total intake by 2024-25;
 - b) To admit UK resident students from quintile 1 for the Participation Of Local Areas (POLAR4) classification so that they equate to 7.0% of the total intake by 2024-25;
 - c) To admit UK resident students from quintiles 1 and 2 for the Participation Of Local Areas (POLAR4) classification so that they equate to 16.6% of the total intake by 2024-25;
 - d) To admit UK resident students from quintiles 1 and 2 for Regional IMD classification so that they equate to 21.2% of the total intake by 2024-25.
- In relation to postgraduate admissions, targets for numbers, balance (between MPhil and PhD) and internationalisation are kept under review.

Increasing the value added to the educational experience of students at Girton

- 50) For undergraduates, the College monitors Tripos examination results by subject, cohort and gender, and also charts the progress of each cohort in successive years of Tripos as a measure of value added. For postgraduates degree outcomes are monitored. For all students there is support for specialist subjects and for generic study skills, and the incentive of prizes for excellence.

Supporting the all-round personal development of all members of the Girton community;

- 51) All-round personal development refers to: activities geared to the acquisition of transferable skills (e.g. interpersonal and communications skills); activities that promote team work, alongside those which reward independent learning and personal initiative; and activities that broaden knowledge, enhance quality of life and nurture a sense of civic duty. In supporting all this, the College seeks to maintain a happy and vibrant community in which the achievements of its members in sports, music and the arts are celebrated and encouraged.
- 52) The Council monitors the award of instrumental and choral scholarships and exhibitions, sports and travel grants against need.

Maintaining a world-class Fellowship;

- 53) The College monitors the number of Official Fellowship and other teaching/student support posts against a notional quota based on student numbers.
- 54) The College seeks to maintain an academically distinguished Fellowship and celebrates the measurable as well less tangible achievements of its members such as honours, promotions, research grants and publications.

Developing the operational estate;

- 55) The College aims to be able to house all of its undergraduates and a minimum of 50% of its postgraduate students on an ongoing basis. Accommodation statistics are reported to Council on a regular basis.
- 56) The College aims to provide a safe, comfortable and inspiring living and working environment. The Council monitors accident statistics, repair and maintenance response times and complaints on a regular basis.

Achieving financial sustainability;

- 57) The College aims to generate on average a small unrestricted surplus before depreciation and investment gains or losses over the time periods covered by successive five year rolling budgets (the current budget being to 2023/24).
- 58) The College also aims to maintain a minimum of one year's unrestricted expenditure before depreciation as free reserves.
- 59) The College aims to be able to fund the ongoing development of its operational estate from a combination of free reserves, gifts and loans, without compromising the above aims.

Enhancing communications.

- 60) Regarding external communications, Google analytics are used to monitor the impact of the College websites (the main site and a temporary microsite set up in conjunction with a year of celebration of the 150th anniversary of the foundation of the College (Spring 2019 to Spring 2020). The College's reach on social media - Twitter, Facebook and Instagram - is reported periodically to Council.
- 61) Regarding internal communications, use of the committee structure for face-to-face messaging, email for information dissemination, and the electronic information sharing platform Moodle for information sharing and exchange are kept under review.

Grant-making

- 62) The permanent capital of the restricted funds in ATF is set out in Note 15. of the accounts, analysed by category of purpose.
- 63) ATF funds enable the College to:
- a) Fund outreach activity in schools;
 - b) Participate in the Cambridge Bursary Scheme for Home/EU undergraduate bursaries;
 - c) Award Scholarships and Prizes to academically successful students;
 - d) Give other bursaries and hardship grants to students in financial need;
 - e) Provide travel grants and sports awards to encourage extra-curricular activity;
 - f) Award Music, Organ and Choral Scholarships and Exhibitions to talented students;
 - g) Appoint fully-funded Research Fellows in Arts and Sciences;
 - h) Host Visiting Fellows in Arts and Sciences and a Visiting Fellow Commoner in the arts or professions;
 - i) Employ teaching fellows, including a core of six College-based career teaching officer posts;
 - j) Employ a Chaplain and a Director of Chapel Music.

Volunteers

- 64) Girton has a small number of volunteers working with the Development Office, the Archivist and the Curator.
- 65) The Development Office volunteers are drawn mainly from Girton's alumni, to assist in its fundraising, 150th Anniversary events with alumni attendees and related activities. Volunteer assistance includes: six Campaign Board members; one Development Strategy Committee

member; five Girton Hong Kong Committee members; UK regional representatives and decade representatives on the Roll of Alumni Committee; seven GASA (Girton Alumni Sports Association) steering group members; and overseas volunteers in the USA and Singapore. Estimated hours volunteered by these groups total around 200 person hours per year for formal meetings and events.

- 66) In addition, in 2018/19 for the Girton 150 Festival (28-30 June 2019) there were 55 volunteers drawn from the College and local community, who cumulatively volunteered an estimated 440 person hours, as well as 137 contributors, event hosts and performers who volunteered their time (an estimated 420 person hours), making over 860 person hours in total.
- 67) The Lawrence Room is the College's small museum collection of art and antiquities, collected and donated to the College, and used primarily as a resource for teaching and research. A small number of volunteers, comprising mainly Life Fellows of the College and retired staff, steward the collection for two hours on Thursday afternoons, under the direction of the Curator, enabling public access.
- 68) Three volunteers work in the College Archive for an average of 2 mornings a week between them, carrying out tasks such as indexing minutes, box-listing and expanding the information on catalogue records.

Achievements and performance 2018/19

- 69) During the financial year 2018/19, the College continued to pursue its statutory and charitable objectives of education, religion, learning and research to the full extent of its resources.
- 70) As at 1st October 2018 the College had 47 Official Fellows, 2 Senior Research Fellows, 5 Research Fellows, 10 Professorial Fellows, 4 Supernumerary Fellows, 38 Life Fellows and 15 Bye-Fellows, 1 Visiting Fellow and 2 Visiting Fellow Commoners, 515 undergraduate and 243 postgraduates and research students in residence in Cambridge.
- 71) Of these, 2 Official Fellows, 3 Research Fellows, the Visiting Fellow and 2 Visiting Fellow Commoners, 451 undergraduates, and 139 postgraduate and research students were living in College-owned accommodation.
- 72) For each undergraduate, the College provided a Director of Studies and small-group teaching (known as supervision) to complement the teaching provided by the University. The College employed 49 College Lecturers in all the main subjects offered by the University to undergraduates, of whom 30 were also employed by the University or other institutions, 8 were employed solely by the College or under a share arrangement with another College, and 1 post was shared with the University.
- 73) Of the 525 undergraduates entered for Tripos examinations, 100 obtained Firsts, 255 2:1s, 18 Class 2 (undivided), 70 2:2s, 9 Thirds and 62 other results. 3 students intermitted during the year. 90 postgraduate students graduated with Masters level degrees, 4 with an MRes and 31 research

students were awarded their PhDs. 6 LLM, 6 MAST, 4 GDip and one MBA/MFin degrees were also awarded.

- 74) The College provided a Tutor for each of its students, as well as access to other forms of pastoral care, including a chaplain, nurses and counsellors. The College also made grants to its official student bodies, the Junior Combination Room (JCR) and the Middle Combination Room (MCR), to enable them to provide social support to their members and to other College clubs and societies. The College provided a cafeteria service which was available to all of its members throughout most of the year.
- 75) In its capacity as trustee of restricted permanent endowment funds totalling £53m as at 30 June 2019, the College *inter alia* contributed to the cost of the 145 Cambridge Bursaries awarded to Girton students and awarded 19 other bursaries. The maximum award was £3,500 per annum.
- 76) The College also hosted 273 conferences and events and expanded its Girton Summer Programmes, with nine short courses held during July and August 2018.

Progress against objectives

Continuing to widen the pool of suitably qualified applicants for places to study

- 77) The College's Widening Participation (WP) work is driven by the desire to increase the proportion of the student body from historically under-represented groups. In order to do this, WP work must be broad, to encourage aspiration to Higher Education generally, as well as specifically encouraging appropriate applications to the University and Girton College. As well as individual schemes, the College works collaboratively with other institutions in the collegiate University, supporting its agreement with the Office for Students (OfS). Girton's 2018 entry cohort of Home students exceeded the university's targets agreed with the OfS by several percentage points: 69.4% were from maintained sector schools (university target 62-64%; 2018 university average 65.3%); 13.4% were from Low Participation Neighbourhoods (target 13%; average 12.3%); 20.5% from the OAC identified disadvantaged groups (target 13.9%; average 15.2%) and of those with the IMD flag, Girton admitted 15.2% (target 8.5%; average 11.1%).
- 78) The College's work to encourage aspiration and applications continued to develop in the 2018-19 year, particularly as the rhythm of work with two School Liaison Officers became more established. The Pathways to Higher Education scheme continued to develop as the first cohort reached Year 9. In addition to continuing work with schools on an ad hoc basis, both the Stourbridge and Camden hubs continued, with the first steps towards creating a hub in Solihull taken in collaboration with an Independent school, marking a change in our approach to outreach work. Unfortunately, towards the end of the year King Edward VI Sixth Form College, our hub for the Stourbridge HE+ scheme, announced its intention to withdraw its support due to budgetary and staffing restrictions. We will continue to work with KEVI and other local schools in an ad hoc manner, reviewing our activities in the area as the year progresses. We also continued our support and work with The Access Project and Project Access, two charitable organisations that support disadvantaged applicants and offer holders, respectively. During 2018-19, we explored new territory by hosting an aspirations day within a Roma Leadership Programme, led by a

school in Peterborough, which we hope to continue. The SLOs are also actively exploring opportunities for work with Looked After Children ('In Care'), through 'virtual schools' and CAO events. Finally, work with a charitable organisation focused on BME applicants began with a focus group meeting between the charity and current undergraduates.

- 79) Excluding Open Days and individual visits (which are Recruitment and not WP events), the total number of recorded interactions with young people for the year was 5394, of which 3921 occurred outside the College. However, these numbers do not capture representation of the College by the Admissions Team in events led by the Cambridge Admissions Office, social media "impressions"/interactions, nor elements of the Pathways scheme that are Girton branded but led by schoolteachers. The evaluation of the effectiveness and outcomes of the work done is often challenging to capture and the SLOs are undertaking professional development in this area, in collaboration with CAO and other colleges. Girton has, with the other Cambridge colleges, subscribed to HEAT, a national-level database that allows institutions to track the university applications and outcomes of individuals, providing the colleges with useful statistics on the effect of their interventions.

Increasing the value added to the educational experience of students at Girton

- 80) Overall there was an increase of over 2% in Girton students achieving firsts (21.9%) with a welcome increase in our success rate for women up to 17.1% from 13.4% last year. Our male students were more successful in gaining first class (26.7%). The gender gap, while of the same scale as the university as a whole, is still unsatisfactory (~9%).
- 81) At good honours (first and 2-1 combined), it is pleasing to see 82.9% of Girton women achieving this, compared to the university average of 82.6%. This is an increase from around 78% last year. Disappointingly, we saw a drop in male students' performance on this metric, despite the increase in first class marks.
- 82) We can now track the performance of our students with a disability, and at good honours we see that on average across years our students with a disability achieve equally and, in some years, surpass the students with no declared disability. At first class, small numbers make the data less even across years, but it is clear that on average we see Girton students with a declared disability doing well.
- 83) Consistent with whole university data, we see each year group achieve more highly as they progress through the year of their course.
- 84) The College continues to invest in educational resources and has maintained the new study rooms opened in 2017-18: three adjacent to the library (two bookable and equipped with screens, to allow group study and discussion, and one for quiet study) and more dedicated teaching rooms for group teaching in A corridor. This strengthens provision for both undergraduate and graduate students on the main site and has been well used in 2018-19.
- 85) A new University Teaching Officer (UTO) in Chemistry has been recruited to start in October 2019 thanks to a Trinity College scheme strengthening college teaching in that area. The College

has also recruited a new Bye-Fellow in career development skills and a Fellow for post-doctoral affairs to ensure engagement across all Girton communities.

- 86) The College continues to support strong academic performance with student scholarships and prizes.

Supporting the all-round personal development of all members of the Girton community

- 87) The College continues with the Thrive programme pilot. This aims to support student study skills, the development of non-subject related transferable skills and to aid student well-being. The programme is for both postgraduate and undergraduate students.

- 88) The Bye Fellow for Study Skills sent a comprehensive report to Education Board in June outlining the variety of support offered in 2018-19. College will review and develop this pilot in the coming year.

- 89) The Rose Award for students on full bursaries who contribute to society has generated excellent applicants.

- 90) During the year, Council reviewed the College definition of hardship to take account of students being able to participate in all aspects of student life, and has established a student living cost review group.

- 91) The event bookings process ensures that the College can continue to champion freedom of speech while being aware of all speakers on site.

- 92) In line with the College's support for the University's Breaking the Silence campaign, Girton continued to participate in the pilot of the Intervention Initiative, the bystander training programme designed to help change student culture and behaviour in the area of sexual misconduct.

- 93) The College supports additional student study costs via its Academic Fund and elite sports costs via its Sports Award Scheme.

- 94) Music and drama remain an important part of college provision, as do subject specific societies. There is in addition a donor-funded artist in residence, and three musicians in residence.

- 95) The College has reviewed its discipline policy to bring it in line with new guidance from the Office of the Independent Adjudicator (OIA).

- 96) The College based counselling scheme run with the University Counselling Service (UCS) continues to provide additional resource to Girton students.

Maintaining a world class Fellowship

- 97) As at 1 October 2018, the College had a notional teaching establishment of 45 against a quota of 42 (2017: 38 against 41), covering nearly all of the subjects offered by the University.

- 98) The Fellowship as a whole numbered 123 (2018: 126) including Life Fellows. Together with 26 Honorary and 12 Barbara Bodichon Fellows, the total community was 161.
- 99) Five new Honorary Fellows have been admitted during 2019 as part of the 150th anniversary celebrations of the College. These are:
- a) HIH Hisako, The Princess Takamado of Japan, MA, PhD, Hon LLD (Alberta and Prince Edward Island), Hon EdD (Hannam), Hon PhD, (Josai)
 - b) Professor Dame Pratibha Gai, DBE, BSc, MSc, PhD, FRS
 - c) Ms Sandra (Sandi) Birgitte Toksvig, OBE, MA, Hon DLitt (Portsmouth, York St John, Surrey, Westminster and Leicester)
 - d) HE Dame Karen Elizabeth Pierce, DCMG, MA, MSc
 - e) Dr Suzannah Claire Lishman, CBE, MA, BChir, MB, Hon FRCPI, Hon DSC (Swansea)
- 100) In October 2018, the College admitted three new Official Fellows in Physics, Management Studies and Medicine, a Professorial Fellow in Medicine, a Helen Cam Visiting Fellow and two Mary Amelia Cummins Harvey Visiting Fellow Commoners.

Developing the operational estate

- 101) 2018-19 was the second year of operation by the College of the 325 room leasehold Swirles Court, named after the late and much-loved Girton Senior Fellow better known to the Fellowship as Bertha, Lady Jeffreys.
- 102) Swirles Court is located close to the main College site, in the heart of the University's prestigious new urban development, Eddington. It represents a new style of student accommodation for the College, being entirely self-catering, organised in house-type units, with shared sitting room/kitchens on each floor. All 325 rooms have en-suite bathrooms.
- 103) Swirles Court was on average over 95% occupied during 2018/19, as was the accommodation on the College main site.
- 104) During the year, the College completed the construction of the Social Hub, a refurbishment project intended to transform the old ground floor rooms at the heart of the College into a new all-day café and bar. The project also included a major refurbishment of the Porters' Lodge, creating a new, attractive and efficient reception area for College members and visitors, and much improved working conditions for the porters.

Achieving financial sustainability

- 105) The College's unrestricted deficit before depreciation, investment gains/(losses) and impact of USS valuation for the year was £539k (2017-18: £800k). This was an improvement on the budgeted figure for 2018/19 of £785k. The College's five year rolling budget is for an average annual deficit on a basis to this comparable of c. £150k p.a. The College continues to seek strategies to reduce the annual deficit to zero and ultimately to generate a modest annual surplus to replenish reserves. In the meantime, the deficit budgeted for the next five years can comfortably be funded in accordance with the reserves policy set out below.

106) As at 30.6.19 the College's free reserves were £26.5m (2018: £30.9m) and during the year 2018-19 annual unrestricted expenditure before depreciation was £13.4m (2018: £11.4m). Free reserves therefore healthily exceed the minimum target and provide some scope for the next phase of development of the main College site under the masterplan for which outline planning permission exists.

Enhancing communication with the community and with the world beyond

107) The College website has been migrated during the year to a more effective platform and a new online College shop website has been created using the Shopify platform to help with sales of College merchandise.

108) However, the website is not technically compatible with mobile/tablet devices and does not adhere to new accessibility guidelines or have a navigable menu design. It also restricts customisation and formatting of pages, templates and future proofing of designs and applications. The College has therefore begun the process of tendering for a new website. This will include an audit of the current content on the College website, to review whether and how it can be streamlined and refreshed in preparation for the new website.

109) In the coming year, more visual media will be generated to share using an online platform, to include more photography, media (infographics/posters etc.) and increased video production (in-house and professionally).

110) 2018/19 saw steady growth in the number of followers, page likes, views and subscribers on Girton College social media accounts. As of 07/11/2019, the College has 5,373 Twitter followers (4,759 as at 8/11/18), 4,717 Facebook page likes, 4,940 Facebook followers, 2,420 Instagram followers, 289 LinkedIn followers, 63 LinkedIn connections, and 38 YouTube subscribers, and has had 4,000 YouTube views.

Investment performance

111) In sterling, and including gains and losses arising from exposure to foreign currencies, the total return on the College's investment portfolio for 2018-19 was 5.4% (2017-18: 7.1%). Ignoring the impact of foreign currency-related gains (or losses), the securities portfolio was up 5.3%, slightly ahead of the 5.0% gain made by Strategic Asset Allocation (SAA) benchmark, which comprises a blend of market indices which reflect the College's Strategic Asset Allocation. Both the securities portfolio and the SAA benchmark underperformed the return target of RPI + 3.2%, which amounted to 6.3%.

112) Over the last five years, the securities portfolio has returned 7.7% per annum in Sterling terms and 6.3% per annum excluding the impact of foreign currency-related gains. These figures compare favourably with the SAA Benchmark gain of 5.6% per annum and the return target annualised over the period of 6.4% per annum.

113) All of the net new money of £14m remitted to the portfolio in May 2018 following the disposal of Wolfson Court had been invested as at 25 October 2018 in accordance with a phased investment scheme approved by Council.

Fundraising performance

- I 14) The College has spent much of the year engaged in a series of world-wide celebrations to mark the 150th Anniversary of the founding of the College in 1869.
- I 15) The 150th Anniversary Calendar comprised over fifty events designed to celebrate the founding of Girton College, including the 150 Anniversary Lecture series, four UK regional events in Birmingham, Leeds, Edinburgh and London, and international events in New York, Singapore and Dublin. The culmination was the three day "Girton150" Festival at the College from 28 - 30 June 2019 with nearly 80 events which welcomed back over 1300 alumni, college members and their guests. The 150th Anniversary website (www.Girton150.com) contains full listings and a very popular legacy section featuring films, photos and reports on the 150th Anniversary events which have already taken place.
- I 16) The College's current fundraising campaign - *A Great Campaign* - is an endowment campaign centred on the 150th Anniversary. It is expected to finish in June 2022 and the College's target is to raise £50 million from a combination of donations and legacy pledges. In 2018-19 funds raised were £2.9m, with total funds raised during the *Campaign* to date of £20.9m, thanks to the generosity and commitment of alumni and supporters. When added to the future legacy pledges - currently amounting to £14.7m where amounts are known, with an additional £5.4m estimated in respect of legacies where amounts are not yet known - the current total has reached 83% of the *Campaign* target.
- I 17) The 150th Anniversary phase of *A Great Campaign* has four priorities, one of which is to raise funds to endow bursaries to offset the living costs of students from low-income families. Several year-groups have joined together to endow their "Class Of" bursary. This initiative is proving very popular. The target is to endow twenty such undergraduate bursaries, fifteen of which have been completed so far.
- I 18) A second priority is to endow up to five postgraduate scholarships; so far one has been funded, with two further scholarships where significant progress has been made, all in Asia, notably Singapore and Hong Kong.
- I 19) Fellowships are also a *Campaign* priority with the John Marks Fellowship in Medicine (current holder Dr Charlie Bell) and the Christine McKie Fellowship in Physical Sciences having been successfully completed. Two further Fellowships are being fundraised for, in research related to international relations and in mathematics.
- I 20) The fourth priority is to raise funds for the unrestricted permanent endowment capital of the College. This has been a notable success, with funds raised since the start of *A Great Campaign* now standing at £10.1m (including investment growth).
- I 21) Over £250,000 was raised in the annual Telethon this year, with a participation rate of 63% (2017/18: 68%). These gifts endowed a full undergraduate bursary, with money also going to teaching, the unrestricted permanent endowment capital and student support funds.

- 122) Over the course of the current year, the College has organised over 45 events across three continents attended by over 2,200 alumni. The Girton 150 Festival held 89 events, performances and activities over the 28-30 June weekend. Over 70 face-to-face meetings were held with alumni who are prospective donors. The College is indebted to those of its stellar alumni and Fellows who have spoken at these events, and to those who have hosted alumni events.
- 123) The 150th Anniversary has been a wonderful year to bring together Girton alumni and the College community and has provided the opportunity not only to reflect on the heritage and the founding of Girton College, but also to think about the future, both for the students of tomorrow and for our lifelong relationship with our alumni and alumnae.

Impact reporting

- 124) Through the 150th anniversary celebrations, the College community has been repeatedly reminded of Girton's impact in establishing the right of women in the UK to participate in residential higher education.
- 125) Continued efforts in widening participation, together with ongoing commitments to equality and diversity, ensure openness to the best students from all backgrounds, irrespective of family income or wealth.
- 126) Low dropout rates underscored by an enlarged life skills programme add to the pool of qualified graduates with an all-round education as well as specialist subject knowledge, meeting the needs of employers on a world stage

Factors outside the College's control

- 127) Factors outside the College's control include nationally regulated undergraduate tuition fees (currently under review), and postgraduate tuition fees which are set by the University.
- 128) The College's portfolio of endowment and other assets is invested in a diverse range of asset classes intended to mitigate risk, but it is nevertheless exposed to economic and market factors, which are beyond the control of all investors.
- 129) Investment market factors also partly underlie the actuarial gains and losses in respect of defined benefit pension schemes shown in the SOCI. The College has previously sought to manage the risks associated with the CCFPS by closing it to new members.

Gender Pay Gap

- 130) The College has to date not been required to report this information. Nevertheless, it would have wished to do so had it been practicable. The College's new HR and payroll system will enable the College to calculate and report on its Gender Pay Gap (if any) in the near future.

Financial review

Review of financial position at y/end

Balance sheet

131) The accounts reflect the implementation of significant strategic decisions taken by Council in the last three years, which are expected to improve the College's long term financial sustainability. The College's balance sheet as at 30 June 2019 is stronger than it has been since the College first reported in accordance with Accounting Standards in 2003/04.

Total net assets

132) The College's total net assets as at 30.6.19 were £153m, a 0.8% increase on the previous year.

Investments

133) The opening balance sheet included some £11m of cash held for re-investment in accordance with Council's agreed policy of not investing the entire proceeds of sale of Wolfson Court immediately, but phasing the purchase of investment assets to mitigate market timing risk. As at 25 October 2018, this £11m had been fully invested.

134) The investments portfolio as a whole stood at £99.8m as at 30 June 2019, an increase of £5.3m (5.6%) over the previous year.

Operational fixed assets

135) The building project for construction of the Social Hub and refurbishment of the Porters' Lodge has resulted in a total of £3.1m of capital expenditure added to the value of Fixed Assets, of which £0.9m was included in assets in construction at the previous year-end. In accordance with College policy, no depreciation was charged in respect of this new asset in 2018/19.

136) The £217k added to Equipment & IT represents furniture for the Social Hub, improvement in our catering equipment, the installation of interactive screens to enhance both our teaching and our conference offering as well as continued investment in our IT.

Cash, borrowing and gearing

137) The significant reduction of Cash on the balance sheet from £5.5m to £2.4m is largely due to the capital expenditure on the Social Hub and Porters' Lodge project noted above, which was substantially complete at the year-end.

138) The balance of outstanding loan capital was reduced by c. £128k as a result of scheduled instalments. As set out in Note 13, the majority of this borrowing is very long term and was intended to provide the liquidity needed for the College to maintain continuity of improvement and enhance the sustainability of its operational estate over a number of years.

Pension provisions

- 139) The majority of the £7.9m pension provision (2018: £5.7m) relates to the College's section of the Cambridge Colleges Federated Pensions Scheme (CCFPS) for non-academic staff. The Girton section of this scheme, in common with that of a number of other Colleges, has been closed to new members for some years, but existing members still in College employment are able to accrue benefits from future service. The increase in provision is due to updated assumptions as set out in Note 24 of the accounts.
- 140) Following a recent legal case, the CCFPS actuarial valuation has been adjusted to include a provision for gender equalization. This has been estimated at approximately 3% of retirement benefits and is included as a current year movement in the SOCI.
- 141) New members of non-academic staff are enrolled in NOW: Pensions.
- 142) The College continues to enrol academic members of staff in the Universities Superannuation Scheme (USS). The £852k net annual movement in the associated pension provision is the result of changed assumptions during the financial year. It has been separately identified as "Other Expenditure" in the SOCI because of its materiality to unrestricted expenditure. The current provision is based on the 2017 actuarial valuation. In August the 2018 actuarial valuation was released, and the relevant provision would have been £540k lower at £314k.

Restricted and unrestricted permanent endowment capital

- 143) The aim of the College's current fundraising campaign, *A Great Campaign*, is to add £50m to the College's permanent endowment capital by means of lifetime gifts and legacy pledges. The campaign was launched in 2012 and is expected to have concluded by 30 June 2022.
- 144) The restricted permanent capital funds of the College are invested as an Amalgamated Trust Funds scheme (ATF) in the College's investment portfolio.
- 145) As at 30 June 2019, the value of restricted funds was £55.7m, up from £51.4m the previous year. The growth was due to a combination of investment gains of £1m and new capital of £3.4m added as a result of donations and benefactions.
- 146) The ATF at 30 June 2019 comprises 149 (2018: 137) funds, for a variety of purposes, as summarised in Note 15 of the accounts. Since 30.6.09 (the low point following the global financial crisis) the capital value has grown from £11.47 per unit to £16.49 per unit.
- 147) Although donations and benefactions are gratefully accepted for a wide range of purposes, the College prioritises fundraising for unrestricted permanent endowment (UPEC), because of the flexibility it offers to meet future needs as they arise. Thanks to the generosity of donors and benefactors, as well as investment gains, the College's UPEC has grown during the current decade from £3.7m as at 30.6.10 to £16.2m as at 30.6.19, which is very pleasing.

Financial effect of significant events in 2018/19

Capital items in SOCI

148) The net comprehensive income for the year of £1.2m has increased the College's net assets by 0.8% from £152.2m to £153.4m. This is the result of investment gains and donations to endowment capital offsetting actuarial losses and the net expenditure absorbed by the College's operational activities.

Benefactions and donations in SOCI

149) Reflecting the emphasis placed on permanent endowment during *A Great Campaign*, 93% of the £3.1m of benefactions and donations received by the College during 2018-19 were gifts to permanent endowment capital (2017-18: £3.7m, of which 95% were permanent endowment). These are very pleasing results for which the College is very grateful to its supporters.

Investment gains and losses

150) Net investment gains of £4.6m in 2018/19 were less than the £5.4m of the previous year, but a correction to markets has been expected for some time, so this is a relatively good result at this point in the economic cycle.

Gains and losses on disposal of fixed assets

151) There were no disposals of fixed assets in 2018/19. The £2.2m gain on disposal of fixed assets in 2017/18 relates to the freehold land and buildings at Wolfson Court, which was sold for this amount more than its book value in May 2018.

152) The College's expenditure for 2017/18 included non-recurrent professional fees relating to these two transactions.

153) Income and expenditure items in 2018/19 relating to Swirles Court represent a full year's occupation for the first time, because the lease was not completed until two months into the financial year 2017/18. Council has undertaken a more detailed analysis of the likely long term financial impact of Swirles Court as part of a planned review of the College's early experience of Swirles Court during 2018/19.

Revaluation of fixed assets

154) There have been no revaluations during the year other than to specific items of heritage assets as a result of a rolling programme of revaluations for insurance purposes.

Actuarial gains and losses

155) The actuarial loss of £1.2m (2017-18: gain of £1.4m) relates to the College's share of the Cambridge Colleges Federated Pensions Scheme (CCFPS) for non-academic staff. The Girton section of this scheme, in common with that of a number of other Colleges, has been closed to new members for some years, but existing members still in College employment are able to accrue benefits from future service..

156) The University Superannuation Scheme (USS) 2018 valuation was completed after the end of the financial year. The accounts therefore include the provision as per valuation 2017. This provision includes £880k for expected changes in contributions reduced by £28k for contribution already made towards this deficit (net of £852k). However, with the 2018 valuation, the contribution would have been reduced to £314k and the net deficit would have been £314k. The 2019-20 accounts will reflect this change.

Investment policy & objectives

157) The College's investment portfolio comprises both endowment and general investment assets. The purpose of the College's endowment is to support the long-term operating needs of the College in perpetuity. The investment assets represent accumulated expendable capital, surpluses and reserves, which may be employed to support the operating and capital needs of the College as, required. To this end, the overall investment portfolio is managed to maximize the long-term total return of the portfolio, subject to maintaining a reasonable level of risk of loss. The portfolio supports the operating and capital needs of Girton College through an annual spending rate, which is reviewed as necessary to ensure that it is sustainable over the long term.

158) The College has previously operated a long-term spending rule, which permits the transfer for each financial year of 4% of the average value of the investment assets net of any outstanding debt as of 1st January of the current fiscal year and two preceding fiscal years. In the course of the 2018 budgeting round, Council agreed to reduce the rate of spending from 4% to 3.2% over the next five years, and has begun to implement that decision in 2018/19.

159) If the investment portfolio is to fulfil its purpose, its purchasing power must be at least preserved and, if possible, enhanced. This implies that the investment assets must target a time-weighted total return of an estimated 6.2% p.a. after all costs, comprising the 3.2% annual spending rate plus an allowance for 3% annual inflation.

160) The College takes a long-term view on investment strategy, and the Strategic Asset Allocation ("SAA") is designed to reflect the optimal long-term asset allocation for the College given the risk/return objectives outlined herein. The Strategic Asset Allocation is formally reviewed on an annual basis by the Investments Committee and may be modified as needed in light of experience and changing circumstances, based on research and discussion involving Investments Committee members and outside experts. Such discussion focuses on the College's liquidity needs and perceived risk tolerance, as well as the projected behaviour of asset classes and strategies deemed worthy of consideration for the College's potential use.

161) Re-balancing will normally be undertaken on an annual basis to re-align asset allocations with the Strategic Asset Allocation. Where funds are required for operational purposes or differences in performance between asset classes are large, re-balancing may be implemented on a more frequent basis.

Risks & uncertainties

- 162) The major risk to the balance sheet at present is the risk of another financial crisis, or at the very least a substantial correction to the markets. This is an inherent risk of the endowment capital model of funding, to which all Cambridge Colleges and many similar institutions are to some extent exposed. The College Council takes a long term view of investment risk and its investment policy and strategy, as set out above, are designed to reduce volatility while maintaining the purchasing power of the College's endowment capital on a permanent basis.
- 163) A further set of risks surrounds student fees, which are currently under review for home students, and which, for overseas students, will need to be reviewed following Brexit.

Principal sources of funding 2018/19

Endowment and investment income

- 164) As grant-giving and operational charities, Cambridge Colleges typically rely on a combination of restricted and unrestricted income from their endowments and investments to offset their activity deficit (see below).
- 165) The College's policy of smoothing capital values over three years reduces the volatility of funds available for expenditure. In 2018/19, the amount of total return from investments transferred to unrestricted and restricted funds in the SOCI under the College's spending rule, at £2.9m, was £600k more than in the previous year. This reflects not only the continuing growth of the College's investment portfolio in recent years, but also a step increase in total return resulting from the investment of cash arising from the sale of Wolfson Court.
- 166) The increase in total return recognised in the SOCI (see Note 3. to the accounts) also reflects a reduction of £110k in the amount deducted in respect of interest on long term borrowings where the capital borrowed remains in the portfolio, as this is drawn down to fund the College's capital expenditure programme. Interest on borrowings which have been used to fund capital expenditure is accounted for under Other Operating Expenses (see Note 6. to the accounts).
- 167) The Council's decision during 2017-18 to reduce the spending rule from 4% to 3.2% over the next five years was incorporated into the College's five year rolling budget and began to take effect from 2018-19. This has created new pressure on spending budgets and the Council continues to look for ways of reducing costs while improving value for money and enhancing the student experience.

Activity accounts

- 168) The income and expenditure in the SOCI is classified by reference to the College's two major activities, *Education* and *Residences, Catering and Conferences*. Income, direct and indirect costs, and overheads are allocated between these two activities by a consistent process approved by the auditors. The overall net activity result is a deficit, which reflects the extent to which endowment income is needed to enhance the scope and quality of academic provision to College members, particularly students.

- 169) In recent years, the College's activity net deficit has been only partially offset by endowment and investment income, leading to an overall unrestricted net deficit before investment gains/losses.
- 170) In order to eliminate this deficit and achieve financial sustainability, the Council has agreed on the following long term strategy:
- a) Enhanced endowment and investment income: this is being addressed over the medium term through *A Great Campaign* and has also been greatly assisted by the investment of the proceeds of sale of the freehold of Wolfson Court which was completed in 2017/18;
 - b) Higher activity recovery ratios (where this does not conflict with the College's aspirations to provide the best possible education for its students): this is being addressed through the development of commercial international summer programmes, the growth of the student community to achieve better economies of scale, and other ongoing processes and reviews aimed at growing income and achieving better value for money;
 - c) A more financially efficient operational estate, which the move to Swirles Court and the planned further capital investment on the main site are intended to achieve.

Education activity

- 171) Academic fees and charges were some £440k higher in 2018/19 than in the previous year. This was due to continuing growth of the graduate community in accordance with Council's strategy, and a modest increase in the proportion of overseas undergraduates in residence.
- 172) The rate of recovery of Education expenditure through tuition fees remained static at 64% from 2015/16 to 2016/17 and reduced slightly to 62% in 2017/18. For 2018/19, despite the increase in tuition fee income noted above, it was 63%. In previous years the College has recovered as much as 78% of its education expenditure from fees, but the cap which has operated for a number of years on regulated undergraduate tuition fees, rising bursary costs and the costs of new admissions tests have made balancing the books considerably more difficult.
- 173) Overall, Education expenditure has increased by £550k, including £250k on Teaching (see Note 4. to the accounts). The increase in the number of teaching Fellows noted elsewhere in this report has been supported by new restricted endowments thanks to the continuing generosity of donors and benefactors.

Residences, catering and conference activity

- 174) The overall £775k (13%) increase in income is due to 2018/19 being the first full year of letting of Swirles Court, and the growth in Girton Summer Programmes, which was in its second year in 2018/19.
- 175) The costs allocated to Residences, Catering and Conferences include an allocation of buildings-related overheads and depreciation. Some of this is allocated to Education, where it relates to spaces with academic use, but the balance is allocated to Residences, Catering and Conferences. Within that, the Conference and other commercial activity accounts bear the full cost of

facilities at times when they are available for Conferences, regardless of actual usage. Notwithstanding the apparent substantial loss on Conference activity in these accounts, the departmental management accounts show a positive contribution to fixed costs.

176) The recovery rate for Accommodation activity has increased from 57% to 78% over the two years since 2016/17, reflecting both the addition in 2017/18 to the College's operational estate of Swirles Court and the establishment of Girton Summer Programmes.

177) By contrast, the recovery rate on Catering has declined from 68% to 51% over the same two year period. This reflects the closure of the cafeteria at Wolfson Court and the absorption of the Wolfson Court catering staff into the main College catering department. Since the opening of the Social Hub in late 2018/19, the recovery rate might reasonably be expected to improve in future years.

Spendable donation income

178) Donation income in the SOCI consists of gifts, which were pledged before *A Great Campaign* commenced, or where the donor has clearly specified the gift as unrestricted, spendable income. The amount received in 2018-19 at £31k is very much smaller than the previous year (£189k), reflecting the completion of pledges commencing prior to the start of *A Great Campaign*.

Pension liabilities

Pension provisions

179) See above.

ESG investment policy

180) The College wishes its investment practice to reflect its values and reputation as a charitable educational establishment of long standing. While these values do not require the automatic avoidance of any particular corporation or sector, they do require that all investment managers behave with integrity and are fully compliant with all regulatory requirements and relevant codes of practice.

181) Girton College has a diversified investment portfolio, with no one corporation representing over 1% of its total value. As Girton College does not 'pick stocks' and avoids investment managers who specialize in sensitive sectors¹, it does not routinely confront issues of social responsibility with the selection of its investments. It does, however, pick carefully its investment managers. Girton College insists that these managers demonstrate a very high standard of integrity towards their clients, their staff and the relevant regulatory authorities. Where any breaches of integrity are detected, the assets under management may be moved to another manager.

¹ Sensitive sectors are defined as: Alcohol (Brewers, Distillers and Vintners), Armaments (Aerospace and Defense), Gambling (Casinos and Gambling), Tobacco, and Fossil Fuels

- 182) The Investments Committee and the College's Investment Manager review the portfolio annually to identify any one stock or sector (excluding Gilts) which represents over 1% of its investment portfolio. The Committee will consider whether the College's values or reputation are being placed at risk by this investment in the context of any material impact on the investment portfolio.
- 183) The most recent ESG review shows that:
- (a) The College portfolio's estimated exposure to sensitive sectors (alcohol, armaments gambling, tobacco and fossil fuels) was 2.9% as at 30 June 2019. Within this, the exposure due to public equities was 5.7%;
 - (b) Both of these measures were significantly below the relevant benchmarks (agreed in 2015) i.e.
 - (i) a traditional 60/40 equity/fixed interest portfolio – 6.0%;
 - (ii) global equities – 10.6%.

Review of reserves

Reserves policy

- 184) The College is a permanent institution and holds substantial charitable funds on trust for a variety of purposes. The Council monitors the College's "free reserves", calculated as total unrestricted funds less fixed assets, since it does not regard the operational estate as available for such a purpose. Nevertheless, there are functional assets within the operational property portfolio which might at some stage be sold or otherwise removed from the operational estate.
- 185) The College requires free reserves:
- i) to underwrite the continuity of its operations;
 - ii) to maintain equity between generations of members;
 - iii) to fund capital expenditure;
 - iv) to be able to respond to any urgent need for unplanned expenditure;
 - v) to fund any future increases in pension reserves; and
 - vi) to provide for winding up costs in the event of a cessation of business.
- 186) The Council regards accumulated free reserves which arose from:
- i) unrestricted spendable donations in the quiet period of *A Great Campaign* (£1.7m); and
 - ii) the proceeds of sales of property (£23.4m)
- as quasi-unrestricted permanent endowment, invested alongside other permanent funds to provide an income for the College. Such free reserves designated as quasi-unrestricted permanent endowment (quasi-UPEC) will be used only sparingly and if absolutely necessary to maintain continuity of operations and equity between generations, but they are regarded as available for capital purposes such as further investment in the College's operational estate.
- 187) The College aims to fund its capital expenditure requirements over the next five years (currently budgeted at £3.6m) from a combination of free reserves, donations and long term loans.

188) The Council aims to retain a minimum of one year's unrestricted expenditure before depreciation as free reserves (£13.4m).

189) The Council monitors:

- a) the relationship between free reserves and the unrestricted funds net deficit before investment gains and losses in the Statement of Comprehensive Income; and
- b) the ratio of reserves to the net deficit before depreciation and donations, which it regards as a prudent measure of cash absorbed by operations.

190) In addition to these measures, the College maintains an income reserve within its Amalgamated Trust Funds (ATF) scheme which it uses, in conjunction with a three year rolling average smoothing of capital valuations for the purposes of its total return spending rule, to maintain a consistent level of expenditure on the various restricted charitable purposes of the ATF.

Amount of reserves

191) As at 30.6.19 the College's free reserves were £26.5m (2018: £30.9m) and during the year 2018/19 annual unrestricted expenditure before depreciation was £13.4m (2018: £11.4m). The ratio of free reserves to unrestricted funds net deficit before investment gains and losses was 9.5 (2018: 12.2) and the ratio of free reserves to the net deficit before depreciation and donations was 15.6 (2018: 31.2).

Comparison with reserves policy

192) The College's free reserves remain compliant with the Council's reserves policy, which was most recently reviewed in May 2019.

Longer term trends (5 years)

193) The Council has budgeted for capital expenditure totalling £3.6m over the next five years while it completes its current estates strategy. It is expected that free reserves will remain comfortably above the benchmark of one year's expenditure throughout the period. The Council aims to begin generating cash surpluses within the five year budget period.

194) In addition, during 2018/19, the Council has begun a new process of project feasibility assessment with a view to further development of the main College site under the master plan for which outline planning permission already exists.

Going concern

Explanation of operating deficit

195) The College Council has been concerned for a number of years about the College's persistent unrestricted operating deficit (the unrestricted funds net deficit before investment gains/losses in the SOCI). This has various underlying causes which are well understood, but which have proved difficult to correct without disrupting the College's charitable operations and potentially disadvantaging some cohorts of students relative to others.

196) The lease of Swirles Court and the sale of Wolfson Court facilitated a step change in the scale of the College's operations as well as a re-balancing of the relationship between the main balance sheet categories of fixed assets and investments. This has placed the College in a much better position to balance its income and expenditure in the future as a permanent institution.

Cash Flow Statement

197) The College held an unusually large amount of cash at the previous financial year end in order to fund a substantial capital commitment, the refurbishment of part of the College's historic buildings to fund a new Social Hub and a major refurbishment of the Porters' Lodge. This project was substantially completed in 2018/19, accounting for £2.6m of the c. £3m reduction in cash at the year end.

Any fund or subsidiary in deficit

198) None of the constituent funds of the ATF were in deficit at the year end.

Plans for future periods

Council's future plans

199) The College is a permanent institution and an important constituent of the collegiate University of Cambridge. The Council's plans for the next five years include:

- a) Completing in 2019/20 the cycle of celebrations of the 150th anniversary of the Foundation of the College;
- b) A full review of the Strategic Academic Plan, the current version of which expires in 2019/20. Council will review lessons learned from the last strategic plan, focussing particularly on difficult decisions and lessons learned from them;
- c) A new round of strategic planning will commence during 2019, based on a review of the challenges and achievements of the current strategic plan, and a wide ranging consultation with internal and external stakeholders;
- d) A project feasibility assessment and architectural competition with a view to further development of the main College site under the master plan for which outline planning permission already exists;
- e) Continuous improvements to governance arrangements, including a review and reformation of the Statutes during 2020;
- f) Succession planning for key offices which will be vacated on retirement in the next five years.

Five year rolling budget

200) The Council has adopted a five year rolling budget for 2019/20 to 2023/24. The revenue budget includes operating income and expenditure, the proportion of total return allowed by the College's long-term spending rule, depreciation, interest and donations. It does not include investment gains/losses retained as unapplied total return (see Note 17. to the Accounts), gains/losses on disposal of fixed assets, gains/losses on revaluation of fixed assets, nor actuarial gains/losses in respect of pension schemes.

Capital expenditure programme

201) Capital expenditure budgets for the next five years are as follows:

- (1) 2019/20: £525k (various upgrade projects, including fire and electrical equipment);
- (2) 2020/21: £1,102k (server refurbishment, new kitchen equipment);
- (3) 2021/22: £1,357k (Chapel Wing plant room, Kitchen major refurbishment)
- (4) 2022/23: £63k;
- (5) 2023/24: £529k (Tower plant room and Cloister Court upgrade).

202) This does not include any provision for further development of the main site under the master plan.

Impact on free reserves

203) Both the net deficit before depreciation and exceptional income and any capital expenditure will ultimately be funded by a combination of free reserves and long term loans available for capital expenditure. The impact over five years of the 2019 revenue and CapEx budgets is as set out below.

£000's	2019/20	2020/21	2021/22	2022/23	2023/24	5 year total
2019 final CapEx budget	525	1,102	1,357	63	529	3,576
2019 final I&E budget	421	963	(124)	72	(751)	581
Impact on free reserves	946	2,065	1,233	135	(222)	4,157

Risk management**Acknowledgement of trustee responsibility**

204) Members of the College Council as trustees have ultimate responsibility for ensuring that risk is managed satisfactorily within the College.

Overview of risk identification, assessment and monitoring process

205) Risks are identified in the College Risk Register which is a detailed document produced some years ago. During 2017/18, the College Council agreed to take a different approach to identifying risk. A Council Dashboard was introduced which provides Council with termly data on key areas of College activity and includes RAG² metrics relating to key areas of risk including Health and Safety, Property Maintenance, Finance, Information Compliance,

² Red, Amber, Green

Personnel and Academic. It was also agreed during the year that a new Corporate Risk Register would be devised, focussing on risks to delivering the College's Strategic Academic Plan, while the major committees of the College would be responsible for compiling and maintaining operational risk registers, feeding upwards to Council and the Corporate Risk Register as required.

206) Capital projects undertaken within College are subject to detailed local risk registers by individual project managers.

Review and assessment of major risks and confirmation of controls

207) Council considered the major risks to which the College is exposed in 2018/19 and satisfied itself then that systems were in place in order to manage those risks. The main categories of operational risk for the College are:

- a. Health & Safety
- b. Fire
- c. Employment
- d. Property maintenance and management
- e. Investment
- f. Funding and higher education policy
- g. Financial and accounting
- h. Admissions
- i. Student experience
- j. Reputation
- k. Governance
- l. Compliance

Links with strategic objectives

208) As set out above, a Corporate Risk Register is under development, which will link risk to the College's Strategic Academic Plan, which is due to be refreshed in the current year.

Trustees' review

209) Council reviewed the arrangements for managing risk in 2018/19 during consideration of its annual governance report.

Safeguarding

210) The Safeguarding leads in College are the Senior Tutor and the HR Manager, who, together with the Admissions Tutors, Senior Officers and Heads of Departments; oversee the implementation of policy throughout the organisation.

211) Children and vulnerable adults are present in College from time to time as prospective students, employees, casual workers, students, external trainees on work placements, event delegates, school visitors and when attending social events with members and alumni. In addition, the College has an active schools liaison programme involving staff working off site in schools.

212) The College aims to adopt the highest possible standards and take all reasonable steps in relation to protecting the safety and welfare of any children and vulnerable adults who come

onto College premises or into contact with College staff (whether working in a paid or unpaid capacity).

- 213) The College implements a number of policies and processes designed to keep children and vulnerable adults safe from harm, primarily the Child & Vulnerable Adult Protection Policy (last updated May 2018) which outlines processes for risk assessment, recruitment and selection, supervision, training and support, confidentiality and responding to concerns. The Policy describes likely levels of staff contact, and recommended checks.
- 214) In addition, the College, as the owner of licensed premises, has a duty of care to risk assess all events with regard to avoiding harm to children and vulnerable adults.
- 215) As part of its Prevent duty, the College trains all staff to recognise indicators of vulnerability to radicalisation in colleagues and student members.
- 216) The College's Dignity at Work policy protects children and vulnerable adults at work, and there are prescribed, specific health and safety risk assessments for the employment of children and vulnerable adults.

Fundraising rules

Approach to fundraising

- 217) The College's approach is primarily to alumni whose education the College helped to provide and therefore the ICO considers the College has a legitimate interest in contacting them. The College is registered with the Fundraising Regulator and is compliant with the requirements of the Code of Fundraising Practice, the Data Protection Act 2019 and EU General Data Protection Regulation (GDPR), the Privacy and Electronic Communications (EC Directive) Regulations 2003 and the ICO Direct Marketing guidelines 2016 in the collection, retention and use of alumni data.

Commercial participators or fundraisers

- 218) Girton has not employed Commercial Participators or Fundraisers.

Conforming to recognised standards

- 219) Girton is registered with the Fundraising Regulator and conforms to their voluntary code of practice. Some members of the Development Office team are also personal members of the Institute of Fundraising. The team attends training courses on Fundraising Regulation from the University of Cambridge, Institute of Fundraising, CASE and other recognised providers. An appropriate Alumni and Supporters Data Protection statement is on all digital and hard copy correspondence and on the College's websites.

Monitoring

- 220) The College monitors fundraising complaints and completes the Annual Complaints Return. With regard to data cleaning, the College provides 'Update your Details' forms or links in its three main publications, The Year, the Development Newsletter and the e-newsletter. The College pays for professional data cleansing every few years: most recently in 2015. Any returned

post is logged and addresses as well as requests to change preferences are all changed promptly, within a week.

Fundraising complaints

221) In 2018/19, the College received two fundraising complaints (both about telephone fundraising). Both were responded to within 24 hours and appropriate action taken (one complainant then made a gift). The College completes the Annual Complaints Return.

Protection of the public

222) The College removes those deemed vulnerable from its mailing lists as soon as the College knows about their condition (but keeps their data unless specifically requested as this helps ensure they are not accidentally re-added) except where certain arrangements have been requested e.g. family members ask to keep sending them the Annual Report.

223) The College removes alumni and supporters from its mailing lists if they request it in compliance with its Data Protection Statement.

224) In its telephone campaigns, the College sends pre-call letters to all alumni enabling them to opt-out in advance of telephone communications. The College does not call anyone over the age of 75 to 85 after 8.30pm, and does not call anyone over the age of 85 years. In five years, the College has only had one complaint about the timing of the call. The College may include those aged 85 and older in direct mailings, event invitations, newsletters etc. if appropriate e.g. they are a regular donor.

225) The College asks alumni and supporters about the type of contact they wish to have with the College and record their contact preferences on its database. This is done via the regular alumni and supporters questionnaires and during the annual telethons.

Structure, governance and management

226) The College aims to operate as a model of good governance when measured against benchmarks within the charitable and higher education sectors, and to be open to best practice in other sectors, including the corporate sector, as appropriate. To that end, there is an annual review of governance, following which key recommendations are implemented.

Governing documents

227) The College is a “Body Politic and Corporate” established by a Royal Charter dated 1924 and a Supplemental Charter and Statutes dated 1954. The foundation bears the name and style of “The Mistress Fellows and Scholars of Girton College” and is also known by the short name and style of “Girton College”.

228) The College is governed by its Statutes and Ordinances, which position it as a self-governing community of scholars.

Constitution and how trustees are recruited

229) The charity trustees of the College are the members of College Council, comprising, in accordance with the College Statutes, four members who serve ex officio, nine Fellows who are elected in accordance with the Statutes by the Governing Body of the College, and five student members who are elected in accordance with the Ordinances of the College.

Names of trustees and principal officers during the financial year

230) The members of the Council during the financial year 2018-19 were:

Prof S J Smith (The Mistress)	Dr A Donovan (from 1.10.18)
Ms K Lee (The Vice-Mistress)	Dr A Barford (from 1.10.18)
Ms D Lowther (The Bursar)	Dr H Marlow (from 1.10.18)
Dr A M Fulton (The Senior Tutor)	DR F Cooke (from 1.1.19)
Dr C Acerini (dec'd 20.5.19)	Mr G Cowperthwaite (JCR President) (to 31.3.19)
Prof M Allen (to 30.9.18)	Ms Nicole Brocksom (JCR President) (from 1.4.19)
Prof C Ford	Ms M Hale (JCR Vice-President) (to 31.12.18)
Dr RJE Riley	Ms Dea Begaj (JCR Vice-President) (from 1.1.19)
Dr C Lawson (to 31.12.18)	Mr L O'Connor (JCR Treasurer) (to 31.12.18)
Dr H Shercliff	Mr W Emmrich (JCR Treasurer) (from 1.1.19)
Dr S Falk	Ms J Jia (MCR President)
Dr E Weisblatt	Mr T Loman (MCR Vice-President)

Organisation and governance structure

231) The College Council meets 12 times annually. It is augmented by other members of the Fellowship for the purposes of certain business, as provided for in the College Statutes.

232) The Council is supported by a committee structure covering all College activities and involving Fellows, students and staff at all levels.

233) The Council oversees a devolved budgeting system under which individual budget holders are responsible for managing income and expenditure within their own areas of operation, and for bringing forward budget proposals through an annual budgeting process. Students, Fellows and members of staff are encouraged to participate in the process through their membership of the College's various committees. The College Council considers the budget proposal in detail before it is approved, to ensure that it is consistent with the College's strategic aims and objectives.

234) The proper use of finances and resources, in a manner which not only satisfies the requirements of internal control expected of a college, but also fulfils any legal or financial obligations as laid down by the Statutes and Ordinances, HMRC, the University of Cambridge, the Charity Commission and other authorities, is ensured by the College's Financial Regulations. The College Council reviews and approves these annually on the advice of the Bursar.

235) The Council undertakes an annual review of governance led by the Secretary to Council.

236) The Audit and Scrutiny Committee, which has a majority of external members, oversees the effectiveness of the College's financial, governance and risk management arrangements.

Induction and training of trustees

237) An induction and training session is held annually for all new and continuing members of the Council. This includes in particular the policy of the College on the management of conflicts of interest.

Remuneration policy and process

238) The College is guided by the remuneration policies and pay scales of the collegiate University of Cambridge and the HE sector generally. Council normally approves the application of the sector pay award to College pay scales. An internal committee is in place to deal with matters not systematically covered by the established scales. Individual members of this committee would be expected to declare an interest and withdraw from the meeting during any discussion relating to their own pay.

239) In addition, during 2018/19, the Council has established an independent Remunerations Committee with external members, with a remit to provide an impartial view of the remuneration of certain trustees, in particular the Mistress, Fellows and Officers, and to demonstrate that decisions are taken transparently and in the best interests of the College's charitable purposes.

Impact of membership of wider network

240) Although it is a legally and financially separate institution governed by its own constitution, the College is part of the collegiate University of Cambridge and is subject to the Statutes of the University.

241) The University and the Colleges make complementary provision for the education of matriculated students, who are admitted by their Colleges and presented by them for examination by the University.

242) In the interests of enhancing quality and value for money, the Colleges contribute directly to the cost of shared services provided on behalf of the Colleges collectively, and also to joint ventures with the University.

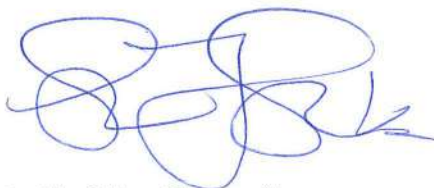
Reference and administrative details

Charity registration number and address of principal office

243) Girton College is a registered charity number 1137541 and its principal office is at Girton College, Huntingdon Road, Cambridge CB3 0JG.

Summary and conclusions

- 244) The 2018/19 accounts reflect the continuing impact of the major strategic changes to the operational estate which were implemented during the previous year and which were expected to make a step change in the long term financial viability of the College, as well as providing attractive new facilities for students and raising the profile of the College.
- 245) The College is also making very good progress towards the completion of *A Great Campaign*. In the long run, as an endowment campaign, this will be a significant benefit to Girton as a permanent institution. As a result of this, the strategic sale of Wolfson Court and prudent management of the investments over the decade since the global financial crisis, the College's investment portfolio was only just under £100m at the financial year end.
- 246) The College has now completed the construction of the new Social Hub within the historic main site buildings, which is intended to serve all College constituencies, alongside a major refurbishment of the Porters' Lodge. Further improvement work is planned for the main site buildings, which, when complete, should make them more comfortable for students as well as financially more economical. This has been budgeted for, either as maintenance and repairs expenditure, in the five year rolling operating budget, or as capital expenditure where appropriate.
- 247) The Council has reviewed the operational estate in 2018/19 in order to establish the likely long term financial and operational impact of Swirles Court and the feasibility of further development of the main site under the master plan for which outline planning permission already exists.
- 248) The College has continued to improve its academic and pastoral provision for students and achieved its goals in widening participation.
- 249) At the 150th anniversary of its foundation, the College is a vibrant centre of excellence in teaching, learning and research, cared for and supported by its alumni, donors and benefactors. At its heart is an active community of over a thousand students, Fellows and staff, furthering the College's aims and supporting its worthiest traditions of inclusion, diversity and responsible stewardship of the College's heritage.



On behalf of the Council
Professor Susan J Smith
Mistress
3 December 2019

Corporate Governance

1. The following statement is provided by the Augmented Council to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137541) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Council is advised in carrying out its duties by a number of Committees, the main ones meeting in 2018-19 being:
 - a. Investments Committee
 - b. Financial Planning Committee
 - c. Buildings Committee
 - d. Personnel Committee
 - e. Academic Policy Committee
 - f. Health and Safety Committee
 - g. Development Strategy Committee
 - h. Audit and Scrutiny Committee
4. The principal officers of the College are the statutory officers:
The Mistress The Senior Tutor
The Vice-Mistress The Bursar
5. It is the duty of the Audit and Scrutiny Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Council on the appointment of external auditors; to consider reports submitted by the auditors, to monitor the implementation of recommendations made by the auditors; to make an annual report to the Council. The members of the Audit and Scrutiny Committee for 2018-19 were:

Mr Paul Cook	Prof John Hendry (Life Fellow) (to 30.9.18)
Ms Rosamund Sykes	Dr Julia Riley (Life Fellow)
Ms Karen Knight	
6. There is a Register of Interests of members of Council. Declarations of interest are made systematically at meetings.
7. The College's Trustees (members of Council) during the year ended 30 June 2019 are set out on page 32.

Statement of Internal Control

1. The Council are 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 Council is responsible, in accordance with the College's Statutes.
2. 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.
3. 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.
4. The Council are responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
 - a. The Council receives an annual report from the Audit and Scrutiny Committee;
 - b. The Augmented Council receives the annual Key Issues Memorandum from the external auditors and refers any matters of concern to Council;
 - c. The Council undertakes an annual review of the College's Financial Regulations.
5. The Council's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Responsibilities of the Augmented Council

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Augmented 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 Augmented Council are required to:

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

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

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

Independent Auditors' Report to the Augmented Council of Girton College

Year Ended 30 June 2019

Opinion

We have audited the financial statements of Girton 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 and College Balance Sheets, 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 were:

- 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 Augmented Council are responsible for the other information. The other information comprises the information included in the Annual Report of the Trustees 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 Report of the Augmented Council 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; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of the Augmented Council

As explained more fully in the responsibilities of the Augmented Council statement set out on page 36, the Augmented Council 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 Augmented Council 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 Augmented Council 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.

Auditors' 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/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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

PEM

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CBI 2LA

Date: 17/12/2019

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 and certain operational properties, 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 25. Intra-group balances are eliminated on consolidation.

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 at which point the income is released to general reserves through a reserve transfer.

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

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

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

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.

Total return

The College invests its endowment portfolio and allocated the related earnings for expenditure in accordance with the total return concept. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the endowment portfolio over time. The College spending rule permits the transfer for the academic year of no more than 4 per cent of the 3 year rolling average of the balance of the fund as at 1st of January. The College operates a unitised Amalgamated Trust Fund (ATF) scheme for the collective investment of endowment funds, under which the transfer is permitted by the spending rule is converted into a pro-rata distribution of the funds. The funds within the ATF scheme include an income reserve fund, to which part of the transfer may be added, if in excess of the total distribution needed to maintain the spending capacity of the funds. In years in which the transfer is inadequate to maintain the spending of the funds, the income reserve fund may be drawn on to supplement the distribution of the funds.

Other income

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

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.

Fixed assets*Land and buildings*

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Operational property assets that had been revalued to fair value on 30 June 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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:

Buildings	63-99 years	Fit-Outs	5-34 years
Sports Facilities	67-99 years	M&E services	10-40 years
Outbuildings/workshops	10-46 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.

Land held specifically for development, investment and subsequent sale is included in current assets at the lower of cost and net realisable value.

The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £5k per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	20% per annum
Equipment	20% per annum

Leased assets

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

the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Heritage assets

Rare books, silver, works of art and other assets not related to education are valued at the insured value. Assets deemed to be inalienable are not included in the balance sheet. Items of antique furniture and silver have been valued by Cheffins, Auctioneers and Valuers.

Investments

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

Stocks

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

Provisions

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

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 1137541) 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 Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to 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 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. As required by Section 28 of FRS 102 "Employee benefits", the institution 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 institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The College also participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the Scheme are held in a separate trustee administered fund. The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the schemes. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The College also offers membership of NOW: Pensions, a defined contribution pension scheme, for non-academic staff and the pension charge represents the amounts payable by the College to the scheme in respect of the employees' service during the 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.

Critical accounting judgements

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

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

Consolidated Statement of Comprehensive Income and Expenditure

For the Year ended 30 June 2019

Statement of Comprehensive Income		2019		2019		2018		2018	
Year Ended 30th June 2018		Unrestricted		Restricted		Unrestricted		Restricted	
Income	Note	Funds	£'000	Funds	£'000	Funds	£'000	Funds	£'000
Academic fees and charges	1	3,794	182	3,794	3,976	3,378	161	3,539	3,539
Residence, catering and conferences	2	6,619		6,619	6,619	5,844		5,844	5,844
Investment income	3	--	905	905	905	--	927	927	927
Endowment return transferred	3	1,575	(2,877)	(302)	(2,877)	1,185	(2,236)	--	--
Other Income		--		--	--	--		--	--
Total Income before Donations & Endowments		11,988	1,484	(1,972)	11,500	10,407	(1,309)	10,310	10,310
Donations		31		31	31	189		189	189
New endowments	15-16	--	2,918	3,097	3,097	--	3,296	3,473	3,473
Capital Grant from Colleges Fund		--		--	--	--		--	--
Other capital grants for assets	16	9		9	9	19		19	19
Total		31	188	2,918	3,137	189	196	3,681	3,681
Total Income for the year		12,019	1,672	946	14,637	10,596	1,408	13,990	13,990
Expenditure:									
Education	4	4,762	1,228	5,990	5,990	4,307	1,133	5,440	5,440
Residence, catering and conferences	5	9,185		9,185	9,185	8,819		8,819	8,819
Investment Management & Other investment Cost:	3	--	745	745	745	--	879	879	879
Other Expenditure	14	852		852	852	2		2	2
Contribution under Statute G, II		19		19	19	--		--	--
Total Expenditure for the year	6	14,818	1,228	745	16,791	13,128	1,133	15,140	15,140
Surplus/(Deficit) before investment gains/(losses)		(2,799)	444	201	(2,154)	(2,532)	275	(1,149)	(1,149)
Net gains/(losses) on investments	3	867	29	3,693	4,589	1,831	35	5,325	5,325
Net gains/(losses) on disposal of fixed assets		--		--	--	2,178		2,178	2,178
Surplus/(Deficit) after gains and losses		(1,932)	473	3,894	2,435	1,477	310	6,354	6,354
Other comprehensive Income/(Losses)									
Gains/(losses) on revaluation of fixed assets	20	20		20	20	--		--	--
Actuarial Gain/(loss) in respect of pension schemes	14	(1,221)		(1,221)	(1,221)	1,374		1,374	1,374
Total comprehensive Income/(deficit) for the year		(3,133)	473	3,894	1,234	2,850	310	7,728	7,728

The notes on pages 51 to 74 form part of these accounts

Statement of Changes in Reserves
Year ended 30 June 2019

	Year Ended 30th June 2019					Year Ended 30th June 2018				
	Income and expenditure reserve	Restricted Endowment	Revaluation reserve	Total Reserves		Income and expenditure reserve	Restricted Endowment	Revaluation reserve	Total Reserves	
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
Balance at 1 July 2017	100,817	2,133	49,229	152,179		97,951	1,838	44,662	144,451	
Surplus/(Deficit) from Income & Expenditure Statement	(1,933)	474	3,894	2,435		1,477	310	4,567	6,354	
Other comprehensive Income/Expenditure	(1,201)	--	--	(1,201)		1,374	--	--	1,374	
Revaluation Fixed Assets	--	--	--	--		--	--	--	--	
Movement between funds	4	(4)	--	--		15	(15)	--	--	
	97,687	2,603	53,123	153,413		100,817	2,133	49,229	152,179	

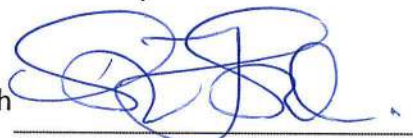
The notes on pages 51 to 74 form part of these accounts

Consolidated Balance Sheet as at 30 June 2019

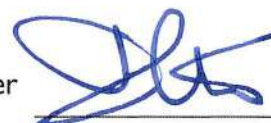
	Note	2019 £'000	2018 £'000
Non Current Assets			
Fixed assets	8	71,193	69,969
Heritage Assets	8	6,003	5,983
Investments	9	99,828	94,509
<i>Total Non Current Assets</i>		<u>177,024</u>	<u>170,461</u>
Current Assets:			
Stocks		83	46
Trade & Other receivables	10	2,463	2,075
Cash & Cash equivalent	11	2,376	5,469
<i>Total current assets</i>		<u>4,922</u>	<u>7,590</u>
Liabilities:			
Creditors: amounts falling due within one year	12	(3,039)	(2,595)
<i>Net current assets</i>		<u>1,883</u>	<u>4,995</u>
<i>Total Assets less current liabilities</i>		<u>178,907</u>	<u>175,456</u>
Creditors: amounts falling due after more than one year - Loans	13	(16,537)	(16,665)
Creditors: amounts falling due after more than one year - Others	13	(1,074)	(902)
<i>Total Long Term Liabilities</i>		<u>(17,611)</u>	<u>(17,567)</u>
<i>Net assets excluding pension liability</i>		<u>161,296</u>	<u>157,889</u>
Provisions			
Pension Provisions	14	(7,883)	(5,710)
<i>Total net assets</i>		<u>153,413</u>	<u>152,179</u>
The funds of the charity:			
Restricted Reserves			
Income & Expenditure Reserves - Endowment	15	53,123	49,229
Income & Expenditure Reserves - Restricted	16	2,603	2,133
<i>Total Restricted funds</i>		<u>55,726</u>	<u>51,362</u>
Unrestricted Reserves			
Income & Expenditure Reserves - Unrestricted		97,687	100,817
Income & Expenditure Reserves - Revaluation Reserve		--	--
<i>Total Unrestricted funds</i>		<u>97,687</u>	<u>100,817</u>
Total Reserves		153,413	152,179

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

Prof Susan J Smith



Deborah Lowther



The notes on pages 51 to 74 form part of these accounts

Consolidated Cash Flow Statement

For the year ended 30 June 2019

	Note	2019 £'000	2018 £'000
Net Cash Inflow from Operating Activities	18	231	1,297
Cash Flows from Investing activities	19a	(568)	(600)
Cash Flows from Capital Transactions	19b	(2,632)	3,631
Cash Flows from Financing Activities	20	(124)	(479)
		<u>(3,093)</u>	<u>3,848</u>
Increase/(Decrease) in cash and cash equivalent in the year			
Cash and cash equivalent at the beginning of the year		5,469	1,620
Cash and cash equivalent at the end of the year	11	2,376	5,469
Reconciliation of net cash flow to movement in net liquid assets			
Increase/(Decrease) in Cash in the Year		(3,093)	3,848
Movement in Long Term Loans		<u>124</u>	<u>479</u>
Net change in Cash		(2,969)	4,328
		<u>(11,321)</u>	<u>(15,649)</u>
Net Cash/Borrowing brought forward			
		<u>(11,321)</u>	<u>(15,649)</u>
		<u>(11,321)</u>	<u>(15,649)</u>
Net cash/borrowing carried forward	21	<u>(14,290)</u>	<u>(11,321)</u>

The notes on pages 51 to 74 form part of these accounts

Notes to the Accounts
For the year ended 30 June 2019

1. Academic Fees and Charges	2018-19 £'000	2017-18 £'000
College Fees		
Fee Income received at the regulated undergraduate rate	1,949	1,923
Fee Income received at the unregulated undergraduate rate	589	513
Fee Income received at the graduate rate	852	612
Total Fees	3,390	3,048
Cambridge Bursaries income	183	161
Other academic income	403	330
Total	3,976	3,539

2. Residence, Catering & Conference income	2018-19 £'000	2017-18 £'000
Accommodation		
College members	3,621	2,963
Conferences	1,155	1,157
	<u>4,776</u>	<u>4,120</u>
Catering		
College members	813	864
Conferences	194	484
	<u>1,007</u>	<u>1,348</u>
International Summer Programmes	836	376
Total	6,619	5,844

Notes to the Accounts

For the year ended 30 June 2019

3. Endowment & Investment income	2018-19 £'000	2017-18 £'000
3.a Analysis		
Total return recognised in Income & Expenditure account (3b)	2,877	2,236
3.b Summary of Total Return		
<i>Income from:</i>		
Land & Buildings	--	83
Quoted securities and cash	905	844
<i>Total Income from Investments</i>	<u>905</u>	<u>927</u>
<i>Gains/(losses) from endowment assets</i>		
Lands & Buildings	--	560
Quoted securities & cash	4,589	4,765
Loan interest payable	(569)	(679)
Investment management costs (see note 3c)	(176)	(200)
Total return for the year	<u>4,749</u>	<u>5,373</u>
Total return transferred to Income & Expenditure account (see note 3a)	<u>(2,877)</u>	<u>(2,236)</u>
Unapplied total return for the year included within Income & expenditure	<u>1,872</u>	<u>3,137</u>
3.c Investment management costs		
Land & building	1	10
Quoted & other securities & cash	175	190
<i>Total Investment management costs</i>	<u>176</u>	<u>200</u>

4. Education Expenditure	2018-19 £'000	2017-18 £'000
Teaching	2,864	2,612
Tutorial	727	660
Admissions	689	565
Research	851	804
Scholarships & Awards	535	523
Other educational Facilities	324	276
Total	<u>5,990</u>	<u>5,440</u>

Notes to the Accounts

For the year ended 30 June 2019

5. Residence, Catering & Conferences Expenditure		2018-19	2017-18
		£'000	£'000
Accommodation	College members	4,578	4,331
	Conferences	2,144	2,028
		<u>6,722</u>	<u>6,359</u>
Catering	College members	1,489	1,568
	Conferences	496	523
		<u>1,985</u>	<u>2,091</u>
International Summer Programmes	478	369	
Total		<u>9,185</u>	<u>8,819</u>

6. Analysis of Expenditure by Activity				
6.a Analysis of 2018-19 Expenditure	Staff Costs	Other	Depreciation	Total
	(Note 7)	Operating		
	£'000	£'000	£'000	£'000
Education (Note 4)	3,101	2,649	240	5,990
Residence Catering & Conferences (Note 5)	2,884	5,133	1,168	9,185
Investment management Costs		745		745
Pension annual Valuation (USS)		852		852
Contribution under Statute G, II		19		19
Totals	<u>5,985</u>	<u>9,398</u>	<u>1,408</u>	<u>16,791</u>
6.b Analysis of 2017-18 Expenditure	Staff Costs	Other	Depreciation	Total
	(Note 7)	Operating		
	£'000	£'000	£'000	£'000
Education (Note 4)	2,830	2,315	295	5,440
Residence Catering & Conferences (Note 5)	2,738	4,644	1,437	8,819
Investment management Costs		879		879
Contribution under Statute G, II		2		2
Totals	<u>5,568</u>	<u>7,840</u>	<u>1,732</u>	<u>15,140</u>

Expenditure includes fundraising costs of £475k (2017-18: £399k). This expenditure does not include the costs of alumni relations.

6.c Auditors remuneration included in Other Operating Expenses	2018-19	2017-18
	£'000	£'000
Audit fees payable to the College's External Auditors - Current year	23	16
Other Fees payable to the College's External Auditors	1	5
	<u>24</u>	<u>21</u>

Notes to the Accounts

For the year ended 30 June 2019

7. Staff costs	College	College Staff	Total 2019	Total 2018
	fellows 2019	2019		
	£'000	£'000	£'000	£'000
Emoluments	1,342	3,360	4,702	4,535
Social security costs	122	292	414	400
Other Pension costs (see note 24)	233	636	869	633
Total	1,697	4,288	5,985	5,568
<i>Staff Number</i>				
Academic	79	--	79	80
Non Academic (FTE)	4	119	123	120
Total	83	119	202	200

The number of officers and employees of the college, including Head of House, who received emoluments in the following range was:	2019	2018
£100,001 - £110,000	--	--
<i>No officer or employee of the College, including the Head of House, received emoluments over £100,000</i>		
During the year, emoluments paid to Trustees in their capacity as College Officers were:	333	291
Key Management Personnel Total emoluments		

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. These are deemed to be reserved Council members. The note above includes aggregated emoluments paid to key management personnel. Aggregated emoluments consists of salary and taxable benefits but excludes any employer's pension contribution.

The Augmented Council comprises 61 Fellows, of which 51 of the declared above receive an income from the College for academic related duties. No trustee of the college received emoluments in their role as trustee of the charity.

**Notes to the Accounts
For the year ended 30 June 2019**

8 Fixed Assets									
2018-19 Fixed Asset	Assets in		Freehold Building	Long Leasehold Land & Building	Furniture Fittings & Equipment	Software	Total	2017-18	
	Construction	Freehold Land							£'000
Original Costs									
As at 01-Jul-18	949	24,400	49,502	308	506	60	75,725	90,124	
Additions		--	2,415	--	183	34	2,632	869	
Transfers	(949)		949				--	--	
Disposals							--	(15,268)	
Transfer to heritage Asstes							--	--	
Revaluation							--	--	
As at 30-Jun-19	--	24,400	52,866	308	689	94	78,357	75,725	
Accumulated Depreciation									
As at 01-Jul-18	--	--	5,294	43	363	56	5,756	5,356	
Charge for the year		--	1,360	6	38	4	1,408	1,732	
Disposal in year		--	--				--	(1,332)	
Written back on revaluation							--	--	
As at 30-Jun-19	--	--	6,654	49	401	60	7,164	5,756	
Net Book Value									
As at 30-Jun-19	--	24,400	46,212	259	288	34	71,193	69,969	
As at 30-Jun-18	949	24,400	44,208	265	143	4	69,969	84,768	

Freehold land and Buildings were revalued by Gerald Eve Associates as of 30 June 2014. The properties are valued at depreciated replacement cost.

The insured value of the freehold buildings at 30 June 2019 was £97,625k (2017-18: £97,475k)

8 Heritage Assets	2019	2018
	£'000	£'000
Balance as at 1 July	5,983	5,966
Transfer from Tangible fixed asstes		
Donations	--	17
Appreciation on revaluation	20	--
Balance as at 30 June	6,003	5,983

Amounts for the Current and previous four years were as follows:					
	2019	2018	2017	2016	2015
	£'000	£'000	£'000	£'000	£'000
Acquisitions purchased with specific donations/funding	--	--	--	--	--
Acquisitions purchased with College funds	--	--	--	--	--
Total cost of acquisitions	--	--	--	--	--
Value of acquisitions by donations	--	17	13	--	--
Total acquisitions capitalised	--	17	13	--	--

Notes to the Accounts
For the year ended 30 June 2019

9. Investments	2018-19	2017-18
	£'000	£'000
Balance at the beginning of the year	94,509	76,929
Additions	22,602	27,418
Disposals	(17,503)	(22,441)
Appreciation/(Depreciation) on revaluation	7,737	2,239
Increase/(Decrease) in cash balance held by Fund Managers	(7,517)	10,364
Balance at the end of the year	<u>99,828</u>	<u>94,509</u>
<i>Represented by</i>		
Freehold Land & Buildings	0	0
Quoted Securities - Equities	41	37
Other shares	14	14
Alternative investments	96,156	83,324
Cash held for reinvestment	3,617	11,134
Investments total	<u>99,828</u>	<u>94,509</u>

The College is also the joint beneficiary with another organisation of a trust which owns a number of properties in Ealing, West London. Rental income less expenses is divided equally between the beneficiaries. When tenants vacate the properties, they are sold and the proceeds of the sales (less expenses) are divided equally between the beneficiaries. At 30 June 2019, the College's share in the remaining property is estimated to be about £250k (gross); this amount is not included within Investment assets.

Notes to the Accounts

For the year ended 30 June 2019

	2018-19 £'000	2017-18 £'000
10. Trade and other receivables		
Members of the College	147	175
Other debtors	452	138
Accrued Donations	1,498	1,334
Prepayments & Accrued Income	366	428
Total	2,463	2,075
11. Cash and cash equivalent		
Bank Deposits	1,562	1,996
Current Account	812	3,471
Cash in hand	2	2
Total	2,376	5,469
12. Creditors: amounts falling due within one year		
Long term Loans	128	124
Student prepayments	106	97
Other Creditors	2,805	2,374
Total	3,039	2,595
13. Creditors: amounts falling due after more than one year		
Other loans	10,000	10,000
Bank Loans	6,537	6,665
Student prepayments	1,074	902
Total	17,611	17,567

One of the bank loans is due for repayment in 2049 at a fixed interest rate of 5.54%. The other bank loans are repayable over a period of 11 to 12 years at fixed interest rates of between 5.20% and 5.40%.

During 2013-14, the College borrowed £10m from institutional investors in a private placement done collectively with other colleges. Although the College's loan is separate from those of the others. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.40%.

Notes to the Accounts

For the year ended 30 June 2019

The table below gives further details on how the loans contracted by the College were accounted for:

	Interest rate	Repayment date	Balance as at 30-06-19 £'000	Interests 2018-19 (in £'000)	
				Investment Portfolio	Operations
2009 Loan	5.54%	2049	5,000	107	169
Other bank loans	5.20%-5.40%	2029-2030	1,665	55	36
Other loan	6%	2018	-	-	-
Bond	4.40%-4.45%	2043-2053	10,000	407	37
Total			16,665	569	242

14. Pension Provision	CCFPS £'000	USS £'000	CEFPS £'000	Total £'000	2017-18 £'000
Balance at beginning of year	5,264	430	16	5,710	6,765
<i>Movements in year</i>					
Current service costs including Life insurance	391	1,145	-	1,536	675
Contributions	(442)	(294)	-	(736)	(532)
Other finance costs	143	9	-	152	176
Actuarial loss/(gain)	1,221			1,221	(1,374)
Balance at end of year	6,577	1,290	16	7,883	5,710

Notes to the Accounts

For the year ended 30 June 2019

15. Endowment Funds				
Restricted net assets relating to endowments are as follows:	Restricted	Unrestricted	Total	Total
	Permanent Endowment	Permanent Endowment	2018-19	2017-18
	£'000	£'000	£'000	£'000
Balance at beginning of year				
Capital	34,015	15,214	49,229	44,662
Unspent Income	--	--	--	--
	34,015	15,214	49,229	44,662
New donations and endowments	2,222	696	2,918	3,296
Transfer from/to Unrestricted reserves	--	--	--	--
Increase/(Decrease) in market value of investment	677	299	976	1,271
Balance at end of year	36,914	16,210	53,123	49,229
Represented by:				
Fellowship Funds	20,190	2,329	22,519	20,888
Scholarship Funds	6,601	94	6,695	6,163
Prize Funds	901	365	1,266	1,239
Hardship Funds	1,034	135	1,169	1,134
Bursary Funds	5,150	103	5,253	4,599
Travel Grant Funds	368	20	388	378
Other Funds	2,588	3,083	5,671	5,245
General Endowments	82	10,080	10,162	9,583
Total	36,914	16,209	53,123	49,229
Analysis by asset				
Property	--	--	--	--
Investments	36,914	16,209	53,123	49,229

Notes to the Accounts

For the year ended 30 June 2019

16. Restricted reserves							
Reserves with restrictions are as follows:	Permanent	Restricted	Capital	Total	Total		
	unspent and		Grants			2018-19	2017-18
	other		unspent			£'000	£'000
	restricted	expendable					
	Income	endowment					
	£'000	£'000	£'000	£'000	£'000		
Balance at beginning of year							
Capital	1,272	--	--	1,272	1,015		
Accumulated income	583	264	13	861	823		
	1,855	264	13	2,133	1,838		
New grants	--	--	9	9	19		
New donations	107	72	--	179	177		
Cambridge Bursary Scheme	182	--	--	182	161		
Endowment return transferred	1,302	--	--	1,302	1,051		
Other investment income	--	--	--	--	--		
Increase/(Decrease) in market value of investment	29	--	--	29	35		
Expenditure	(1,125)	(103)	--	(1,228)	(1,133)		
Capital grants utilised	--	--	(4)	(4)	(15)		
	--	--	--	--	--		
Balance at end of year							
Capital	1,478	--	--	1,478	1,272		
Accumulated income	872	233	19	1,124	861		
Total	2,350	233	19	2,602	2,133		
Represented by:							
Fellowship Funds	1,043	--	--	1,043	847		
Scholarship Funds	265	--	--	265	228		
Prize Funds	30	3	--	33	29		
Hardship Funds	136	--	--	136	120		
Bursary Funds	437	--	--	437	373		
Travel Grant Funds	8	--	--	8	6		
Other Funds	418	230	19	667	517		
General Endowments	13	--	--	13	14		
Total	2,350	233	19	2,602	2,133		
Analysis by asset							
Property	--	--	--	--	--		
Investments	2,350	233	19	2,602	2,133		
Cash	--	--	--	--	--		

Notes to the Accounts
For the year ended 30 June 2019

17. Memorandum of Unapplied Total Return	2018-19	2017-18
	<u>£'000</u>	<u>£'000</u>
Unapplied total return at beginning of year	23,852	20,715
Unapplied total return in the year (note 3b)	1,872	3,137
Unapplied total return at end of year	<u>25,724</u>	<u>23,852</u>

Notes to the Accounts

For the year ended 30 June 2019

Consolidated Cash-flow:

18. Reconciliation of consolidated deficit for the year to net cashflow from operating activities	2018-19	2017-18
	£'000	£'000
Operating Activities		
Operating Surplus/(Deficit)	(2,154)	(1,149)
Donations in kind	--	(17)
Depreciations	1,408	1,732
Provisions	21	--
Pension costs less contributions payable	953	318
Decrease/(Increase) in Stocks	(37)	1
(Increase)/Decrease in Debtors	(416)	(401)
Increase/(Decrease) in Creditors	615	859
Contribution to College Fund	2	2
Adjustment for Investing or Financing Activities		
Investment Income	(905)	(927)
Investment Costs	176	200
Interests Payable	569	679
Profit on sale of non-current assets		
Net Cash Inflow/(Outflow) from Operating Activities	231	1,297

19a. Cash Flow from Investing Activities	2018-19	2017-18
	£'000	£'000
Investment Property Income	(0)	83
Other Investment Income		
Investment charges	1	(4)
Interests paid	(569)	(679)
Net Cash Inflow/(outflow) from Investing Activities	(568)	(600)
Payment to acquire Tangible Fixed Assets	(2,632)	(869)
Payment to acquire Investment Assets	--	(13,000)
Disposal of Tangible Fixed Assets	--	16,100
Disposals of Investment Assets	--	1,400
	(2,632)	3,631

20. Cash flow from financing activities	2018-19	2017-18
	£'000	£'000
Long Term loans contracted	--	--
Long Term Loans repaid	(124)	(479)
Net Cash Inflow/(Outflow) from Financing activities	(124)	(479)

Notes to the Accounts

For the year ended 30 June 2019

21. Analysis of cash and cash equivalents	As at 1 July	Cash Flows	As at 30
	2018		June 2019
	£'000	£'000	£'000
Cash at bank and in hand	5,469	(3,093)	2,376
Long Term Loans	(16,790)	124	(16,666)
Net funds	(11,321)	(2,969)	(14,290)

22. Capital Commitments	2019	2018
	£'000	£'000
Commitments contracted for at 30 June 2019	66	3,173

23. Lease Obligations	2019	2018
	£'000	£'000
Commitments contracted for at 30 June 2018		
Expiring within one year	1,761	1,692
Expiring between two and five years	7,773	7,474
Expiring in over five years	108,056	110,116

24 Pension schemes

The college participates in three defined benefit schemes and one defined contribution scheme. The defined benefit schemes are the University Superannuation Scheme (USS), the Cambridge Colleges Federated Pension Scheme and the Church of England Funded Pension Scheme (CEFPS). The defined contribution scheme is NOW: Pensions.

The costs recognised in the Income & Expenditure account for the year were:

Scheme	2018-19	2017-18
	£'000	£'000
USS	296	260
CCFPS	454	267
NOW: Pensions	114	100
CEFPS	5	6
Total	869	633

Notes to the Accounts

For the year ended 30 June 2019

University Superannuation Scheme

The total cost charged to the SOCI is £296k (2018: £260k) as shown in notes 14 and 24.

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

The 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 SINMA "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

Notes to the Accounts
For the year ended 30 June 2019

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)	27.9	27.8

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 £752k, a decrease of £539k from the current year end provision and a lower charge through the Statement of Comprehensive Income of £314k.

Notes to the Accounts

For the year ended 30 June 2019

Cambridge Colleges Federation 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 (expressed as weighted averages) were as follows:

	2019 % p.a.	2018 % p.a.
Discount rate	2.25	2.70
Increase in salaries	2.90	2.75
RPI assumption	3.40	3.25
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% p.a.)	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).

Notes to the Accounts

For the year ended 30 June 2019

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

	Male	Female
Active Members – Option I Benefits	65	63
Deferred Members – Option I 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:

	2019 £	2018 £
Present value of plan liabilities	(20,760,149)	(18,062,590)
Market value of plan assets	14,183,485	12,797,839
Net defined benefit asset/(liability)	(6,576,664)	(5,264,751)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	2019 £	2018 £
Current service cost	331,141	374,569
Administrative expenses	26,396	24,638
Interest on net defined benefit (asset)/liability	143,049	165,524
(Gain)/loss on plan changes	33,397	0
Curtailment (gain)/loss	0	0
Total	533,983	564,731

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:

Notes to the Accounts

For the year ended 30 June 2019

	2019 £	2018 £
Present value of plan liabilities at beginning of period	18,062,590	18,786,681
Current service cost	331,141	374,569
Employee contributions	92,875	102,446
Benefits paid	(435,867)	(436,147)
Interest on plan liabilities	487,173	488,819
Actuarial (gains)/losses	2,188,840	(1,253,778)
(Gain)/loss on plan changes	33,397	0
Curtailment (gain)/loss	0	0
Present value of plan liabilities at end of period	20,760,149	18,062,590

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

	2019 £	2018 £
Market value of plan assets at beginning of period	12,797,839	12,452,369
Contributions paid by the College	442,748	260,653
Employee contributions	92,875	102,446
Benefits paid	(435,867)	(436,147)
Administrative expenses	(41,927)	(41,232)
Interest on plan assets	344,124	323,295
Return on assets, less interest included in Profit & Loss	983,693	136,455
Market value of plan assets at end of period	14,183,485	12,797,839
Actual return on plan assets	1,327,817	459,750

Notes to the Accounts

For the year ended 30 June 2019

The major categories of plan assets for the year ending 30 June 2019 (with comparative figures for the year ending 30 June 2018) are as follows:

	2019 %	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) are as follows:

	2019 £	2018 £
Return on assets, less interest included in Profit & Loss	983,693	136,455
Expected less actual plan expenses	(15,531)	(16,594)
Experience gains and losses arising on plan liabilities	(25,975)	417,815
Changes in assumptions underlying the present value of plan liabilities	(2,162,865)	835,963
Remeasurement of net defined benefit liability recognised in OCI	(1,220,678)	1,373,639

Notes to the Accounts

For the year ended 30 June 2019

Movement in 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:

	2019 £	2018 £
Net defined benefit asset/(liability) at beginning of year	(5,264,751)	(6,334,312)
Recognised in Profit and Loss	(533,983)	(564,731)
Contributions paid by the College	442,748	260,653
Remeasurement of net defined benefit liability recognised in OCI	(1,220,678)	1,373,639
Net defined benefit asset/(liability) at end of year	(6,576,664)	(5,264,751)

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 £169,569 per annum 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.

Notes to the Accounts

For the year ended 30 June 2019

Church of England Funded Pension Scheme (CEFPS)

Girton College (Cambridge) participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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 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 SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2017: £6k, 2016: £6k), plus the figures highlighted in the table below as being recognised in the SOCIE, giving a total charge of £22k for 2019 (2018: £20k).

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 at 31 December 2018 is currently underway and the results 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; 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 recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

Notes to the Accounts

For the year ended 30 June 2019

% of pensionable stipends	January 2016 to December 2017	January 2019 to December 2025
Deficit repair contributions	14.1%	11.9%

As at 31 December 2016, 31 December 2017 and 31 December 2018, the deficit recovery contributions under the recovery plan in force 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 provision is set out in the table below.

	2018	2017
Balance sheet liability at 1 January	16,000	16,000
Unwinding of Discount Factor		
Deficit contribution paid	(2,000)	(2,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	(2,000)	2,000
Balance sheet liability at 31 December	12,000	16,000

* 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:

Notes to the Accounts
For the year ended 30 June 2019

The legal structure of the scheme is such that if another Responsible Body fails, Girton

	December 2018	December 2017	December 2016
Discount rate	2.19% pa	1.4% pa	1.5% pa
Price inflation	3.10% pa	3.0% pa	3.1% pa
Increase to total pensionable payroll	1.60% pa	1.5% pa	1.6% pa

College (Cambridge) could become responsible for paying a share of that Responsible Body's pension liabilities.

Defined Contribution Pension Scheme: NOW: Pensions

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £114k (2017-18: £100k), of which £15k (2017-18 £13k) was outstanding at the year end.

- 25 Principal subsidiary and associated undertakings and other significant investments**
 The College dissolved via voluntary strike-off its 100% owned subsidiary Girton College Property services on 14 May 2019

26 Contingent Liabilities

With effect from 16 March 2007, the University 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 participating employers.

27 Related Party Transactions

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