ST JOHN'S COLLEGE
CAMBRIDGE

Annual Report
and
Financial Statements

for the year ended
30 June 2016

Registered Charity number 1137428

Contents

Trustees' Report

REFERENCE AND ADMINISTRATIVE INFORMATION

Status

St John's College, Cambridge was founded in 1511 by Lady Margaret Beaufort, the mother of Henry VII, and is one of the largest of the 31 colleges within the University of Cambridge, each of which is an independent, self-governing, body with its own property and income. Formerly an exempt charity, the College became a registered charity on 1 August 2010 with registration number 1137428 and is subject to regulation by the Charity Commission for England and Wales. The formal title of the College is the 'College of St John the Evangelist in the University of Cambridge'. The short title is 'St John's College, Cambridge'.

Address and website

St John's Street
Cambridge
CB2 1TP

www.joh.cam.ac.uk

Charity trustees

The charity trustees of the College, who are the members of the College Council, during the year were:

The Master, Professor C.M. Dobson (Chairman)
Mr D.J. Dormor (to 30 September 2015)
Dr M. Dörrzapf (to 30 September 2015)
Professor J.S. Rink (to 30 September 2015)
Professor R.A. Evans (to 30 September 2015)
Dr A.M. Nicholls (to 31 December 2015)
Mr C.F. Ewbank
Professor A-L. Kinmonth
Dr H.P. Hughes
Professor J. Toland
Dr H.E. Watson
Miss S. Tomaselli
Dr A.O. Wilshaw
Dr F.E. Salmon (from 1 October 2015)
Professor R.P. Tombs (from 1 October 2015)
Dr T.P. Hynes (from 1 October 2015)
Mr M.N. Wells (from 1 October 2015)
Professor S.M. Best (from 1 January 2016)

Senior Officers

Master (or Head of House)	Professor C.M. Dobson
President	Dr F.E. Salmon
Senior Tutor	Dr M. Dörrzapf
Senior Bursar	Mr C.F. Ewbank

Membership of the Governing Body

The members of the Governing Body of the College as at 30 June 2016 are set out below

Master: Professor C.M. Dobson

President: Dr F.E. Salmon

Other Fellows (in order of election)

Dr E.D. James
Professor R.A. Hinde
Dr J.A. Charles
Dr D.J.H. Garling
Dr G.A. Reid
Professor P. Boyde
Dr J.A. Leake
Dr P.A. Linehan
Dr A.J. Macfarlane
Professor D.L. McMullen
Dr E.K. Matthews
Mr R.G. Jobling
Dr A.A. Macintosh
Professor J. Staunton
Dr C.M.P. Johnson
Professor M.A. Clarke
Dr A.G. Smith
Professor J. Iliffe
Professor M. Schofield
Dr G.A. Lewis
Professor R.F. Griffin
Professor T.P. Bayliss-Smith
Professor S.F. Gull
Dr H.P. Hughes
Dr P. Goddard
Professor P.T. Johnstone
Professor I.M. Hutchings
Professor H.R.L. Beadle
Dr J.B. Hutchison
Dr D.G.D. Wight
Professor Sir R.H. Friend
Dr R.E. Glasscock
Professor R.P. Tombs
Dr R.E. McConnel
Professor D.R. Midgley
Professor P.H. Matthews
Dr M. Richards
Professor J.F. Kerrigan
Professor G.J. Burton
Professor G.C. Horrocks
Professor Sir P.S. Dasgupta
Professor Sir M.E. Welland
Dr H.R. Matthews
Professor B.J. Heal
Dr T.P. Hynes
Professor I.N. McCave
Dr A.C. Metaxas
Colonel R.H. Robinson
Professor S. Conway Morris
Professor E.D. Laue
Dr S.A. Edgley
Professor R.A. Evans
Dr S.M. Colwell
Dr H.E. Watson
Dr J.P. McDermott
Professor C.O. Lane
Dr C.J. Robinson
Professor Y.M. Suhov
Professor S.R.S. Szreter
Professor D.J. Howard
Professor M.M.G. Lisboa
Professor U.C. Rublack
Professor B.D. Simons
Dr K.C. Plaisted Grant
Professor M. Ní Mhaonaigh
Professor D.C. McFarlane
Professor C.D. Gray
Dr I.M. Winter
Professor N.S. Manton
Dr N.S. Arnold
Dr S. Castelvecchi
Professor A-L. Kinmonth
Dr J.M. Lees
Professor A.D.H. Wyllie
Professor S.C. Reif
Dr D.M. Fox
Dr D.M.A. Stuart
Dr A.M. Nicholls
Dr M. Dörrzapf
Dr P. Antonello
Dr P.T. Miracle
Professor A.W. Woods
Commodore J.W.R. Harris
Professor S.M. Best
Dr P.M. Geraats
Dr P.T. Wood
Dr E.J. Gowers
Mr D.J. Dormor
Professor U.C. Goswami
Professor R.J. Samworth
Professor G.W.W. Barker
Dr D.L. Williams
Miss S. Tomaselli
Mr C.F. Ewbank
Dr C.G. Warnes
Professor C.D. Jiggins
Mr S.W. Teal
Mr A.M. Nethsingha
Dr T. Larsson
Dr R.D. Mullins
Professor T.P.J. Knowles
Dr J.J.W.A. Robinson
Dr G.L. Evans
Professor M. Atatüre
Dr A.B. Reddy
Professor Z. Ghahramani
Professor J.S. Rink
Dr T.E.C. Button
Dr E. Reisner
Professor J. Toland
Professor O. Paulsen
Dr N.L. Roberts
Dr I. Palacios
Dr K. Franze
Dr A. Lamacraft
Dr J.P. Slight
Dr U.A.M. Paszkowski
Dr N. MacDonald
Dr A.O. Wilshaw
Dr J.R. Taylor
Dr A. Bouayad
Dr M.J.V.P. Worthington
Dr A.K. Arsan
Dr M.T.G Humphreys
Dr R.S. Weatherup
Dr S.I.A. Cohen
Dr M.A. Crowley
Dr M.F.L. De Volder
Dr H.J. Joyce
Dr S. Shao
Dr T.M. Adamo
Dr O. Da Rold
Mr M.N. Wells
Dr S.H. Martin
Dr S. McDowell
Dr A. Albors-Llorens
Professor T.J.G. Whitmarsh
Dr E.T. Tipper
Mr T J. Watts
Dr A.Y. Chau
Dr M.G. Elliot
Dr H.S. Knowles
Dr F. Vella
Dr G.R. Ladds
Dr P.J. Lennon
Dr O.E. Griffiths
Dr E. Giusti
Dr A.T. Wong
Dr E.H. Wickerson
Dr B. Peruvemba Narayanan
Dr Q.D.O. Berthet
Dr C.C. Sahner
Dr S.M. Chomse
Professor R.J. Gilbertson
Dr F. Kilburn-Toppin
Professor E. Willerslev

Principal Advisers

Actuaries	Cartwright Group Ltd, 250 Fowler Avenue, Farnborough Business Park, Farnborough, Hants, GU14 7JP
Auditor	Deloitte LLP, Deloitte House, Station Place, Cambridge, CB1 2FP
Bankers	Barclays Bank PLC, PO Box 885, Mortlock House, Histon, Cambridge, CB24 9DE
Investment Consultant	Willis Towers Watson Ltd, 71 High Holborn, London, WC1V 6TP
Property Advisers	Savills (L&P) Ltd, Unex House, 132-134 Hills Road, Cambridge, CB2 2PA
	Savills (L&P) Ltd, Wytham Court, 11 West Way, Oxford, OX2 0QL
	Carter Jonas LLP, 6-8 Hills Road, Cambridge, CB2 1NH
Solicitors	Mills & Reeve, Botanic House, 100 Hills Road, Cambridge, CB2 1PH

GOVERNANCE

The Governing documents of the College are its letters patent of 7 August 1509, its deed of foundation of 9 April 1511 and its Statutes of 1926 as variously amended from time to time (the Statutes). The Statutes describe, among other things, the membership and responsibilities of the Governing Body and Council; the election and duties of the Master and President; the election, admission, tenure and removal of Fellows; and the appointment and duties of College officers. The Statutes are supplemented by orders for the regulation of the College's affairs, made by the Council in accordance with the Statutes.

The members of the College Council, which is responsible for the day-to-day administration of the affairs of the College, are the charity trustees and are responsible for ensuring compliance with charity law. The members of the Council are the Master and twelve Fellows elected by the College's Governing Body for rotating four year terms. The members of the Council during the year ended 30 June 2016 are set out in 'Reference and administrative information' on page 1.

The Governing Body of the College consists of the Master and all Fellows, and is the ultimate authority in the government of the College. It meets termly or more frequently as necessary.

All members of the Council are given, on appointment, an induction pack containing key Charity Commission guidance on public benefit and the good governance of charities, and the policy of the College for the management of conflicts of interest. Members of the Council are also required to complete a Register of Interests and declarations of interest are made systematically at meetings.

Elected representatives of the junior members of the College attend College Council meetings for the discussion of matters directly affecting the interests of undergraduates and post-graduates.

The Master of the College is elected to office by the Fellows until retirement or earlier resignation. He is responsible for general oversight of the affairs of the College. The Master chairs the Governing Body and the Council.

The other College officers most involved in the governance of the College are as follows: the President, who is elected by the Fellows for a period of up to four years and, among other duties, acts as the Master's deputy in his absence; the Senior Tutor, who has overall responsibility for the admission, education and welfare of students; the Deans, who are responsible for overseeing the Chapel and the conduct of junior members of the College; the Senior Bursar, who is responsible for managing the College's finances; and the Domestic Bursar, who manages the domestic affairs of the College.

It is the duty of the Council to keep under review the effectiveness of the College's internal systems of financial and other controls. The Council appoints the Audit Committee of the Council whose duty it is 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; and to monitor risk management and control arrangements. The Audit Committee of the Council makes an annual report to the Council. Membership of the Audit Committee of the Council comprises three members of the Council who are not College Officers. The Council also appoints a separate Audit Committee (Board of Scrutiny) which acts as a Board of Scrutiny and reports to the Governing Body.

St John's College School has its own Governors, who are appointed by the College Council. As at 30 June 2016, six of the twelve Governors of the School were Fellows of the College. The School Governors are responsible to the College Council for the educational policy, management and finances of the School.

The Visitor of the College is the Bishop of Ely.

OBJECTS AND AIMS

Objects

The charitable objects of the College are, for the public benefit, to advance education, religion, learning and research, particularly but not exclusively through the provision of a College within the University of Cambridge and through the provision of facilities for, and the conduct of, divine service within the College.

Aims

The College has developed a series of aims that summarise its approach to achieving its charitable objects, which are:

- To admit students on the basis of academic ability and potential alone irrespective of financial circumstances and social, religious or ethnic background, to preserve the College's ability to select the best students and to provide financial support to students;
- To maintain a balanced mix of undergraduate, taught graduate and research graduate students, and to preserve a broad range of academic activity whilst remaining small enough to retain a sense of community and individuality;
- To deliver an outstanding education for undergraduates and graduate students, and to sustain the supervision and tutorial welfare systems that are pivotal to the University's tradition of excellence;
- To encourage and support research of international importance by Fellows and graduate students, and to introduce undergraduates to the nature and excitement of original research;
- To carry forward the tradition, maintained continuously since its foundation, of being a place of reflection on matters of religious faith;
- To provide outstanding social, cultural, musical and sporting opportunities that are a key part of the experience offered by the College and which contribute to the personal development of its members;
- To conserve and enhance the College's historic buildings and grounds, an important part of the world's architectural heritage, whilst at the same time providing first-class facilities and infrastructure for the activities that take place within them;
- To preserve the College's independence and self-determination, which with that of other Colleges is a fundamental ingredient in the diversity and success of the collegiate University;

- To take a lead in sustaining and enhancing the ability of the University to continue as one of the world's very top academic institutions, in the face of increasing international competition;
- To recognise and value all our alumni as life-long members of the College community, appreciated for their continuing involvement in, and support of, the College; and
- To operate on a sustainable basis, deploying our resources in a way that preserves intergenerational equity, and living within our means.

The aims of St John's College School are:

- To educate and accommodate as boarders the Choristers of St John's College Choir who are admitted on the basis of vocal and musical ability;
- Otherwise, to continue a largely non-selective admissions policy;
- To offer an outstanding education that fosters the aptitudes and nurtures the growth of each pupil at the School;
- To match its commitment to academic excellence with outstanding non-academic tuition and activities to provide a rich and fulfilling curriculum;
- To give the highest priority to pastoral care and to provide excellent boarding provision;
- To foster a genuine sense of community among pupils, parents and staff as well as past pupils and parents; and
- To offer significant financial support through fee remission and bursaries.

ACTIVITIES, PERFORMANCE AND FUTURE PLANS

Activities and Performance

In setting objectives and planning activities, the College Council has given careful consideration to the Charity Commission's general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing education, advancing religion and on fee-charging.

The principal objectives of the College for the year were: to continue to strengthen the College's access and outreach programme; to enhance the very substantial financial support provided to its students; to strengthen the teaching capabilities of the College; to continue to improve academic performance in Tripos exams; to continue to contribute to the research capabilities of the University through the College's Research Fellowship scheme; to strengthen the opportunities for University post-doctoral researchers to become associated with the College; to incur minimal capital expenditure on its buildings following completion of the College's major capital buildings programme; and to continue the College's successful fundraising programme.

Highlights of activities and achievements in the year were: hosting four general open days, eleven subject specific open days, nine Link Area residential events in Cambridge, two brand new Access Tour initiatives working with 5,550 school pupils in total from 153 schools. Additionally the College hosted one Insight and two Sutton Trust Summer Schools, visited 108 schools and hosted some 100 individual school visits to the College. We also increased our overseas' recruitment with two visits to New York for HE Fairs and a visit to Singapore to promote recruitment and publicise a new scholarship programme; continued contribution to the Cambridge Access Bursary scheme which provides means-tested bursary support at levels far in excess of the Office for Fair Access requirements with some 125 bursaries being provided in the year, of which 71 were at the maximum bursary level; continued significant investment in graduate scholarship provision, ensuring strong support to graduate students; the continuation of the College Teaching Associate scheme to enhance the teaching resource of the College and provide the flexibility to cover short and medium term teaching needs; the election of four new teaching Fellows, one beginning in Spring 2016 and three to start in 2016/17 in the following subjects – Clinical Medicine, Economics, Engineering and Law; the appointment of two new College Teaching Associates in Classics and Music; the election of five outstanding new Research Fellows in Earth Sciences, Genetics, History, History of Art and Materials Science; the election of eight new College Research Associates offering a College affiliation to a significant number of talented post-doctoral researchers in the University; and donors to the College in the year were very generous, with funds received to support the new Studentship and Summer Bursaries programmes, and pre-admission prizes among many other activities.

The principal objectives of the School for the year were: to complete the redesign of the garden at Byron House and to proceed with a range of curricular developments.

Highlights of activities and achievements in the year were: 54 leaving pupils gained a total of 24 scholarships to their destination schools; the pass rate for the Common Entrance Examination was 100%. Over the summer, the back playground at Byron House was transformed into a magical woodland environment where children can both play and learn imaginatively. Over the year, there have been a wide range of curricular developments across the School including: Digitally Enhanced Learning, Creative Curriculum and Child Initiated Learning, Critical Thinking, development of Pupil Improvement monitoring and strategic planning for each child, Extension and challenge, review of Homework, extension of the My Mind curriculum to year 4 (including the introduction of Tai Chi), Compassion curriculum, implementation of a new Computing curriculum throughout KS1 and KS2. Last year also saw the start of an outreach project in conjunction with the Farms for City Children charity.

Future Plans

The College has a Strategic Plan covering the period 2011-16. This sets out the College's ambitions to: enhance its outreach activities; provide greater financial support for students; further strengthen its teaching capabilities and raise academic performance; increase the number of Research Fellows; improve extracurricular opportunities; complete the major building refurbishment programme; modernise its approach to human resources; and build on fundraising success to date by launching new fundraising initiatives aimed at building the College's Endowment. The College is currently working on developing a new strategic plan covering the period 2017-22 and many of the ambitions set out in the current Strategic Plan will be recurring themes in the new plan.

For the School, educational innovation and development will continue, focussing on three main areas. First, Pupil Responsibility for learning, which will include developing a forum for listening to pupil voice, continued development of opportunities for extension of the most able, continued development of critical thinking, continued development of homework, extension of the My Mind curriculum into year 5, and continued development of digitally enhanced learning. Secondly, Sustainability and Social Responsibility, which will include creating a five year plan for developing awareness of global development issues, both local and international outreach and to make the school more environmentally friendly and sustainable. Finally, we will develop our information management systems to create a more integrated system architecture that will be more efficient and easier to manage.

FINANCIAL REVIEW

Scope of the Financial Statements

The consolidated financial statements include the College itself, St John's College School and the College's wholly-owned trading subsidiaries which are:

- St John's Enterprises Limited, which undertakes principally conference and tourism activities and activities in relation to healthcare for the College;
- Aquila Investments Limited, which undertakes principally property development and farming;
- St John's Innovation Centre Limited, which manages St John's Innovation Centre on behalf of the College, and provides advice and guidance to early-stage knowledge-based businesses in the Cambridge sub-region; and
- Lomas Developments Limited, which undertakes principally property development.

The accounts of dormant companies are also consolidated, along with the College's share of the joint venture Barberry Nottingham LLP.

The financial statements are produced by the College in the Recommended Cambridge College Account (RCCA) format introduced through revisions to Statute G,III of the University which replaced the previous format introduced in 1926 by the University of Cambridge Commissioners.

Results overview

The College's Consolidated Statement of Comprehensive Income and Expenditure for the years ended 30 June 2016 and 2015 are summarised below:

	2016 £'000	2015 £'000	% change
Income before donations and endowments	35,355	34,568	2.3%
Donations and endowments	3,980	3,798	4.8%
Total income	39,335	38,366	2.5%
Expenditure before depreciation	34,432	33,438	3.0%
Operating surplus before depreciation	4,903	4,928	(0.5%)
Depreciation	5,472	5,350	2.3%
Deficit before other gains and losses	(569)	(422)	34.8%
Deficit before other gains and losses excluding new endowments and capital grants	*(2,676)*	*(3,567)*	*25.0%*

Total income was higher by £969k (2.5%) and total expenditure excluding depreciation increased by £994k (3.0%) in the year, generating an operating surplus before depreciation for the Group of £4,903k, a decrease of £25k from an operating surplus before depreciation of £4,928k in the prior year.

After depreciation, the operating deficit was £569k, an increase of £147k on the deficit of £422k in the prior year.

Income before donations and endowments

Income before donations and endowments increased overall by £787k (2.3%) in 2015-16 as a result of changes across various activities. The main sources of income for the College and a description of key changes are set out below:

- **Academic fees and charges**: these represented 10.2% of income before donations and endowments in the year (10.2% in the previous year) and totalled £3,627k, up £103k (2.9%) from £3,524k in the prior year. This was due primarily to an increase in undergraduate fee income.

- **Residences, catering and conferences**: this represented 19.0% of income before donations and endowments in the year (17.9% in the previous year) and totalled £6,703k, up £504k (8.1%) from the previous year (£6,199k). The increase results from an increase in conferencing events and associated accommodation.

- **School**: this represented 18.2% of income before donations and endowments in the year (18.5% in the previous year). School income consolidated was £6,433k in the year, up £47k (0.7%) from the prior year (£6,386k) primarily as a result of a year-on-year increase in fee levels.

- **Investment income**: this represented 51.8% of income before donations and endowments in the year (52.6% in the previous year). Gross Investment income was £18,298k in the year, an increase of £102k (0.6%) on the previous year (£18,196k); the endowment drawdown from permanent funds accounted for on a total return basis increased during the year, while income from expendable funds and permanent funds accounted for under the standard method continued to reduce in the year.

- **Other income**: this represented 0.8% of income before donations and endowments in the year (0.8% in the previous year).

Income from donations and new endowments

This represented 10.1% of total income (9.9% in the previous year) and totalled £3,980k, up £182k (4.8%) from the prior year (£3,798k).

- **Donations:** this represented 47.1% of income from donations and new endowments (17.2% in the previous year) and totalled £1,873k, up £1,220k (186.8%) from the prior year (£653k). The increase was primarily in restricted donations for student financial support.

- **New endowments:** this represented 36.7% of income from donations and new endowments (70.0% in the previous year) and totalled £1,462k down £1,196k (45.0%) from the prior year (£2,658k).

- **Other capital grants for assets:** this represented 16.2% of income from donations and new endowments (12.8% in the previous year) and totalled £645k, up £158k (32.4%) from the prior year (£487k).

Expenditure

Total expenditure was £39,904k in 2015-16, an increase of £1,116k (2.9%) on the prior year (£38,788k). The main areas of expenditure for the College and a description of key changes are set out below:

- **Education**: this represented 29.2% of expenditure (28.9% in the prior year) and totalled £11,634k, up £414k (3.7%) on the prior year (£11,220k). Staff costs and other operating expenditure continue to grow as the College maintains its investment in teaching resource.

- **Residences, catering and conferences**: this represented 32.5% of expenditure in the year (34.1% in the prior year) and totalled £12,964k, down £250k (1.9%) on the prior year (£13,214k). Staff costs reduced year-on-year, and other operating expenses reduced as a result of cost saving exercises in purchasing.

- **School**: this represented 16.8% of expenditure in the year (15.8% in the prior year) and totalled £6,711k in the year, up £586k (9.6%) from the prior year (£6,125k) in the main due to higher depreciation and staff costs.

- **Other**: this represented 5.1% of expenditure (4.5% in the prior year) and totalled £2,051k, up £309k (17.7%) on the prior year (£1,742k) due to an increase in staff costs and other operating expenditure.

- **Investment costs**: this represented 14.4% of expenditure (14.7% in the prior year) and totalled £5,746k in the year, an increase of £25k (0.4%) on the prior year (£5,721k), with the main movements being an increase in staff costs offset by a reduction in investment consultant, custodian and cash management fees.

- **Contribution under Statute G,II:** this increased by £32k (4.2%) to £798k against the prior year (£766k). This contribution is an intercollegiate taxation charge which is contributed to the Colleges Fund which makes grants to colleges with inadequate endowments.

The expenditure for each of the activities described above is made up of staff costs, other operating expenses, depreciation, and interest and other finance costs, and these are described below:

- **Staff costs**: these represented 41.5% of expenditure (41.2% in the prior year) and totalled £16,593k in the year, an increase of £592k (3.7%) on the prior year (£16,001k). Staff costs have increased within the School and the education department due to increased investment in academic support.

- **Other operating expenses**: this represented 40.4% of expenditure (40.5% in the prior year) and totalled £16,106k, an increase of £405k (2.6%) on the prior year (£15,701k). The increase can be attributed to higher costs due to the size and number of choir tours this year, as well as increased costs from alumni and development events. The operating costs within the School have also increased, mainly due to an increased investment in education and teaching.

- **Depreciation**: this represented 13.7% of expenditure (13.8% in the prior year) and was £5,472k for the year (2015: £5,350k). This charge is rising as the College and School complete their projects within their building refurbishment programmes.

- **Interest and other finance costs**: this represented 4.3% of expenditure (4.5% in the prior year) and totalled £1,733k for the year, a reduction of £3k on the prior year (£1,736k).

Results on the distribution basis

The College manages all its long-term investments on a total return basis and determines, through a spending rule, a prudent distribution each year. However, whilst accounting standards permit permanent endowment funds to be accounted for on a total return basis, they do not allow expendable funds to be accounted for on that basis. Since the College invests its funds classified as expendable endowments and reserves, as well as its permanent endowment funds, on a total return basis, the Consolidated Statement of Comprehensive Income and Expenditure of the College does not therefore reflect all of the distribution determined under the College's spending rule, from expendable endowments and general reserves.

The College has therefore adopted the approach of providing additional information following the Consolidated Statement of Comprehensive Income and Expenditure to show what the income and surplus/(deficit) of the Group would have been had income in the Consolidated Statement of Comprehensive Income & Expenditure instead been based on this "distribution basis" i.e. reflecting the full distribution from expendable endowments and general reserves. As the College considers that the distribution basis more appropriately reflects its financial performance, the summary results set out below are on the distribution basis.

The College's Consolidated Statement of Comprehensive Income and Expenditure on the distribution basis for the years ended 30 June 2016 and 2015 are summarised below:

	2016 £'000	2015 £'000	% change
Income before donations and endowments on a distribution basis	37,190	36,362	2.3%
Donations and endowments	3,980	3,798	4.8%
Total income on a distribution basis	41,170	40,160	2.5%
Expenditure before depreciation	34,432	33,438	3.0%
Operating surplus before depreciation	6,738	6,722	0.2%
Depreciation	5,472	5,350	2.3%
Surplus before other gains and losses	1,266	1,372	(7.7%)
Deficit before other gains and losses excluding new endowments and capital grants	(841)	(1,773)	52.6%

Capital Expenditure

The Group incurred capital expenditure on tangible fixed assets during the year amounting to £2,169k, compared to a prior year figure of £5,543k.

The much reduced level of expenditure reflects the completion of the College's major building refurbishment programme launched in 2006.

Balance sheet

Consolidated net assets stood at £724,451k at 30 June 2016, up £35,185k (5.1%) on the prior year. This increase was predominantly as a result of increases in the value of Endowment assets, reflecting rises in the market value of investments, as well as new endowments and capital grants received.

The increase in the pension deficit from £11,616k to £12,189k was largely as a result of a lower discount rate assumption and a shortfall in contributions versus the calculated service cost, partially offset by better than expected investment returns and an experience gain.

Creditors falling due after more than one year reduced by £1,244k from £29,556k to £28,312k due to repayment of the floating rate element of the £10m unsecured loan taken out in 2013.

Reserves

Consolidated total funds stood at £724,451k at 30 June 2016, up £35,185k (5.1%) on the prior year. At 30 June 2016, unrestricted reserves stood at £267,399k, up £9,835k (3.8%) on the prior year.

Endowment and Investment Performance

The College has a pool of capital invested for the long-term to support the charitable activities of the College by providing a reliable source of funding for the College's operations in perpetuity. This is known as the College's 'Endowment' though it includes assets other than the investments as set out in note 9.

The investment objective of the Endowment is to produce the highest total return consistent with the preservation of long-term capital value in real terms (such that the College itself can fulfil its charitable objectives in perpetuity and be even handed between the interests of present and future beneficiaries), an acceptable degree of risk and the maintenance of appropriate liquidity.

The total value of the Endowment was £505,008k at 30 June 2016, up £34,240k (7.3%) from its value at 30 June 2015. The assets and liabilities of the Endowment fall under a number of headings in the accounts, with the following breakdown:

	2016 £'000	2015 £'000	% change
Investments	489,128	462,635	5.7%
Tangible fixed assets	61	-	-
Stock	84	116	(27.6%)
Trade and other receivables	2,674	2,178	22.8%
Cash and cash equivalents	18,527	9,259	100.1%
Sub-total assets	**510,474**	**474,188**	7.7%
Creditors falling due within one year	(5,466)	(3,420)	59.8%
Total	**505,008**	**470,768**	7.3%

As at 30 June 2016, £264,925k or 52.5% (£254,390k or 54.0% in prior year) of the Endowment was invested in direct UK property, in a mix of agricultural, commercial and residential properties (those residential properties which are let or intended to be let to students, Fellows and staff are considered and valued as operational buildings and appear as part of tangible fixed assets rather than investments). Net other investments had a value of £240,083k (£216,378k in the prior year), representing 47.5% (46.0% in the prior year) of the overall Endowment.

The College is exposed to foreign exchange risk on the investments it holds in foreign currencies and seeks to mitigate these risks by entering into forward foreign exchange contracts to partially offset exposure to foreign exchange movements in respect of these investments.

The College operates an ethical investments policy relating to the Endowment. Under the terms of that policy and having regard to the requirements of charity law to maximise returns, the College seeks to ensure that investments are not made in companies whose practices are in conflict with the charitable purposes of the College or are likely to alienate the members or benefactors of the College.

Development and Fundraising

College fundraising is focused on the support of a number of activities across the College: teaching and research; student support, including bursaries and scholarships and outreach and access; the maintenance and development of the fabric of the estate; extracurricular activities including sport, music and the arts; general purposes, and a new annual fund.

In 2015-16, donations and benefactions received by the College totalled £3,980k (£3,798k in the prior year).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks the College must address are the long-term ability to maintain and develop its educational and research activities, to attract the best staff and students, and to maintain and renew its physical facilities.

The key financial uncertainties and risks are:

- The long-term impact of the changed student financing and fee model on College fee income;
- The costs of future student financial support;
- Movements in investment markets reducing the real value of the Endowment;
- Unexpected building maintenance expenditure;
- Those arising from the prospective departure of the UK from the European Union; and
- The long-term cost of defined benefit pension provision.

RESPONSIBILITIES OF THE COLLEGE COUNCIL

In accordance with the College's Statutes, the Council is responsible for the administration of the Group's and College's affairs.

The Council is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education.

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the College and of the surplus or deficit of the Group for that period. In preparing these financial statements the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and College will continue in operation.

The Council is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT OF INTERNAL CONTROL

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

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2016 and up to the date of approval of the financial statements.

The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

The Council has nineteen regular meetings each year and gives consideration to the major risks to which the College and its subsidiary undertakings are exposed and satisfies itself that systems or procedures are established in order to manage those risks.

Key controls used by the College include:

- Formal agendas for all Committee and Council activity;
- Clear terms of reference for all committees;
- Strategic planning, budgeting, management accounting and cash flow forecasting;
- Established organisational structure and lines of reporting;
- Formal written policies in key areas such as health and safety and child protection; and
- Authorisation and approval levels.

The College is seeking to enhance these controls through a formal risk-management process involving the creation of a risk register. The relevant individuals in the College will be charged with responsibility for evaluating the risks coming within their areas of responsibility and advising the Council on the nature of the risk, the probability of occurrence and severity of impact, as well as steps taken to mitigate the risk. Through the risk register, the College will seek to identify and manage risks. However, the nature of the College's activities is such that the College is faced with a large number of risks, not all of which can be mitigated.

The Council's review of the effectiveness of the system of internal control is informed by the work of the various Committees, the Bursars 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.

OUTLOOK

Whilst the College is fortunate in being a relatively well-endowed college, its commitments and role in the University are commensurately significant and the College has experienced, and will continue to face, a number of significant financial challenges many of which are common to the University and other Cambridge colleges. Chief among these are the need to increase student support, to cope with increased cost of pension provision and to steward the Endowment through difficult financial markets. An additional challenge that has arisen in 2015-16 is the implications for the College of the prospective departure of the UK from the European Union following the referendum held on 23 June 2016. On the other hand, the completion of the College's building refurbishment programme which stretched from 2006 to 2015, has resulted in a welcome, albeit temporary, diminution in the level of capital expenditure on College buildings.

The College seeks to respond to these financial challenges by focusing on efficient financial management and endeavouring to manage its resources to best effect. However, if it is to be able to sustain and develop the activities that are critical to its mission and achieve its full potential, it is clear that the College will need to continue to raise additional funds over the coming years.

On behalf of the College Council

Professor Christopher Dobson	Chris Ewbank
Master	Senior Bursar
17 November 2016	

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF ST JOHN'S COLLEGE

We have audited the financial statements of St John's College for the year ended 30 June 2016 which comprise the Statement of Principal Accounting Policies, the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and College Balance Sheets, the Consolidated and College Statements of Changes in Reserves, the Consolidated Cash Flow Statement, and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education.

This report is made solely to the governing body in accordance with the College's Statutes and the Statutes of the University of Cambridge, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the governing body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the governing body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditor

As explained more fully in the statement of responsibilities of the College Council, the College Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 30 June 2016 and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge.

Opinion on other matter prescribed by the Statutes of the University of Cambridge

In our opinion, based on the work undertaken in the course of the audit, the contribution due from the College to the University has been correctly computed as advised in provisional assessment by the University of Cambridge and in accordance with Statute G,II, of the University of Cambridge.

Matters on which we are required to report by exception

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

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

Deloitte LLP

Deloitte LLP
Chartered Accountant and Statutory Auditor
Cambridge, United Kingdom
17 November 2016

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 and have been produced in accordance with the Recommended Cambridge College Accounts (RCCA) format introduced through revisions to Statute G,III of the University which replaced the previous format introduced in 1926 by the University of Cambridge Commissioners. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (“the SORP”) and with Financial Reporting Standard 102 (FRS 102). The College is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

The Statement of Comprehensive Income and Expenditure includes an activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to use of public funds. The analysis required by the SORP is set out at note 6.

The College’s activities and financial position, together with the factors likely to affect its future development, performance and position, are set out in the Trustees’ Report which forms part of this Annual Report. The College annually prepares a high-level, ten-year, financial plan and regularly reviews operational and capital expenditure projections against cash balances and expected cash flows, and on that basis has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt a going concern basis of accounting in preparing the annual Financial Statements.

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 28. Intra-group balances are eliminated on consolidation. The consolidated Financial Statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and because these are viewed as autonomous activities.

Associated companies and joint ventures are accounted for using the equity method.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Pension Benefits

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 that provided by the Universities Superannuation Scheme (USS)). 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 is recognised in profit or loss. The College has reviewed all the pension schemes in which it participates, and is satisfied that only the schemes provided by USS and Church of England meet the definition of a multi-employer scheme. Therefore the College has recognised the discounted fair value of the contractual contributions under the funding plans for these schemes in existence at the date of approving the financial statements.

Classification of property

The College determines whether a property is classified as investment property.

Investment property comprises land and buildings that are not occupied substantially for use by or in the operations of the College, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The College based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the College. Such changes are reflected in the assumptions when they occur.

Revaluation of Investment Properties

The College carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The College engaged independent valuation specialists to determine fair value at 30 June 2016. The valuers used market value, in accordance with the Appraisal of Valuation Manual of the Royal Institution of Chartered Surveyors. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate.

Valuation of financial instruments

The College carries its outstanding foreign exchange forward contract at fair value, with changes in fair value being recognised in profit or loss. The College engaged independent valuations specialists to determine fair value at 30 June 2016.

Valuation of non-quoted investments

The College carries its non-quoted investments at fair value based on the most recent valuations provided by independent fund managers, with changes in fair value being recognised in profit or loss.

RECOGNITION OF INCOME

Academic Fees

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

Cambridge Bursary Scheme

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

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

The net payment of £203k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	£153k
Expenditure	£356k

Rental Income

Rental income is recognised on an accruals basis according to the terms of the lease.

Donations and Benefactions

Charitable donations are recognised on receipt or when the College is entitled to the income and the value can be measured reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. In the absence of specific instructions from the donor the Council considers the donor's correspondence and association with the College together with the size of the sum involved when determining the accounting treatment. Donations are recognised as income in the Consolidated Statement of Comprehensive Income and Expenditure. Donations which are to be retained for the future benefit of the College, and other donations with substantially restricted purposes, are retained within endowments or restricted reserves until such time that they are 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 within the notes to the accounts.

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

- Restricted donations – the donor has specified that the donation must be used for a particular objective, and it is not to be invested for the longer term;
- 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;
- Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income; and
- 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.

Endowment and Investment Income

All investment income and change in value of investment assets is recorded in the Consolidated Statement of Comprehensive Income and Expenditure in the period in which it arises and as either restricted or unrestricted income according to the terms of the individual endowment fund.

For endowment income from permanent endowments the College applies either a total return or a standard method of accounting for fund investment returns, depending on the nature of the fund, as set out below:

Unrestricted Permanent Endowment Funds

For all unrestricted permanent funds a total return accounting policy is applied, thus a proportion of the related earnings and capital appreciation is shown as a transfer within the Consolidated Statement of Comprehensive Income and Expenditure in accordance with the total return concept with any excess remaining in the endowment fund. The surplus or deficiency of total return, after deducting the annual Endowment transfer is carried forward as unapplied total return.

Restricted Permanent Endowment Funds

For restricted permanent funds where the level of distributable reserves has not yet reached at least 20% of original capital, the standard method accounting policy is applied and the investment income shown in the Consolidated Statement of Comprehensive Income and Expenditure is the actual income earned in the year. Any excess of income over qualifying expenditure is retained within restricted reserves until such time that they are utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer.

For restricted permanent funds where the level of distributable reserves has reached at least 20% of original capital a total return accounting policy is applied as above, except that the sum transferred in the Statement of Comprehensive Income and Expenditure is limited to the qualifying expenditure incurred in the year.

Restricted Expendable Reserves

Income from expendable restricted funds not spent in accordance with the restrictions is retained within restricted reserves until such time that they are utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer.

Total Return

Under the total return method, the Endowment transfer is determined by a spending rule which is designed to provide stable annual spending levels and to preserve the real value of the endowment portfolio over time. The spending rule adopted by the College is a ‘Constant Growth with Cap and Floor’ rule under which the transfer from the Endowment for a particular year is the previous year’s transfer increased by RPI-0.5% (2015: RPI+1%), subject to a minimum payout of 2.9% (2015: 3%) and a maximum payout of 3.9% (2015: 4%) of a trailing 3 year average Endowment value. The target spending rate is 3.0%, which reflects long-run expected real returns given the College’s asset allocation and long-run expected College inflation. However, the actual spending rate in any year will depend on the results of the spending rule and will therefore vary from the 3.0% target rate. The spending rule provides for the transfer to be adjusted to reflect additions to the Endowment through donations.

Residences, catering and conferences income

Income received in relation to the supply of accommodation and catering and conferences income is recognised in the period in which the related goods or services are delivered.

Other Income

Income is received from a range of activities including choir engagements and alumni events and other services rendered. Income is recognised in the period in which the related goods or services are delivered.

INVESTMENT COSTS

Investment costs, associated predominantly with the management of the College’s property and securities portfolios and its investment subsidiaries, are included in the Consolidated Statement of Comprehensive Income and Expenditure in the year to which they relate.

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 related forward foreign-exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of comprehensive income and expenditure for the financial year.

JOINT VENTURE ACCOUNTING

The College accounts for its share in a joint venture as a fixed asset investment shown at cost in the investing entity's individual financial statements and on a gross equity basis in the consolidated financial statements.

TANGIBLE FIXED ASSETS

Land and Buildings

Land and buildings are stated at valuation on the basis of depreciated replacement cost. The valuation as at 30 June 2004 was carried out by Carter Jonas LLP, Chartered Surveyors. This valuation will not be updated and will be carried forward as the gross value to be depreciated over its expected useful economic life. It is not possible to quantify the difference between depreciation based on historic cost and depreciation based on this valuation because records of the historic cost of land and buildings were not required to be kept under the accounting regime applicable to Colleges within the University of Cambridge prior to 2004.

Freehold land is not shown separately. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives of 50 years. Freehold land is not depreciated.

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.

Finance costs which are directly attributable to the construction of buildings are not capitalised as part of the cost of those assets.

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 valuations, are capitalised to the extent that they increase the expected future benefits to the College, and depreciated over the period of such expected future benefits.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Land held specifically for development, investment and subsequent sale is included in investment assets at fair value.

The cost of additions to operational property shown in the balance sheet includes the cost of land, where applicable.

Maintenance of Premises

The College has a five-year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to expense within the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred. The cost of major refurbishment and maintenance which restores value is capitalised when the project valuation is above the capitalisation threshold of £20,000. Expenditure capitalised is depreciated on a straight-line basis over the expected useful economic life.

Equipment

Furniture, fittings and equipment costing less than £20,000 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised at cost and depreciated on a straight-line basis over their expected useful life as follows:

Furniture and equipment:	Plant and machinery	(long life)	10 years
	Plant and machinery	(short life)	5 years
	Motor vehicles		5 years
	Furniture and soft furnishings		5 years
Computer equipment:	Computer network and equipment		5 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Leased Assets

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased assets 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 impairment losses.

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

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1 July 2007 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and the volume of items and valuation issues (e.g. age, origin, veracity) mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 July 2007 and valued at over £20k are capitalised and recognised in the Balance Sheet at the cost or, in the case of donated assets, at valuation on receipt where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Operational assets are those that the College uses in the course of meeting its charitable purposes of education, religion, learning, and research. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.

INVESTMENTS

Investments are included in the Consolidated 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 for which no fair value is readily obtainable are carried at historical cost less any provision for impairment in their value.

Realised and unrealised capital gains and losses are recognised as increases or decreases of fair value of investment assets as appropriate within the Consolidated Statement of Income and Expenditure.

INVESTMENT PROPERTY

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

The investment property portfolio is measured initially at cost and subsequently at fair value with movements recognised in the Surplus or Deficit. Investment properties are not depreciated but are revalued or reviewed annually at open market value (using the desktop valuation method) by the College's principal property advisers, Savills (L&P) Limited, with the exception of certain residential long leasehold properties which are valued by Carter Jonas LLP.

Due to the length of ownership of many of the investment properties, realised capital gains cannot be recognised with reference to historic cost.

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.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

TAXATION

The College is a registered charity (number 1137428). It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

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 and its subsidiary undertakings participate in a number of pension schemes of both defined-benefit and defined-contribution types.

Cambridge Colleges Federated Pension Scheme

The College contributes to the Cambridge Colleges Federated Pension Scheme ("CCFPS"), which is a defined-benefit pension scheme. Unlike the other defined-benefit schemes (as noted below), this scheme has assets and liabilities directly attributable to the College.

Amounts charged to operating expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past-service costs are recognised immediately in the Consolidated Statement of Comprehensive Income and Expenditure if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits to interest. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts in net interest on the net defined benefit liability) are recognised immediately in the Consolidated Statement of Comprehensive Income and Expenditure.

The scheme is funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. The scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined-benefit liability forms part of the net pension liability presented after other net assets on the face of the Balance Sheet.

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). Through the current and preceding periods, the scheme was a defined benefit only pension scheme, until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to profit or loss represents the contributions payable to the scheme in respect of the accounting period. The College recognises a liability for the present value of agreed deficit contributions payable.

Church of England Funded Pension Scheme

The College 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 scheme separately from those of the Employer and the other participating employers.

Each participating employer 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 employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Consolidated Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions. The College recognises a liability for the present value of agreed deficit contributions payable.

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme ("TPS") which is a statutory, contributory, final-salary scheme. The TPS is an unfunded scheme; therefore, the scheme is accounted for as if it were a defined-contribution pension scheme. Contributions are charged to the Consolidated Statement of Comprehensive Income and Expenditure as they are incurred. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

Defined-Contribution Pension Schemes

The College and its subsidiaries also contribute to a number of defined-contribution pension schemes. For defined-contribution schemes the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Consolidated Balance Sheet.

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.

FUNDS AND RESERVES

The RCCA format requires the College to distinguish between Endowments, Restricted Reserves and Unrestricted Reserves.

Endowments

Where the College receives donations that are to be held in perpetuity, these are credited to endowment funds. Endowment funds are subdivided into:

> Restricted endowments: where the College can spend the income from the fund on expenditure that meets the fund's objectives.
>
> Unrestricted endowments: where the College can spend the income from the fund on any activity of the College.

Restricted Reserves

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.

Corporate Capital

The College's Corporate Capital has certain features of a permanent unrestricted Endowment (in that the majority is invested in perpetuity to provide an income to support the College's charitable activities) and certain features of a permanent reserve (in that it is established practice that Cambridge Colleges can borrow against their Corporate Capital to invest in operational property.) The portion of the College's Corporate Capital that is currently acting as an Endowment is included in permanent unrestricted endowments, while the portion that is currently acting as a reserve is included in reserves.

The exact split between these two components varies over time. When Corporate Capital buys and sells investment assets the portion that falls within endowment assets varies, and the change is represented by an annual transfer between the Endowment and Unrestricted Reserves.

Unrestricted Reserves

Funds that are neither Endowments nor Restricted Reserves are classed as unrestricted reserves. The College's unrestricted reserves are identified under the following four headings:

General reserves excluding pension reserve (containing all reserves not included in another category below);

Pension reserve (containing the surplus or deficit on the College's defined benefit pension schemes where this can be identified. When the schemes are in deficit, this reserve will necessarily be overdrawn as a consequence); and

Corporate Capital reserve (containing the portion of the College's Corporate Capital, as described above, that is currently being used as a reserve rather than as an endowment).

ST JOHN'S COLLEGE SCHOOL

The School is viewed as a separate activity of the College. Control of its reserves has been delegated to its Board of Governors. Its reserves, including those representing its tangible fixed assets, are included in general reserves (except for its prize and trust funds which, being restricted rather than designated funds, are treated on an individual basis).

TRANSITION TO THE 2015 RCCA

The College is preparing its financial statements in accordance with 2015 RCCA for the first time, amended for the adoption of FRS 102, and consequently has applied the first time adoption requirements. An explanation of how the transition to the 2015 RCCA has affected the reported financial position, financial performance and cash flows of the consolidated results of the College group is provided in note 25.

Application of first time adoption grants certain exemptions from the full requirements of 2015 RCCA in the transition period. The following exemptions have been taken into these financial statements:

Lease incentives – the valuation of lease incentives on leases entered into before 1 July 2014 have not been updated.

Consolidated Statement of Comprehensive Income and Expenditure

Year ended 30 June	Note	Unrestricted £000	Restricted £000	Endowment £000	2016 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2015 Total £000
Income									
Academic fees and charges	1	3,627	-	-	3,627	3,524	-	-	3,524
Residences, catering and conferences	2	6,703	-	-	6,703	6,199	-	-	6,199
School income		6,433	-	-	6,433	6,386	-	-	6,386
Investment income	3d	51	41	18,206	18,298	61	49	18,086	18,196
Endowment return transferred		11,071	1,624	(12,695)	-	11,018	1,591	(12,609)	-
Other income		294	-	-	294	263	-	-	263
Total income before donations and endowments		28,179	1,665	5,511	35,355	27,451	1,640	5,477	34,568
Donations		305	1,568	-	1,873	251	402	-	653
New endowments		-	127	1,335	1,462	-	154	2,504	2,658
Other capital grants for assets		-	645	-	645	-	487	-	487
Total income from donations and new endowments		305	2,340	1,335	3,980	251	1,043	2,504	3,798
Total income		**28,484**	**4,005**	**6,846**	**39,335**	**27,702**	**2,683**	**7,981**	**38,366**
Expenditure									
Education	4	9,090	2,544	-	11,634	8,700	2,520	-	11,220
Residences, catering and conferences	5	12,858	106	-	12,964	13,113	101	-	13,214
School expenditure		6,530	181	-	6,711	5,987	138	-	6,125
Other expenditure		1,919	132	-	2,051	1,636	106	-	1,742
Investment costs	3c	121	96	5,529	5,746	132	105	5,484	5,721
Contribution under Statute G,II		635	163	-	798	607	159	-	766
Total expenditure	6a/b	**31,153**	**3,222**	**5,529**	**39,904**	**30,175**	**3,129**	**5,484**	**38,788**
(Deficit)/surplus before other gains and losses		**(2,669)**	**783**	**1,317**	**(569)**	**(2,473)**	**(446)**	**2,497**	**(422)**
(Deficit)/surplus before other gains and losses excluding new endowments & capital grants		*(2,669)*	*11*	*(18)*	*(2,676)*	*(2,473)*	*(1,087)*	*(7)*	*(3,567)*
Gain on investments	3e	3,285	2,570	29,169	35,024	2,661	2,109	33,447	38,217
Surplus for the year		**616**	**3,353**	**30,486**	**34,455**	**188**	**1,663**	**35,944**	**37,795**
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		702	-	-	702	-	-	-	-
Actuarial gain in respect of pension schemes	16	28	-	-	28	374	-	-	374
Total comprehensive income for the year		**1,346**	**3,353**	**30,486**	**35,185**	**562**	**1,663**	**35,944**	**38,169**

Summary Consolidated Statement of Comprehensive Income and Expenditure

Year ended 30 June	Note	2016 Total £000	2015 Total £000
Income			
Academic fees and charges	1	3,627	3,524
Residences, catering and conferences	2	6,703	6,199
School Income		6,433	6,386
Investment income	3d	18,298	18,196
Other income		294	263
Total income before donations and endowments		35,355	34,568
Donations		1,873	653
New endowments		1,462	2,658
Other capital grants for assets		645	487
Total income from donations and new endowments		3,980	3,798
Total income		**39,335**	**38,366**
Expenditure			
Education	4	11,634	11,220
Residences, catering and conferences	5	12,964	13,214
School expenditure		6,711	6,125
Other expenditure		2,051	1,742
Investment costs	3c	5,746	5,721
Contribution under Statute G,II		798	766
Total expenditure	6a/b	**39,904**	**38,788**
Deficit before other gains and losses		**(569)**	**(422)**
Deficit before other gains and losses excluding new endowments & capital grants		*(2,676)*	(3,567)
Gain on investments	3e	35,024	38,217
Surplus for the year		**34,455**	**37,795**
Other comprehensive income			
Unrealised surplus on revaluation of fixed assets		702	-
Actuarial gain in respect of pension schemes	16	28	374
Total comprehensive income for the year		**35,185**	**38,169**

Additional information:

Total income and deficit before other gains and losses excluding new endowments & capital grants as stated above do not include the element of endowment fund distributions funded out of long-term capital growth for funds that are classified as expendable endowments or general reserves. The corresponding figures including this element are:

	2016 £000	2015 £000
Total income on a distribution basis (as defined on Page 9 of the Trustees' Report)	41,170	40,160
Deficit before other gains and losses excluding new endowments & capital grants on a distribution basis	(841)	(1,773)

Statement of Changes in Reserves

Consolidated

Year ended 30 June 2016	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2015 as previously reported	249,168	34,238	406,209	-	689,615
Impact of transition to FRS 102 (note 25)	8,396	(8,678)	(67)	-	(349)
Balance at 1 July 2015, under FRS 102	257,564	25,560	406,142	-	689,266
Surplus for the year	616	3,353	30,486	-	34,455
Other comprehensive income	28	-	-	702	730
Release of restricted capital funds spent in the year	645	(645)	-	-	-
Transfers between reserves	7,844	-	(7,844)	-	-
Balance at 30 June 2016	**266,697**	**28,268**	**428,784**	**702**	**724,451**

Year ended 30 June 2015	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2014 as previously reported	252,193	32,624	366,004	-	650,821
Impact of transition to FRS 102 (note 25)	8,422	(8,240)	94	-	276
Balance at 1 July 2014, under FRS 102	260,615	24,384	366,098	-	651,097
Surplus for the year	188	1,663	35,944	-	37,795
Other comprehensive income	374	-	-	-	374
Release of restricted capital funds spent in the year	487	(487)	-	-	-
Transfers between reserves	(4,100)	-	4,100	-	-
Balance at 30 June 2015	**257,564**	**25,560**	**406,142**	**-**	**689,266**

College

Year ended 30 June 2016	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2015 as previously reported	244,816	34,238	410,900	-	689,954
Impact of transition to FRS 102 (note 25)	8,394	(8,678)	(67)	-	(351)
Balance at 1 July 2015 under FRS 102	253,210	25,560	410,833	-	689,603
Surplus for the year	558	3,353	29,613	-	33,524
Other comprehensive income	28	-	-	702	730
Release of restricted capital funds spent in the year	645	(645)	-	-	-
Transfers between reserves	7,844	-	(7,844)	-	-
Balance at 30 June 2016	**262,285**	**28,268**	**432,602**	**702**	**723,857**

Year ended 30 June 2015	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2014 as previously reported	247,294	32,624	371,755	-	651,673
Impact of transition to FRS 102 (note 25)	8,422	(8,240)	94	-	276
Balance at 1 July 2014 under FRS 102	255,716	24,384	371,849	-	651,949
Surplus for the year	733	1,663	34,884	-	37,280
Other comprehensive income	374	-	-	-	374
Release of restricted capital funds spent in the year	487	(487)	-	-	-
Transfers between reserves	(4,100)	-	4,100	-	-
Balance at 30 June 2015	**253,210**	**25,560**	**410,833**	**-**	**689,603**

The notes numbered 1 to 28 form part of these Financial Statements

Consolidated Balance Sheet

As at 30 June	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Non-current Assets					
Tangible fixed assets	8		251,338		252,617
Heritage assets			530		530
Investments before investment in joint venture		488,195		461,825	
Investment in joint venture: Share of gross assets		1,309		1,694	
Share of gross liabilities		(376)		(884)	
Investments including investment in joint venture	9		489,128		462,635
Current Assets					
Stock	10		632		688
Trade and other receivables	11		3,669		2,746
Cash and cash equivalents	12		29,586		19,091
Current Liabilities					
Creditors: amounts falling due within one year	13		(9,931)		(7,869)
Net current assets			23,956		14,656
Total assets less current liabilities			764,952		730,438
Creditors: amounts falling due after more than one year	14		(28,312)		(29,556)
Net assets excluding pension liability			736,640		700,882
Net pension liability	16		(12,189)		(11,616)
Net assets including pension liability			**724,451**		**689,266**
Restricted reserves					
Income and expenditure reserve – endowment reserve	17		428,784		406,142
Income and expenditure reserve – restricted reserve	18		28,268		25,560
			457,052		431,702
Unrestricted Reserves					
Income and expenditure reserve – unrestricted			266,697		257,564
Revaluation reserve			702		-
			267,399		257,564
Total Reserves			**724,451**		**689,266**

These Financial Statements were approved by the College Council and authorised for issue on 17 November 2016 and signed on their behalf by:

Professor Christopher Dobson
Master

Chris Ewbank
Senior Bursar

The notes numbered 1 to 28 form part of these Financial Statements

College Balance Sheet

As at 30 June	Note	2016 £'000	2015 £'000
Fixed Assets			
Tangible assets	8	251,620	252,935
Heritage assets		530	530
Investments	9	493,012	467,319
Current Assets			
Stock	10	537	558
Trade and other receivables	11	4,748	2,718
Cash and cash equivalents	12	24,137	18,596
Current Liabilities			
Creditors: amounts falling due within one year	13	(10,226)	(11,881)
Net current assets		19,196	9,991
Total assets less current liabilities		764,358	730,775
Creditors: amounts falling due after more than one year	14	(28,312)	(29,556)
Net assets excluding pension liability		736,046	701,219
Net pension liability	16	(12,189)	(11,616)
Net assets including pension liability		**723,857**	**689,603**
Restricted reserves			
Income and expenditure reserve – endowment reserve	17	432,602	410,833
Income and expenditure reserve – restricted reserve	18	28,268	25,560
		460,870	436,393
Unrestricted Reserves			
Income and expenditure reserve – unrestricted		262,285	253,210
Revaluation reserve		702	-
		262,987	253,210
Total Reserves		**723,857**	**689,603**

These Financial Statements were approved by the College Council and authorised for issue on 17 November 2016 and signed on their behalf by:

Professor Christopher Dobson
Master

Chris Ewbank
Senior Bursar

The notes numbered 1 to 28 form part of these Financial Statements

Consolidated Cash Flow Statement

Year to 30 June	Note	2016 £'000	2015 £'000
Net cash outflow from operating activities	20	(5,800)	(4,891)
Cash flows from investing activities	21	18,671	972
Cash flows from financing activities	22	(2,376)	(1,345)
Increase/(decrease) in cash and cash equivalents in the year		10,495	(5,264)
Cash and cash equivalents at beginning of the year		19,091	24,355
Cash and cash equivalents at end of the year	12	**29,586**	**19,091**

The notes numbered 1 to 28 form part of these Financial Statements

Notes to the Financial Statements

1. ACADEMIC FEES AND CHARGES

		2016 £'000	2015 £'000
College Fees			
Fee income paid on behalf of undergraduates at the regulated undergraduate fee rate (per capita fee £4,308/£4,500 (2015: £4,185/£4,500))		2,271	2,173
Unregulated undergraduate fee income (per capita fee £5,700 (2015: £5,600))		492	482
Fee income received at the Graduate fee rate (per capita fee £2,844 (2015: £2,547))		620	560
		3,383	3,215
Other Educational income		244	309
Total		**3,627**	**3,524**

2. RESIDENCES, CATERING AND CONFERENCES INCOME

	2016 £'000	2015 £'000
Accommodation:		
College Members	4,053	3,827
Conferences	707	462
Catering:		
College Members	1,165	1,206
Conferences	778	704
Total	**6,703**	**6,199**

3. ENDOWMENT RETURN AND INVESTMENT INCOME

3a ANALYSIS OF INCOME

		2016 £'000	2015 £'000
Income from:			
Property		11,010	10,450
Securities		295	368
Cash		104	117
St John's Innovation Centre Limited		1,195	1,212
Aquila Investments Limited		226	2,590
Lomas Developments Limited		1	1
Total		**12,831**	**14,738**
Income allocated to:			
Permanent funds accounted for on a Total Return basis	3d	12,733	14,619
Permanent funds accounted for on a Standard Income basis		6	10
Expendable funds		92	109
Total		**12,831**	**14,738**

3b ANALYSIS OF GAINS ON INVESTMENTS

		2016 £'000	2015 £'000
Capital gains from:			
Property		19,069	25,297
Securities		23,272	20,550
Foreign exchange movements on cash and foreign exchange contracts		(1,850)	(4,172)
	9	**40,491**	**41,675**
Capital gains allocated to:			
Permanent funds accounted for on a Total Return basis	3f	34,287	36,654
Permanent funds accounted for on a Standard Income basis		349	251
Expendable funds		5,855	4,770
		40,491	**41,675**

3. ENDOWMENT RETURN AND INVESTMENT INCOME (continued)

3c ANALYSIS OF INVESTMENT COSTS		2016 £'000	2015 £'000
Investment property portfolio costs		3,037	3,478
Trading costs of St John's Innovation Centre Limited		1,428	991
Trading costs of Aquila Investments Limited		200	113
Trading costs of Lomas Development Limited		7	10
Investment consultant, custodian and cash management fees		139	162
Securities portfolio management fees		802	865
Other securities portfolio operating costs		133	102
Total		**5,746**	**5,721**
Costs allocated to:			
Permanent funds accounted for on a Total Return basis	3d	5,512	5,473
Permanent funds accounted for on a Standard Income basis		17	11
Expendable funds		217	237
Total		**5,746**	**5,721**

3d RECONCILIATION OF INVESTMENT INCOME INCLUDED IN THE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE		2016 £'000	2015 £'000
Investment costs allocated to permanent funds accounted for on a total return basis	3c	5,512	5,473
Total return on permanent funds accounted for on a total return basis transferred to income and expenditure		12,688	12,604
Less: investment income allocated to permanent funds accounted for on a total return basis	3a	(12,733)	(14,619)
Endowment drawdown from Unapplied Total Return added to Investment Income		5,467	3,458
Plus: Investment Income	3a	12,831	14,738
Total Investment Income included in the Consolidated Statement of Comprehensive Income and Expenditure		**18,298**	**18,196**

3e RECONCILIATION OF GAINS ON INVESTMENTS INCLUDED IN THE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE		2016 £'000	2015 £'000
Total capital gains on investments	3b	40,491	41,675
Less: Endowment drawdown from Unapplied Total Return added to Investment Income	3d	(5,467)	(3,458)
Gains on investments for year included within Statement of Comprehensive Income and Expenditure		**35,024**	**38,217**

3f SUMMARY OF TOTAL RETURN OF PERMANENT FUNDS ACCOUNTED FOR ON A TOTAL RETURN BASIS		2016 £'000	2015 £'000
Allocated investment income	3a	12,733	14,619
Apportioned gains on investments	3b	34,287	36,654
Allocated investment costs	3c	(5,512)	(5,473)
Total return for year		41,508	45,800
Total return transferred to income and expenditure reserve		(12,688)	(12,604)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	**19**	**28,820**	**33,196**

4. EDUCATION EXPENDITURE

	2016 £'000	2015 £'000
Teaching	4,350	4,203
Tutorial	1,862	1,748
Admissions	746	712
Research	1,724	1,558
Scholarships and awards	2,529	2,610
Other educational facilities	423	389
Total	**11,634**	**11,220**

5. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

	2016 £'000	2015 £'000
Accommodation:		
College Members	9,466	9,656
Conferences	295	336
Catering:		
College Members	2,834	2,902
Conferences	369	320
Total	**12,964**	**13,214**

6. ANALYSIS OF EXPENDITURE BY ACTIVITY

6a 2016 Expenditure

		Staff Costs (note 7) £'000	Other Operating Expenses £'000	Depreciation (note 8) £'000	Interest and other finance costs £'000	2016 Total £'000
Education	4	5,557	4,650	1,099	328	**11,634**
Residences, catering and conferences	5	5,150	2,687	3,948	1,179	**12,964**
School		4,268	1,857	363	223	**6,711**
Other		766	1,285	-	-	**2,051**
Investment costs	3c	852	4,829	62	3	**5,746**
Contribution under Statute G, II		-	798	-	-	**798**
Total expenditure		**16,593**	**16,106**	**5,472**	**1,733**	**39,904**

Expenditure includes fundraising costs of £983k, this expenditure includes the costs of alumni relations.

6b 2015 Expenditure

		Staff Costs (note 7) £'000	Other Operating Expenses £'000	Depreciation (note 8) £'000	Interest and other finance costs £'000	2015 Total £'000
Education	4	5,204	4,593	1,095	328	**11,220**
Residences, catering and conferences	5	5,313	2,782	3,936	1,183	**13,214**
School		3,980	1,603	319	223	**6,125**
Other		686	1,056	-	-	**1,742**
Investment costs	3c	818	4,901	-	2	**5,721**
Contribution under Statute G, II		-	766	-	-	**766**
Total expenditure		**16,001**	**15,701**	**5,350**	**1,736**	**38,788**

Expenditure includes fundraising costs of £839k, this expenditure includes the costs of alumni relations.

6. ANALYSIS OF EXPENDITURE BY ACTIVITY (continued)

6c Auditors' remuneration

	2016 £'000	2015 £'000
Other operating expenses include:		
Audit fees payable to the College's external auditor	78	75
Taxation compliance fees payable to the College's external auditor	15	14
Other taxation advisory fees payable to the College's external auditor	3	10
Total fees payable to the College's external auditor	**96**	**99**
Audit fees payable to other firms	10	12
Total auditors' remuneration	**106**	**111**

Amounts stated above include unrecoverable VAT

7. STAFF COSTS

Staff Costs	College Fellows £'000	Other Academic £'000	Non-Academic £'000	2016 Total £'000	2015 Total £'000
Emoluments	2,310	106	10,822	13,238	12,659
Social security costs	189	6	824	1,019	962
Other pension costs	304	9	2,023	2,336	2,380
Total	**2,803**	**121**	**13,669**	**16,593**	**16,001**

Staff Numbers	College Fellows	Other Academic	Non-Academic	2016 Total	2015 Total
Stipendary Fellows	99	-	-	99	105
Average staff numbers (full-time equivalents)	-	5	359	364	367
Total	**99**	**5**	**359**	**463**	**472**

	2016 number	2015 number
The Governing Body of the College, comprising all Fellows, at 30 June was	158	152

Average staff numbers (full-time equivalents) include 100 (2015: 101) School staff and 19 (2015: 19) staff employed by the St John's Innovation Centre.

The number of employees of the College and its subsidiary undertakings who received emoluments (excluding employer pension contributions) in excess of £100,000 were as follows:

	2016 number	2015 number
Between £110,000 and £120,000	3	3
Between £130,000 and £140,000	1	1

In addition to the emoluments shown above, one member of staff received a lump sum payment in 2015-16 to rectify underpaid employer pension contributions over a number of previous years.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and comprise the College Council. This includes aggregated emoluments paid to key management personnel.

	2016 Total £'000	2015 Total £'000
Key management personnel	557	635

8. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	2016 Total £'000	2015 Total £'000
Cost/Valuation					
At beginning of year	296,123	3,265	1,610	300,998	294,461
Additions at cost	1,554	129	486	2,169	5,543
Revaluation	506	-	-	506	-
Disposals at cost	(8)	-	-	(8)	(6)
Transfers	1,330	-	-	1,330	1,000
At end of year	299,505	3,394	2,096	304,995	300,998
Depreciation					
At beginning of year	44,771	2,320	1,290	48,381	43,037
Charge for the year	4,973	307	192	5,472	5,350
Revaluation	(196)	-	-	(196)	-
Eliminated on disposals	-	-	-	-	(6)
At end of year	49,548	2,627	1,482	53,657	48,381
Net Book value					
At end of year	**249,957**	**767**	**614**	**251,338**	**252,617**
At beginning of year	251,352	945	320	252,617	251,424

College	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	2016 Total £'000	2015 Total £'000
Cost/Valuation					
At beginning of year	296,524	3,229	1,614	301,367	294,863
Additions at cost	1,554	72	453	2,079	5,510
Revaluation	506	-	-	506	-
Disposals at cost	(8)	-	-	(8)	(6)
Transfers	1,330	-	-	1,330	1,000
At end of year	299,906	3,301	2,067	305,274	301,367
Depreciation					
At beginning of year	44,822	2,325	1,285	48,432	43,081
Charge for the year	4,981	266	171	5,418	5,357
Revaluations	(196)	-	-	(196)	-
Eliminated on disposals	-	-	-	-	(6)
At end of year	49,607	2,591	1,456	53,654	48,432
Net Book Value					
At end of year	**250,299**	**710**	**611**	**251,620**	**252,935**
At beginning of year	251,702	904	329	252,935	251,782

Freehold land and buildings comprise the operational buildings and site of the College.

The insured value of freehold buildings as at 30 June 2016 was £263,907k (2015: £261,715k).

The cost to the group of freehold buildings consists of the costs incurred by the College less the surplus recorded in the accounts of Aquila Investments Limited, a subsidiary undertaking, and eliminated on consolidation.

8. TANGIBLE FIXED ASSETS (continued)

Heritage Assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2007 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result, the total included in the balance sheet is partial.

Amounts for the current and previous four years were as follows:

	2016	2015	2014	2013	2012
	£'000	£'000	£'000	£'000	£'000
Value of acquisitions by donation	-	-	-	60	89
Total Acquisitions Capitalised	**-**	**-**	**-**	**60**	**89**

All the above recognised Heritage Assets were donated to the College rather than purchased by the College. Heritage assets are books gifted to the College.

9. Investments

	Group		College	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Balance at beginning of year	462,635	419,651	467,319	425,402
Additions	34,990	22,680	34,990	22,065
Disposals	(51,272)	(25,894)	(51,197)	(25,894)
Gain	40,491	41,675	39,615	41,230
Increase in cash balances held at fund managers	3,585	5,523	3,586	5,516
Transfers to College Operations	(1,301)	(1,000)	(1,301)	(1,000)
Balance at end of year	489,128	462,635	493,012	467,319
Represented by:				
Property	264,925	254,390	259,207	249,472
Securities	201,596	187,803	201,596	187,803
Cash in hand and at investment managers	24,341	20,424	24,341	20,424
Foreign exchange forward contract	(1,734)	18	(1,734)	18
Investments in subsidiary undertakings	-	-	9,602	9,602
	489,128	462,635	493,012	467,319

The College has chosen to reflect the liability of the foreign exchange forward contract against the value of endowment investments.

10. STOCKS

	Group		College	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Goods for resale	594	656	508	531
Other stocks	38	32	29	27
Total stocks	**632**	**688**	**537**	**558**

The Council considers that there is no material difference between the book value of stocks and their replacement cost.

11. TRADE AND OTHER RECEIVABLES

	Group		College	
	2016	**2015**	**2016**	**2015**
	£'000	**£'000**	**£'000**	**£'000**
Amounts due within one year:				
Net sums due from members of the College	329	269	329	269
Amounts due from subsidiary undertakings	-	-	1,527	226
Other trade debtors	1,900	1,187	1,522	1,018
Other loans	11	11	11	11
Other taxes	21	29	16	15
Prepayments	481	320	459	274
Accrued income	804	797	761	772
	3,546	2,613	4,625	2,585
Amounts due after more than one year:				
Other loans	123	133	123	133
Total trade and other receivables	**3,669**	**2,746**	**4,748**	**2,718**

12. CASH AND CASH EQUIVALENTS

	Group		College	
	2016	**2015**	**2016**	**2015**
	£'000	**£'000**	**£'000**	**£'000**
Short-term money market deposits	9,288	-	9,288	-
Bank deposits	-	2,709	-	2,709
Current accounts	20,298	16,382	14,849	15,887
Total	**29,586**	**19,091**	**24,137**	**18,596**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		College	
	2016	**2015**	**2016**	**2015**
	£'000	**£'000**	**£'000**	**£'000**
Trade creditors	1,329	1,092	1,293	804
Members of the College	92	87	92	87
Amounts due to subsidiary undertakings	-	-	898	4,582
Contribution under Statute G,II	798	766	798	766
Bank loans due within one year	588	444	588	444
Other creditors	1,134	1,131	1,130	1,131
Other taxation and social security	723	791	659	758
Accruals and deferred income	5,267	3,558	4,768	3,309
Total	**9,931**	**7,869**	**10,226**	**11,881**

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and College	
	2016	**2015**
	£'000	**£'000**
Bank loans	28,312	29,556

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

	Group and College	
Bank loans repayable	**2016 £'000**	**2015 £'000**
Between two and five years	11,580	12,279
After five years	16,732	17,277
Total borrowings	**28,312**	**29,556**

In 2006, the College entered into an unsecured bank loan for £20 million, this is repayable after 2016 and has an interest rate fixed at 5.16% until June 2036. In 2013, the College entered into an unsecured revolving credit facility for up to £5 million, of which £nil (2015: £nil) has been drawn down, this facility has a five year term and a floating interest rate. In addition, in 2013 the College entered into a further unsecured bank loan for £10 million, the loan has a five year term and repayments commenced in 2015, the interest rate is fixed at 2.38% for £8.9 million while the remainder had a floating interest rate, and the floating rate element was fully repaid in the year

15. PROVISIONS FOR LIABILITIES

No provisions for liabilities or charges were recognised, used, or outstanding in the years ended 30 June 2016 or 30 June 2015.

16. PENSION LIABILITIES (NOTE 26)

	Group and College	
	2016 £'000	**2015 £'000**
Balance at beginning of year	11,616	10,658
Movement in year:		
Current service cost including life assurance	1,778	1,852
Contributions	(1,602)	(965)
Other finance cost	425	445
Actuarial gain recognised in the Statement of Consolidated Income and Expenditure	(28)	(374)
Balance at end of year	**12,189**	**11,616**
Balance attributable to:		
Cambridge Colleges' Federated Pension Scheme	11,483	10,930
Universities Superannuation Scheme	678	655
Church of England Funded Pensions Scheme	28	31
Balance at end of year	**12,189**	**11,616**

17. ENDOWMENTS

Group	Unrestricted Permanent £'000	Restricted Permanent £'000	2016 Total £'000	2015 Total £'000
Balance at beginning of year:				
Capital	147,354	32,379	179,733	173,649
Unapplied Total Return	193,246	33,163	226,409	192,449
	340,600	65,542	406,142	366,098
New endowments received	174	1,161	1,335	2,504
Investment Income	16,348	1,858	18,206	18,086
Expenditure	(16,347)	(1,877)	(18,224)	(18,093)
Transfer (to)/from Corporate Capital reserve	(7,844)	-	(7,844)	4,100
Increase in market value of investments	24,169	5,000	29,169	33,447
Balance at end of year	**357,100**	**71,684**	**428,784**	**406,142**
Comprising:				
Capital	139,684	33,695	173,379	179,733
Unapplied Total Return	217,416	37,989	255,405	226,409
	357,100	**71,684**	**428,784**	**406,142**
Analysed by Primary Purpose:				
Chapel/Choir	-	1,084	1,084	992
Education	-	6,272	6,272	5,193
Field Sports	-	3,347	3,347	3,119
Library	-	1,368	1,368	1,251
LMBC	-	984	984	883
Research	-	8,792	8,792	8,083
Scholarship/Awards	-	46,157	46,157	42,591
School	-	382	382	357
Other	-	3,298	3,298	3,079
General Endowments	357,100	-	357,100	340,594
Total	**357,100**	**71,684**	**428,784**	**406,142**

17. ENDOWMENTS (continued)

College	Unrestricted Permanent £'000	Restricted Permanent £'000	2016 Total £'000	2015 Total £'000
Balance at beginning of year:				
Capital	152,040	32,379	184,419	178,950
Unapplied Total Return	193,251	33,163	226,414	192,899
	345,291	65,542	410,833	371,849
New endowments received	174	1,161	1,335	2,504
Investment Income	16,348	1,858	18,206	18,086
Expenditure	(16,347)	(1,877)	(18,224)	(18,093)
Transfer (to)/from Corporate Capital reserve	(7,844)	-	(7,844)	3,485
Increase in market value of investments	23,296	5,000	28,296	33,002
Balance at end of year	**360,918**	**71,684**	**432,602**	**410,833**
Comprising:				
Capital	144,370	33,695	178,065	184,419
Unapplied Total Return	216,548	37,989	254,537	226,414
	360,918	**71,684**	**432,602**	**410,833**
Analysed by Primary Purpose:				
Chapel/Choir	-	1,084	1,084	992
Education	-	6,272	6,272	5,193
Field Sports	-	3,347	3,347	3,119
Library	-	1,368	1,368	1,251
LMBC	-	984	984	883
Research	-	8,792	8,792	8,083
Scholarship/Awards	-	46,157	46,157	42,591
School	-	382	382	357
Other	-	3,298	3,298	3,079
General Endowments	360,918	-	360,918	345,285
Total	**360,918**	**71,684**	**432,602**	**410,833**

18. RESTRICTED RESERVES

Group and College	Capital Grants Unspent £'000	Other Restricted Funds £'000	2016 Total £'000	2015 Total £'000
Balance at beginning of year	-	25,560	25,560	24,384
New grants	645	-	645	487
New donations	-	1,568	1,568	402
New endowments	-	127	127	154
Investment income	-	1,665	1,665	1,640
Capital grants utilised	(645)	-	(645)	(487)
Expenditure funded from restricted funds	-	(3,222)	(3,222)	(3,129)
Gains on investments	-	2,570	2,570	2,109
Balance at end of year	**-**	**28,268**	**28,268**	**25,560**
Analysed by Primary Purpose:				
Chapel/Choir	-	2,185	2,185	2,033
Education	-	2,565	2,565	2,435
Library	-	1,178	1,178	1,121
Maintenance	-	794	794	740
Research	-	125	125	114
Scholarship/Awards	-	20,047	20,047	17,735
School	-	1,018	1,018	1,080
Other	-	356	356	302
Total	**-**	**28,268**	**28,268**	**25,560**

19. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Included within endowments, the following amounts represent the Unapplied Total Return of the College's Permanent funds managed on a total return basis:

Group	Note	2016 £'000	2015 £'000
Unapplied Total Return at beginning of year	17	226,409	192,449
Opening Unapplied Total Return of funds adopting total return for the first time in the year		176	764
Unapplied Total Return for the year	3f	28,820	33,196
Unapplied Total Return at end of year	17	**255,405**	**226,409**

College	Note	2016 £'000	2015 £'000
Unapplied Total Return at beginning of year	17	226,414	192,899
Opening Unapplied Total Return of funds adopting total return for the first time in the year		176	764
Unapplied Total Return for the year		27,947	32,751
Unapplied Total Return at end of year	17	**254,537**	**226,414**

20. RECONCILIATION OF CONSOLIDATED SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2016 £'000	2015 £'000
Surplus for the year	34,455	37,795
Adjustment for non-cash items		
Depreciation	5,472	5,350
Investment income	(5,467)	(3,458)
Gain on investments	(35,024)	(38,217)
Decrease in operational stocks	24	23
(Increase)/decrease in operational trade and other receivables	(429)	63
Increase/(decrease) in operational creditors	378	(106)
Pension costs less contributions payable	143	940
Adjustment for investing or financing activities		
Net investment income	(7,085)	(9,017)
Interest and other finance costs payable	1,733	1,736
Net cash outflow from operating activities	**(5,800)**	**(4,891)**

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2016 £'000	2015 £'000
Proceeds from sales of non-current fixed assets	8	-
Net investment income	7,085	9,017
Endowment funds disinvested/(invested)	13,998	(1,309)
Increase/(decrease) in investment working capital	1,079	(193)
Payments made to acquire non-current assets	(3,499)	(6,543)
Total cash flows from investing activities	**18,671**	**972**

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2016 £'000	2015 £'000
Interest paid	(1,276)	(1,345)
Repayments of amounts borrowed	(1,100)	-
Total cash flows from financing activities	**(2,376)**	**(1,345)**

23. CAPITAL COMMITMENTS

Capital commitments at 30 June were as follows:	2016 £'000	2015 £'000
Authorised and contracted	**487**	**439**

24. LEASE COMMITMENTS

Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases at 30 June were as follows:	Group 2016 £'000	Group 2015 £'000	College 2016 £'000	College 2015 £'000
Expiring within one year	26	5	23	5
Expiring between two and five years	59	141	59	133
	85	**146**	**82**	**138**

Finance Lease Commitments

Total commitments under finance leases as at 30 June were as follows:	Group 2016 £'000	Group 2015 £'000	College 2016 £'000	College 2015 £'000
Expiring within one year	7	7	7	7
Expiring between two and five years	8	15	8	15
	15	**22**	**15**	**22**

25. TRANSITION TO FRS 102

As explained in the Statement of Principal Accounting Policies, these are the College's first financial statements prepared in accordance with FRS 102, the HE SORP 2015 and the revised Recommended Cambridge College Accounts format. The accounting policies as set out above have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Balance Sheet at 1 July 2014. In preparing its FRS 102, SORP based Balance Sheet the College has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting. An explanation of how the transition to FRS 102 and the SORP has affected the College's financial position, financial performance and cash flows is set out in the following tables.

25a Financial Position

	Group 2015 £'000	College 2015 £'000	Group 2014 £'000	College 2014 £'000
Total reserves from RCCA as at 30 June as previously stated	689,615	689,954	650,821	651,673
Recognition of pension liability [1]	(686)	(686)	(378)	(378)
Transfer of unspent revenue donations from deferred income to reserves [2]	431	431	582	582
Recognition of accrual for unused holiday allowance [3]	(112)	(114)	(107)	(107)
Recognition of foreign exchange forward contract [4]	18	18	179	179
Total reserves after conversion under FRS 102	**689,266**	**689,603**	**651,097**	**651,949**

[1] FRS 102 requires agreed deficit recovery payments on defined benefit pension schemes to be recognised as a liability. The increase in the liability above relates to the Universities Superannuation Scheme and the Church of England Funded Pension Scheme.

[2] FRS 102 requires unspent revenue donations to be included in restricted reserves. These were previously held within deferred income on the balance sheet.

[3] FRS 102 requires an accrual to be included to represent the costs of short term employee benefits which had not previously been accounted for.

[4] FRS 102 requires recognition of the fair value of foreign currency forward contracts as the year end; these were previously not recognised until maturity.

25. TRANSITION TO FRS 102 (continued)

25b Financial Performance

	Group 2015 £'000
Total recognised gains relating to the year as previously reported in the Statement of Total Recognised Gains and Losses	38,794
Movement on pension liability	(308)
Movement on unspent revenue donations	(151)
Movement on accrual for unused holiday allowance	(5)
Movement on foreign exchange forward contract	(161)
Total comprehensive income for the year under FRS 102	**38,169**

The impact of the transition to FRS 102 on the financial performance of the College does not materially differ from the impact on the Group.

25c Cash Flows

The only impact of the transition to FRS 102 on the cash flows of the College and the Group is the reclassification of some short term investments to cash and cash equivalents as shown in note 12.

26. PENSION SCHEMES

The College and its subsidiary undertakings participate in four defined benefit schemes, as well as a number of defined contribution schemes.

Cambridge Colleges' Federated Pension Scheme

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

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

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

	2016 % p.a.	2015 % p.a.
Discount rate	2.8	3.7
Increase in salaries	2.4*	2.75**
RPI assumption	2.9	3.25
CPI assumption	1.9	2.25
Pension increases in payment (RPI Max 5% p.a.)	2.7	3.05
Pension increases in payment (CPI Max 2.5% p.a.)	1.7	N/A

* 1.5% in 2016, 2.4% thereafter
** 1.5% in 2015 and 2016, 2.75% thereafter

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

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

26. PENSION SCHEMES (continued)

Employee Benefit Obligations

The amounts recognised in the Balance Sheet as at 30 June 2016 (with comparative figures as at 30 June 2015) are as follows:

	2016	2015
	£'000	£'000
Present value of plan liabilities	(37,709)	(32,805)
Market value of plan assets	26,226	21,875
Net defined benefit liability	**(11,483)**	**(10,930)**

The amounts to be recognised in Profit and Loss for the year ended 30 June 2016 (with comparative figures for the year ended 30 June 2015) are as follows:

	2016	2015
	£'000	£'000
Current service cost	1,419	1,582
Interest on net defined liability	407	434
Total	**1,826**	**2,016**

Changes in the present value of the plan liabilities for the year ended 30 June 2016 (with comparative figures for the year ended 30 June 2015) are as follows:

	2016	2015
	£'000	£'000
Present value of plan liabilities at beginning of period	32,805	29,473
Current service cost (including Employee contributions)	1,701	1,859
Benefits paid	(876)	(875)
Interest on plan liabilities	1,228	1,260
Actuarial losses	2,851	1,088
Present value of plan liabilities at end of period	**37,709**	**32,805**

Changes in fair value of the plan assets for the year ended 30 June 2016 (with comparative figures for the year ended 30 June 2015) are as follows:

	2016	2015
	£'000	£'000
Market value of plan assets at beginning of period	21,875	19,193
Contributions paid by the College	1,220	632
Employee contributions	281	277
Benefits paid	(876)	(875)
Interest on plan assets	822	825
Return on assets, less interest included in the statement of comprehensive income	2,904	1,823
Market value of plan assets at end of period	**26,226**	**21,875**
Actual return on plan assets	**3,726**	**2,648**

The major categories of plan assets as a percentage of total plan assets for the year ended 30 June 2016 (with comparative figures for the year ended 30 June 2015) are as follows:

	2016	2015
Equities	59%	69%
Bonds and cash	35%	25%
Property	6%	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 re-measurement of the net defined benefit liability recognised in Other Comprehensive Income for the year ended 30 June 2016 (with comparative figures for the year ended 30 June 2015) are as follows:

	2016	2015
	£'000	£'000
Actual return less expected return on plan assets	2,904	1,822
Experience gains and losses arising on plan liabilities	884	421
Changes in assumptions underlying the present value of plan liabilities	(3,735)	(1,509)
Actuarial gain recognised in Other Comprehensive Income	**53**	**734**

26. PENSION SCHEMES (continued)

Movement in deficit during the year ended 30 June 2016 (with comparative figures for the year ended 30 June 2015) are as follows:

	2016 £'000	2015 £'000
Deficit in plan at beginning of period	(10,930)	(10,280)
Recognised in Statement of Comprehensive Income	(1,826)	(2,016)
Contributions paid by the College	1,220	632
Actuarial gain recognised in other comprehensive income	53	734
Deficit in plan at the end of period	**(11,483)**	**(10,930)**

Funding Policy

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

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

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 3 June 2015 and are as follows:

- Annual contributions of not less than £401,899 p.a. payable for the period from 1 July 2015 to 31 March 2024.

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

Universities Superannuation Scheme

The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

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

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

	2016 % p.a.	2015 % p.a.
Discount rate	3.6	3.3
Pensionable salary growth	n/a	3.5*
Pension increases (CPI)	2.2	2.2

* 3.5% in the first year and 4.0% thereafter

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

Male members' mortality: 98% of S1NA ["light"] YoB tables – No age rating

Female members' mortality: 99% of S1NA ["light"] YoB tables – Rated down 1 year

26. PENSION SCHEMES (continued)

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

	2016 years	2015 years
Males currently aged 65	24.3	24.2
Females currently aged 65	26.5	26.4
Males currently aged 45	26.4	26.3
Females currently aged 45	28.8	28.7

	2016 £bn	2015 £bn
Scheme Assets	49.8	49.1
Total scheme liabilities	(58.3)	(60.2)
FRS 102 total scheme deficit	(8.5)	(11.1)
FRS 102 total funding level	85%	82%

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.

	2016 £'000	2015 £'000
Balance sheet liability at 1 July	655	342
Deficit contributions paid	(21)	(60)
Interest cost	18	10
Remaining change to the balance sheet liability*	26	363
Balance sheet liability at 30 June	**678**	**655**

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

Church of England Funded Pensions Scheme (CEFPS)

The College 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 Employer and the other participating employers.

Each participating employer 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 employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2012. Though work has commenced on the 31 December 2015 valuation, the final report and recovery plan is not expected to be finalised until late 2016 and is not formally required to be finalised until 31 March 2017. The 2012 valuation revealed a deficit of £293m, based on assets of £896m and a funding target of £1,189m, assessed using the following assumptions:

- An investment strategy of:
    - For investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 to two thirds by 31 December 2029, with the balance in return-seeking assets.
    - A 100% allocation to return-seeking assets for investments backing liabilities prior to retirement.

26. PENSION SCHEMES (continued)

- Investment returns of 3.2% p.a. on gilts and 5.2% p.a. on equities.
- RPI inflation of 3.2% p.a. (and pension increases consistent with this).
- Increase in pensionable stipends of 3.2% p.a.
- Post-retirement mortality in accordance with 80% of the S1NFA and S1NMA tables, with allowance for future improvements in mortality rates from 2003 in line with the CMI 2012 core projections, with a long term annual rate of improvement of 1.5% for females and males.

Following the 31 December 2012 valuation, a recovery plan was put in place until 31 December 2025 and the contribution rates (as a percentage of pensionable stipends) were set as follows:

	1 January 2014 to 31 December 2014	1 January 2015 to 31 December 2025
Accrual of future service benefits (including expenses)	25.8%	25.8%
Deficit repair contributions	12.4%	14.1%
Total contribution rate	**38.2%**	**39.9%**

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.

	2016 £'000	2015 £'000
Balance sheet liability at 1 July	31	36
Deficit contribution paid	(3)	(3)
Interest cost	1	1
Remaining change to the balance sheet liability*	(1)	(3)
Balance sheet liability at 30 June	**28**	**31**

* Comprises change in agreed deficit recovery plan and change in discount rate 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:

	2016 % p.a.	2015 % p.a.
Discount rate	2.5	2.3
Price inflation	2.4	2.7
Increase to total pensionable payroll	0.9	1.2

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme. This is a statutory, contributory, final salary, unfunded scheme and as such it is not possible to identify the College's share of the underlying assets and liabilities of the scheme. The College contributes 14.1% of teachers' gross salary for those in the scheme while since January 2007 members have contributed 6.4%. From April 2012, this changed to a tiered pensions scheme, with employees paying between 6.4% and 8.8%, and from April 2013, these tiers became 6.4% to 11.2%.

For unfunded schemes such as the Teachers' Pension Scheme, FRS 102 requires the College to account for pension costs on the basis of contributions actually payable to the scheme in the period.

27. RELATED PARTY TRANSACTIONS

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

The College maintains a register of interests for all College Council members, and where any member of the College Council has a material interest in a matter of business before the Council they are obliged under the standing orders of the College to declare that fact.

During the year no fees or expenses were paid to Fellows in respect of their duties as trustees. One Fellow was paid £1k (2015: £1k) in their role as Secretary of the College Council.

Fellows are remunerated for teaching, research and other duties within the College, Fellows are billed for any private catering. The College also offers Fellows and staff assistance with housing costs on a shared equity basis and has a housing allowance scheme to assist Fellows in the first four years after joining the Fellowship.

The School provides a discount on school fees to its staff as part of its terms of appointment; where children of Fellows and other staff attend the School, they pay fees on the normal terms.

The College has a number of trading and dormant subsidiary undertakings which are consolidated into these accounts. All subsidiary undertakings are 100% owned by the College and are registered and operating in England and Wales.

The College is taking advantage of the exemption within Section 33 of FRS 102 not to disclose transactions with wholly owned group companies that are related parties.

28. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES

Subsidiaries

The College's principal trading and dormant subsidiary undertakings at 30 June 2016 and 30 June 2015 are set out below.

Subsidiary	**Activity**	**Holding**	**%**
St John's Enterprises Limited	The provision of conference facilities and tourism administration at St John's College, Cambridge. The Company also undertakes activities in relation to healthcare for the College.	2 ordinary shares of £1 each	100%
Aquila Investments Limited	Property development and farming.	74,805,020 ordinary shares of 1p each	100%
St John's Innovation Centre Limited	The management of St John's Innovation Centre on behalf of the College, and the provision of advice and guidance to early-stage knowledge-based businesses in the Cambridge sub-region.	113,429 ordinary shares of £1 each	100%
Lomas Developments Limited	Property development.	5,000,004 ordinary shares of 10p each	100%
St John's College Development Limited	Dormant	820,004 ordinary shares of 50p each	100%
Aquivar Management Services Limited	Dormant	100 ordinary shares of £1 each	100%

28. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES (continued)

Joint Ventures

The College's joint ventures at 30 June 2016 and 30 June 2015 are set out below.

Joint venture	Activity	Country of Incorporation	% Holding
Barberry Nottingham LLP	Property development.	United Kingdom	75%

Distribution of reserves by Barberry Nottingham LLP requires the unanimous agreement of LLP members and is subject to the terms of a loan agreement taken out by the LLP.

The College is a member of another joint venture, Barberry Willenhall LLP, which is registered in the United Kingdom. The joint venture has no principal business activity. The College has not provided any capital to the joint venture nor has the College committed to do so as of the date of these accounts.