

**NEWNHAM COLLEGE**  
**CAMBRIDGE**

**Consolidated Financial Statements**

**Year Ended 30 June 2017**

Royal Charter Company number RC000384

Registered Charity number 1137512

**NEWNHAM COLLEGE**  
**Consolidated Financial Statements**  
**Year Ended 30 June 2017**

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# NEWNHAM COLLEGE

## Reference and Administration Details

**Newnham College**  
**Sidgwick Avenue**  
**Cambridge**  
**CB3 9DF**

**Registered Charity number 1137512**

**Royal Charter Company number RC000384**

**The following persons served as Trustees (as members of the College Council) in 2016/17:**

Professor Dame Carol Black (Principal) (*ex officio*, elected by the Fellows)  
Professor Christine Watson (Vice-Principal) (*ex officio*, elected by the Governing Body)  
Ms Jenny Raine (Bursar) (*ex officio*, appointed by the Governing Body)  
Professor Liba Taub (Senior Tutor) (*ex officio*, appointed by the Council)

**Elected by the Governing Body**

Dr Kate Fleet  
Dr Judith Quinn  
Dr Samantha Lucy  
Dr Barbara Blacklaws (to February 2017)  
Dr Emily Kneebone (to June 2017)  
Dr Emma Mawdsley (to September 2016)  
Dr Lucilla Burn (to December 2016)  
Professor Susan Owens (to September 2016)  
Dr Ann Catherine Lindon (from October 2016)  
Dr Elizabeth Watson (from October 2016)  
Professor Kasia Jaszczolt (from February 2017)  
Dr Rachael Padman (from February 2017)

**Elected by the Junior Members of the College**

Ms J Lee (to March 2017)  
Ms R Mander (to December 2016)  
Ms Y Shams (to October 2016)  
Ms C Vandewiele (from October 2016)  
Ms I Sanders (from January 2017)  
Ms M Bailey-Braendgaard (from April 2017)

**Principal Advisers**

**Auditors**

Prentis & Co LLP  
Chartered Accountants & Statutory Auditors  
115c Milton Road  
Cambridge CB4 1XE

**Bankers**

NatWest Bank  
Cambridge Market Street Branch  
23 Market Street  
Cambridge CB2 3PA

Allied Irish Bank  
St Helen's  
1 Undershaft  
London EC3A

**Property Managers and Valuers**

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

**Investment Managers and Advisers**

Partners Capital Investment Group Ltd  
5<sup>th</sup> Floor  
5 Young Street  
London W8 5EH

Cambridge Investment Management Limited  
The Old Schools  
Trinity Lane  
Cambridge CB2 1TN

Cambridge Associates Limited  
105 Wigmore Street  
London W1U 1QY

Cambridge Associates LLC  
100 Summer Street  
Boston  
Massachusetts 02110-2112  
USA

**Legal Advisers**

Taylor Vinters  
Merlin Place  
Milton Road  
Cambridge CB4 4DP

Mills and Reeve  
112 Hills Road  
Cambridge CB2 1PH

# NEWNHAM COLLEGE

## Financial Statements

Year Ended 30 June 2017

### Operating and Financial Review

#### Introduction

The College is a corporate body consisting of the Principal and Fellows. It has been a registered charity (no. 1137512) since 17 August 2010. The College is also a Royal Charter Company number RC000384. The formal name of the College is The Principal and Fellows of Newnham College; and it is also known as a) Newnham College in the University of Cambridge; and b) Newnham College (Cambridge). Its principal address, which is that of its registered office, is: Newnham College, Sidgwick Avenue, Cambridge CB3 9DF, United Kingdom.

#### Governing documents

The College was founded in 1871. The provisions which regulate the purposes and administration of the College are set out in its Charter dated 12 April 1917 and modified by the Supplemental Charter (1958 when the College was received into the University of Cambridge) and in its original Statutes as variously amended between 1917 and 1996.

#### Organisational structure of the College and its subsidiary undertakings.

The College comprises the following:

a) the **Governing Body**, the powers of which are defined in the Charter.

The Governing Body is responsible for the long-term strategic vision of the College, and also provides the policy context in which the Council's management takes place.

b) The powers and responsibilities of **Council**, are defined in the Charter and Statutes.

The College Council has the 'the general control and management of the administration of the College' and its members serve as the Trustees of the College as a registered Charity. As the Trustees they have ultimate responsibility for directing the affairs of the charity, ensuring that it is solvent and well-run, and that it is delivering the charitable outcomes for the benefit of those which it was set up to serve as a College for women in the University of Cambridge.

c. Those **College Officers** who are *ex officio* members of the Council are the Principal, the Vice-Principal, the Bursar, and the Senior Tutor and they meet regularly during Term to review the management of College business.

d. **Junior Members** comprise the students of the College both undergraduate and graduate. They have elected representatives on both the Council (where they serve as Trustees for Unreserved Business) and on the Governing Body and are represented on most of the College's Committees. In part, they represent the largest group of potential beneficiaries.

#### Subsidiary Companies

Three subsidiary companies have been established to undertake work for the benefit of the College.

- Newnham College Ltd (dormant)
- Newnham College Management Ltd organises maintenance and construction projects
- Newnham College Library Co Ltd provides the College with library services

#### Trustees

A list of persons who served as Trustees in 2016/17 is listed on page 2 (Reference and Administration Details).

Those elected by the Junior Members do not participate in the decision making for Reserved Business.

The Council delegates much of its business to its sub-committees. The membership and terms of reference of sub-committees are determined for the most part by the Council to whom the subcommittees report and make recommendations. Some additional subcommittees are set up by the Governing Body and report accordingly. Junior Members are represented on most subcommittees.

All charity trustees of the College are given on appointment or election copies of the Statutes and Ordinances of the College together with a set of documents including the College's policy on the management of conflicts of interest and copies of the relevant guidance issued by the Charity Commission. Annually the trustees are reminded of their core responsibilities and required to check and update their declaration of interests.

# NEWNHAM COLLEGE

## Financial Statements

Year Ended 30 June 2017

### Operating and Financial Review

#### Scope of the financial statements

These 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 (FRS102).. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP) as amended by Recommended Cambridge College Accounts (RCCA).

#### Aims and objectives of the College

The objects of the College as defined by its Charter (where they are listed along with its powers) and as registered with the Charity Commission are:

- a) to establish or maintain at or near Cambridge a house or residence or residences in which female students may reside and study; and
- b) to provide a liberal education for women carrying on the work of the Old Association with such modifications and changes as may from time to time appear desirable either in its present situation or elsewhere in the town of Cambridge or County of Cambridge

Since its reception into the University of Cambridge in 1958, the College has discharged these objects through the advancement of education, learning and research, particularly but not exclusively through the provision of a college for women within the University of Cambridge.

#### Public benefit

The Trustees on appointment are provided with a copy of "Charities and Public Benefit: Summary Guidance for Charity Trustees", and are reminded at least annually of its recommendations and requirements. The College provided in 2016/17 an education for about 637 undergraduate and graduate women students, in conjunction with the University of Cambridge, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision for undergraduates, as well as pastoral, administrative and academic support through its tutorial and graduate tutorial systems;
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research mainly by:

- providing Research Fellowships (and Teaching Fellowships) to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics both from other UK institutions and from abroad;
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

# NEWNHAM COLLEGE

## Financial Statements

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### Operating and Financial Review

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

The Trustees are satisfied that the College remains compliant with their duty in regard to public benefit. The primary beneficiaries are the resident members of the College, both students and academic staff, all of whom are directly engaged in education, learning or research. Other beneficiaries include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and visiting schoolchildren and alumnae of the College who have an opportunity to attend educational events at the College or use its academic facilities. The general public are also able to attend various educational activities in the College (such as public lectures). As a College in the University of Cambridge the primary beneficiaries are academics and students of the University, all of whom need to meet high academic standards to be appointed or admitted and that requirement stands at the core of its nature. The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

#### Financial Review

During the year the College continued to pursue its charitable aims in delivering, in partnership with the University of Cambridge and as a constituent part of the collegiate university, a world-class education through individual or small-group teaching as well as pastoral, administrative and academic support. The College also provides social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their potential whilst studying at the College. The full cost of the College's educational provision last year was £4.81m of which £2.60m (54.0%) was received in fees and Cambridge Bursary Scheme funding and £2.21m (46.0%) derived from the College's endowment, which, in turn, depends for its significant long term growth on the generosity of benefactors.

#### Financial Results

Continued robust budget management has resulted in the College and subsidiary companies achieving a net surplus as set out in the Statement of Comprehensive Income and Expenditure Account on page 15.

Income before donations and new endowments fell by 3.9% in 2016/17. The main reason for the decrease was the loss of student accommodation and commercial property income resulting from the demolition of the Strachey building.

Total expenditure increased by £11k (0.1%). Staff costs make up 49.1% of expenditure (2015/16: 47.5%) and rose by £149k, most other costs rose in line with inflation.

# NEWNHAM COLLEGE

## Financial Statements

Year Ended 30 June 2017

### Operating and Financial Review

#### Donations and new endowments

The College remains extremely grateful for the generous and loyal support of its alumnae. The traditional system of intensive teaching in small groups, backed by pastoral support, is inadequately supported by fee income (over which the College has almost no control) and requires a strong endowment to enable it to continue.

Donations and new endowments in 2016/17 of £5.00m include legacies of £3.62m. Philanthropic income and fundraising costs over the last five years were:

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Legacies and Donations	1,449	1,398	1,810	10,240	5,003
Development office costs	208	266	285	279	322
Costs as a percentage of funds received	14.4%	19.0%	15.7%	2.7%	6.4%

#### Capital Expenditure

After peaking in 2012/13 (£1,347k), non-capitalised expenditure on building projects (including staff costs) was £724k in 2015/16 and £674k in 2016/17.

In 2016/17, in addition to the expenditure above, £470k on Grange Garden Flats (2015/16: £270k) and £70k on 3 Clare Road (2015/16: £50k) of costs were incurred in refurbishing these properties to enable them to be used as student accommodation from 2016/17 onwards. These costs were capitalised.

The College incurred a further £8,126k of costs in preparation of the demolition of the existing Strachey and construction of the replacement building. At 30 June 2017, the £12,415k of capitalised costs on this project comprise legal, professional and construction costs of £9,479k and interest payable of £2,936k.

The guide-figure provided by the Royal Institute of Chartered Surveyors for prudent levels of spending to maintain historic buildings (1.8% of reinstatement costs) would indicate annual spending of £1.2m. Taking into account the College's recent high levels of capital spending on new buildings and refurbishment of property it is believed that the College is meeting that guide level over the medium to long term.

#### Endowment and investment performance

The market value of the investment portfolio at 30 June 2017 was £106.8m including commercial property, invested in equities and private equities (71%), fixed interest and bonds (2%), property (21%) and unquoted securities and cash (6%). At the end of June 2017 the College distributed 3.50% of the value of the portfolio average from June 2009 to June 2016 (2015/16: 3.50%), as set out below:

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Investment Assets	66.9	70.7	78.5	84.5	106.8
Actual net income	0.6	0.7	0.8	0.9	1.1
Gains / (losses)	7.5	5.0	10.8	2.2	10.7
Total Return	8.1	5.7	11.6	3.1	11.8
Endowment distribution	1.9	2.2	2.2	2.3	2.5
As a percentage of investment assets valued at year-end	2.8%	3.1%	2.8%	2.7%	2.3%

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## Financial Statements

Year Ended 30 June 2017

### Operating and Financial Review

The College's commercial property assets increased from £14.4m to £14.9m due to the capitalisation of costs in improving properties (£540k). These holdings yielded rental income of £450k in 2016/17 (2015/16: £341k).

#### Ethical Investment Policy and Investment Strategy

The College's Ethical Investment Policy states:

The College keeps under regular review the ethical investment of its funds. In line with the findings in the Harries case (Bishop of Oxford v. Church Commissioners, 1992) the overriding principle guiding the College's investments (though not the only one) is the financial return of the portfolio, and in principle we avoid investments in areas which are contrary to the College's Charitable purposes. Those companies or shares likely to be excluded would be those whose activities violate human rights, may harm the environment, or are otherwise contrary to the charitable objectives of the College. The College has appointed a firm of advisors which provides a range of pooled funds in which to invest. The Investment Committee is responsible for decisions on asset allocation but does not select individual stocks.

The College takes a long-term view of the investment portfolio and uses a total return basis for deciding on the appropriate amount to draw down each year. This is intended to protect the value of the investment portfolio in real terms and, as a result, to strike an equitable balance between the interests of the present members of the College and future generations. Any new bequests received during the year are added to unrestricted funds unless the donor has specified the use of the funds in some other way.

The securities portfolio is unitised so that the College is able to see the change in value attributable to the management of the portfolio as distinct from the nominal total value of the investment assets which is impacted both negatively by disposals and by capital expenditures, and also positively by additional capital received in bequests and donations. The College applies a 'spending rule' as part of a Total Return policy and, under this, income representing a percentage of a trailing averaged value of the portfolio excluding commercial property is taken to the Income and Expenditure account. The average was based on the previous five years from 2008/09 to 2010/11; from 2011/12 it was agreed to push this out to seven years starting from 2009 (a low point). The basis for the distribution calculation is reviewed annually. The percentage of the trailing average value taken to the Income and Expenditure account was 4.25% from 2008/09 to 2010/11. In 2011/12 it was reduced to 3.25% and 3.00% in 2012/13, increasing to 3.50% in 2013/14.

The reduction in drawdown is a result of the need to rebuild unit value subsequent to the financial crisis. The smoothing rule enabled the College to maintain the cash flow from the portfolio through the recent recession.

The average unit value is calculated from June 2009 to June 2017. In June 2009, at its low point, the actual unit value was £10.20 but by 30 June 2017 it had risen to £16.08 (30 June 2016: £14.29). The 7 year trailing average increased from £12.03 at 30 June 2016 to £12.72 at 30 June 2017. At June 2017, after the transfer of the drawdown to the Income and Expenditure Account the actual value of investment securities was £91.9m (June 2016: £70.1m).

The College will continue to review its spending rule and its smoothing mechanisms during the course of 2017/18 to ensure that we remain in as good a position as possible with the continuing instability and variability expected in global financial markets.



# NEWNHAM COLLEGE

## Financial Statements

Year Ended 30 June 2017

### Operating and Financial Review

#### Private Placement Bond

The College participated in two private placements during 2013/14. The first private placement of £11,580,000 is repayable in two tranches, of £6,433,333 on 30 October 2043 and £5,146,667 on 30 October 2053 and is subject to a fixed rate of interest of 4.40%. The second private placement of £7,000,000 is repayable on 31 January 2044 and is subject to a fixed rate of interest of 4.45%.

The proceeds of the issue are to fund the building of the replacement for the Strachey building accommodation and facilities.

Pending application to the buildings project, the funds are invested with Partners Capital in a portfolio designed to have lower volatility than the long-term investment portfolio.

#### Reserves Policy

The College has total Capital and Reserves of £195.0m. Of this, £81.2m is the Revaluation Reserve which represents the value, in excess of cost, of the College's operational land and buildings. The operational buildings are used primarily for teaching and residential purposes and the long term loan of £4.2m (originally £6m) was used to help construct the kitchen and buttry. As mentioned above, the new private placement proceeds of £18.6m will be used to finance future additional accommodation and facilities in addition to a replacement for the Strachey building. Of the remaining reserves, £61.8m were restricted funds and £52.0m were unrestricted.

Almost all these funds were backed by long-term investments of £106.8m which the College regards as its true endowment since this supports the work of the College in providing income to pay to deliver high quality intensive higher education and supporting research.

#### Principal risks and uncertainties

The College maintains a strong system of financial and management controls. The detailed estimates for the year ahead and a rolling five year forecast are scrutinised by the Finance Committee prior to consideration and approval by the College Council each year. Monthly departmental management accounts are produced including comparison of budget with actual for each cost centre. Revised Forecasts of Outturn are produced mid-year to allow for an overall review of the progress of each year's finances. The College, through its senior management and committees reporting to the College Council, is active in identifying, reviewing and documenting its exposure to other major risks with a view to eliminating, reducing and/or controlling them. The College has also established an Audit Committee, chaired by the Vice-Principal, which includes within its remit management of risk and review of the College risk register.



Ms Jenny Raine

Bursar

10 November 2017

**NEWNHAM COLLEGE**  
**Financial Statements**  
**Year Ended 30 June 2017**

**Responsibilities of the College Council**

The College Council is responsible for preparing the financial statements each year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by Recommended Cambridge College Accounts. The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In accordance with the College's Statutes, the College Council is responsible for the administration and management of the College's affairs. It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept which disclose with reasonable accuracy at any time the financial position of the College. The Governing Body, which appoints the auditors, receives the audited financial statements from the Council.

In causing the financial statements to be prepared, the College Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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

The College Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud and other irregularities. Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

# NEWNHAM COLLEGE

## Year Ended 30 June 2017

### Auditors' Report to the College Council and Governing Body of Newnham College

We have audited the financial statements of Newnham College for the year ended 30<sup>th</sup> June 2017 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and College balance sheets the consolidated cash flow statement and related notes. The financial reporting frame work that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### Respective responsibilities of the trustees College Council and auditors

As explained more fully in the College Council's Responsibility Statement set out on page 9 the College Council is responsible for the preparation of financial statements which give a true and fair view.

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

#### Scope of the audit of financial statements

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

#### Opinion on financial statements

In our opinion

- The financial statements give a true and fair view of the state of the group's and the College's affairs as at 30<sup>th</sup> June 2017 and of the group's income and expenditure for the year then ended;
- The financial statements have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice;
- The financial statements have been prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge;
- The contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

#### Matters on which we are required to report by exception

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

- The information given in the College Council's Annual report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.



8th December 2017

Prentis & Co LLP  
Chartered Accountants and Statutory Auditors  
115c Milton Road  
Cambridge CB4 1XE

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# NEWNHAM COLLEGE

Year Ended 30 June 2017

## Statement of Principal Accounting Policies

### **Basis of preparation**

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

The Consolidated Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 7.

### **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. Inter-group balances are eliminated on consolidation. The activities of student societies have not been consolidated.

### **Recognition of income**

#### *Academic fees*

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

#### *Grant income*

Grant income received from non-government sources are recognised with the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

#### *Donations and Endowments*

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

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

# NEWNHAM COLLEGE

Year Ended 30 June 2017

## Statement of Principal Accounting Policies - continued

### *Investment income and change in value of investment assets*

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

### *Total return*

From 1<sup>st</sup> July 2007 a total return policy has been applied in relation to the College's investment in securities. Under this policy 4.25% of the trailing 5 year quarterly average values of the investments was taken to the Income and Expenditure Account in the years 2008/09 to 2010/11. For 2011/12, 3.25% of the trailing quarterly average values from the 2009 low point has been taken to the Income and Expenditure Account; this figure reduced to 3.00% for 2012/13 and increased to 3.50% for 2013/14 and 2014/15. The remainder of the change in value of the investments is shown in the Consolidated Statement of Comprehensive Income and Expenditure.

### *Other income*

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

### **Pension schemes**

The College participates in the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The schemes are both defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities of individual institutions due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

The assets and liabilities of the CCFPS are held separately. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

### **Tangible fixed assets**

#### **a. Land and buildings**

The buildings on the College's main site have been treated as tangible fixed assets and valued on the basis of their depreciated replacement cost. The valuation on 30 June 2011 was carried out by Carter Jonas, Chartered Surveyors, with a subsequent 'desktop' valuation at 30 June 2015. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 100 years, except the Strachey building which was demolished in 2016, to be replaced by a new building, so depreciation was accelerated to reflect its specific useful life. Properties are re-lifed on revaluation. Freehold land is not depreciated and the value of the land comprising the College's main site is included in the balance sheet.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

# NEWNHAM COLLEGE

Year Ended 30 June 2017

## Statement of Principal Accounting Policies - continued

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

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.

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

### **b. Maintenance of properties**

The cost or routine maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred. The College also set aside sums to meet major maintenance costs which occur on an irregular basis.

### **c. Furniture and equipment**

Furniture and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Books, furniture and fittings	5% and 10% per annum
Catering heating and ventilation equipment	5% per annum
Major computer software	10% per annum
Computer equipment	25% per annum

### **d. Heritage Assets**

The College holds and conserves a number of collections, artefacts and other assets of historical, artistic or scientific interest. Heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at costs or, in the case of donated assets, at expert valuation on receipt, to the extent to which they are material. Heritage assets have not been depreciated since their long economic life and high residual value mean that any depreciation would not be material.

### **Investments**

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

### **Stocks**

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

### **Provisions**

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

### **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 the comprehensive income and expenditure for the financial year.

# NEWNHAM COLLEGE

Year Ended 30 June 2017

## Statement of Principal Accounting Policies - continued

### **Taxation**

The College is a registered charity (number 1135712) and also a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

### **Contribution under Statute G,II**

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The liability for the year is 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.

### **Contingent liabilities and assets**

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

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

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

### **Employment benefits**

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

### **Reserves**

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

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

# NEWNHAM COLLEGE

## Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2017

	Note	2016/17				2015/16			
		Unrestricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Endowment £	Total £
<b>Income</b>									
Academic fees and charges	1	2,601,645			2,601,645	2,593,832			2,593,832
Residences, catering, and conferences	2	3,661,533			3,661,533	3,889,430			3,889,430
Investment income	3	213,368			213,368	360,293			360,293
Endowment return transferred	3	1,260,181	1,037,860	(2,298,041)	-	993,346	976,070	(1,969,416)	-
Other income		242,451			242,451	212,636			212,636
<b>Total Income before donations and endowments</b>		<b>7,979,178</b>	<b>1,037,860</b>	<b>(2,298,041)</b>	<b>6,718,997</b>	<b>8,049,537</b>	<b>976,070</b>	<b>(1,969,416)</b>	<b>7,056,191</b>
Donations	4	3,623,928	1,255,748		4,879,676	8,891,429	391,547		9,282,976
New endowments	4	-		174,062	174,062			1,008,043	1,008,043
<b>Total income</b>		<b>11,603,106</b>	<b>2,293,608</b>	<b>(2,123,979)</b>	<b>11,772,735</b>	<b>16,940,966</b>	<b>1,367,617</b>	<b>(961,373)</b>	<b>17,347,210</b>
<b>Expenditure</b>									
Education	5	3,650,303	1,163,036		4,813,339	3,540,030	1,122,517		4,662,547
Residences, catering, and conferences	6	3,590,563			3,590,563	3,651,161			3,651,161
Other expenditure	7	187,957			187,957	259,491			259,491
Loan interest payable		241,278			241,278	253,021			253,021
Contribution to Colleges Fund Under Statute G,II		41,000			41,000	37,000			37,000
<b>Total Expenditure</b>		<b>7,711,101</b>	<b>1,163,036</b>	<b>-</b>	<b>8,874,137</b>	<b>7,740,703</b>	<b>1,122,517</b>	<b>-</b>	<b>8,863,220</b>
<b>Surplus/(deficit) before other gains and losses</b>		<b>3,892,005</b>	<b>1,130,572</b>	<b>(2,123,979)</b>	<b>2,898,598</b>	<b>9,200,263</b>	<b>245,100</b>	<b>(961,373)</b>	<b>8,483,990</b>
Gain/(loss) on investments		4,851,446	995,882	6,272,148	12,119,476	137,661	126,096	2,460,979	2,724,736
<b>Surplus before tax</b>		<b>8,743,451</b>	<b>2,126,454</b>	<b>4,148,169</b>	<b>15,018,074</b>	<b>9,337,924</b>	<b>371,196</b>	<b>1,499,606</b>	<b>11,208,726</b>
Taxation		-			-	(7)			(7)
<b>Surplus for the year</b>		<b>8,743,451</b>	<b>2,126,454</b>	<b>4,148,169</b>	<b>15,018,074</b>	<b>9,337,917</b>	<b>371,196</b>	<b>1,499,606</b>	<b>11,208,719</b>
<b>Other comprehensive income</b>									
Unrealised surplus/(deficit) on revaluation of fixed assets		-			-	(1,657,777)			(1,657,777)
Actuarial gain/(loss) in respect of pension schemes		(203,131)			(203,131)	151,390			151,390
<b>Total comprehensive income for the year</b>		<b>8,540,320</b>	<b>2,126,454</b>	<b>4,148,169</b>	<b>14,814,943</b>	<b>7,831,530</b>	<b>371,196</b>	<b>1,499,606</b>	<b>9,702,332</b>

All items of income and expenditure relate to continuing operations.

The notes on pages 19 to 32 form part of these accounts.



# NEWNHAM COLLEGE

## Statement of Changes in Reserves

Year Ended 30 June 2017

Consolidated	Income and expenditure reserve			Revaluation	Total
	Unrestricted	Restricted	Endowment	reserve	
	£	£	£	£	£
At 30 June 2016	43,409,158	8,044,686	47,499,636	81,193,986	180,147,466
Surplus/(deficit) from income and expenditure statement	8,743,451	2,126,454	4,148,169		15,018,074
Other comprehensive income	(203,131)			-	(203,131)
Movement between Funds	(26,784)	(100,867)	127,651	-	-
<b>At 30 June 2017</b>	<b>51,922,694</b>	<b>10,070,273</b>	<b>51,775,456</b>	<b>81,193,986</b>	<b>194,962,409</b>
At 30 June 2015	33,919,851	7,673,490	46,000,030	82,851,763	170,445,134
Surplus/(deficit) from income and expenditure statement	9,337,917	371,196	1,499,606		11,208,719
Other comprehensive income	151,390			(1,657,777)	(1,506,387)
Movement between Funds					-
<b>At 30 June 2016</b>	<b>43,409,158</b>	<b>8,044,686</b>	<b>47,499,636</b>	<b>81,193,986</b>	<b>180,147,466</b>

College	Income and expenditure reserve			Revaluation	Total
	Unrestricted	Restricted	Endowment	reserve	
	£	£	£	£	£
At 30 June 2016	43,233,120	8,044,686	47,499,636	81,193,986	179,971,428
Surplus/(deficit) from income and expenditure statement	8,723,950	2,126,454	4,148,169		14,998,573
Other comprehensive income	(203,131)			-	(203,131)
Movement between Funds	(26,784)	(100,867)	127,651		-
<b>At 30 June 2017</b>	<b>51,727,155</b>	<b>10,070,273</b>	<b>51,775,456</b>	<b>81,193,986</b>	<b>194,766,870</b>
At 30 June 2015	33,777,884	7,673,490	46,000,030	82,851,763	170,303,167
Surplus/(deficit) from income and expenditure statement	9,303,846	371,196	1,499,606		11,174,648
Other comprehensive income	151,390			(1,657,777)	(1,506,387)
Movement between Funds					-
<b>At 30 June 2016</b>	<b>43,233,120</b>	<b>8,044,686</b>	<b>47,499,636</b>	<b>81,193,986</b>	<b>179,971,428</b>

# NEWNHAM COLLEGE

## Consolidated and College Balance Sheets

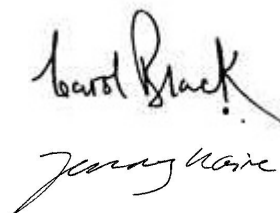
At 30 June 2017

	Note	2017		2016	
		Consolidated £	College £	Consolidated £	College £
<b>Non-current assets</b>					
Fixed assets	9	102,501,970	102,274,062	94,878,839	94,641,476
Investments	10	106,795,744	107,175,750	84,477,565	84,857,571
		<u>209,297,714</u>	<u>209,449,812</u>	<u>179,356,404</u>	<u>179,499,047</u>
<b>Current assets</b>					
Short-term investments	11	7,594,211	7,594,211	17,574,410	17,574,410
Stocks	12	125,884	125,884	152,398	152,398
Trade and other receivables	13	984,736	607,745	7,562,288	7,523,708
Cash and cash equivalents	14	4,735,273	4,726,050	1,813,727	1,762,322
		<u>13,440,104</u>	<u>13,053,890</u>	<u>27,102,823</u>	<u>27,012,838</u>
<b>Creditors: amounts falling due within one year</b>	15	(3,029,379)	(2,990,804)	(1,643,766)	(1,872,464)
<b>Net current assets</b>		<u>10,410,725</u>	<u>10,063,086</u>	<u>25,459,057</u>	<u>25,140,374</u>
<b>Total assets less current liabilities</b>		<u>219,708,439</u>	<u>219,512,898</u>	<u>204,815,461</u>	<u>204,639,421</u>
<b>Creditors: amounts falling due in more than one year</b>	16	(22,844,778)	(22,844,778)	(23,044,689)	(23,044,689)
<b>Provisions</b>					
Pension provisions	17	(1,901,251)	(1,901,251)	(1,623,305)	(1,623,305)
<b>Total net assets</b>		<u><u>194,962,410</u></u>	<u><u>194,766,869</u></u>	<u><u>180,147,467</u></u>	<u><u>179,971,427</u></u>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	18	51,775,456	51,775,456	47,499,636	47,499,636
Income and expenditure reserve - restricted reserve	19	10,070,273	10,070,273	8,044,686	8,044,686
		<u>61,845,729</u>	<u>61,845,729</u>	<u>55,544,322</u>	<u>55,544,322</u>
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted		51,922,695	51,727,154	43,409,159	43,233,119
Revaluation reserve		81,193,986	81,193,986	81,193,986	81,193,986
		<u>133,116,681</u>	<u>132,921,140</u>	<u>124,603,145</u>	<u>124,427,105</u>
<b>Total Reserves</b>		<u><u>194,962,410</u></u>	<u><u>194,766,869</u></u>	<u><u>180,147,467</u></u>	<u><u>179,971,427</u></u>

These financial statements were approved by Newnham College Council on 10 November 2017 and were signed on its behalf on that date by:

Professor Dame Carol Black (Principal)

Ms Jenny Raine (Bursar)



**NEWNHAM COLLEGE****Consolidated Cash Flow Statement**

Year Ended 30 June 2017

		2016/17	2015/16
	Note	£	£
Net cash inflow from operating activities	20	13,155,548	3,601,992
Total cash flows from investing activities	21	(9,801,814)	(3,140,950)
Total cash flows from financing activities	22	(432,189)	(433,712)
Increase/(decrease) in cash and cash equivalents in the year		<u>2,921,545</u>	<u>27,330</u>
Cash and cash equivalents at beginning of the year		1,813,727	1,786,397
Cash and cash equivalents at end of the year		<u>4,735,273</u>	<u>1,813,727</u>

# NEWNHAM COLLEGE

## Notes to the Accounts (consolidated)

Year Ended 30 June 2017

<b>1. ACADEMIC FEES AND CHARGES</b>	<b>2016/17</b>	<b>2015/16</b>
	£	£
College fees:		
Fee Income received at the Regulated Undergraduate rate	1,275,642	1,300,226
Fee Income received at the Unregulated Undergraduate rate	347,040	378,548
Fee Income received at the Graduate rate	735,228	615,526
	<u>2,357,910</u>	<u>2,294,300</u>
Teaching Grants	15,500	13,000
Recoveries from other Colleges	85,825	115,299
Other Fees and Charges including Cambridge Bursary Scheme	142,410	171,233
Total	<u><b>2,601,645</b></u>	<u><b>2,593,832</b></u>
<b>2. INCOME FROM RESIDENCES, CATERING, AND CONFERENCES</b>	<b>2016/17</b>	<b>2015/16</b>
	£	£
Accommodation		
College Members	2,153,805	2,326,287
Conferences	300,200	340,132
Catering		
College Members	885,297	886,427
Conferences	322,231	336,584
Rents from College Subsidiaries		
Total	<u><b>3,661,533</b></u>	<u><b>3,889,430</b></u>
<b>3. ENDOWMENT RETURN AND INVESTMENT INCOME</b>	<b>2016/17</b>	<b>2015/16</b>
	£	£
<b>Investment Income</b>		
Income from:		
Freehold Land and Buildings	202,151	348,759
Quoted and other Securities and cash	11,217	11,534
	<u>213,368</u>	<u>360,293</u>
<b>Gains / (Losses) on Investment Assets</b>		
Freehold Land and Buildings	-	-
Non-current assets investments	10,978,179	3,077,896
Short-term investments	19,801	(353,160)
	<u>10,997,980</u>	<u>2,724,736</u>
Total Return for the year		
Transfer to income and expenditure reserve	(2,298,041)	(1,969,416)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	<u><b>8,699,939</b></u>	<u><b>755,320</b></u>
<b>4. Donations, legacies and new endowments</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>Total</b>	<b>Total</b>
	£	£
Unrestricted donations	3,572,928	8,840,429
Release from deferred capital grants	51,000	51,000
Restricted donations	1,255,748	391,547
New endowments	174,062	1,008,043
	<u><b>5,053,738</b></u>	<u><b>10,291,019</b></u>

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

5. EDUCATION EXPENDITURE	2016/17	2015/16
	£	£
Teaching	2,045,097	2,018,666
Tutorial	792,254	775,881
Admissions	853,800	865,567
Research	405,435	425,195
Scholarships and awards	517,975	354,411
Other educational facilities	198,778	222,827
Total	<u>4,813,339</u>	<u>4,662,547</u>

6. RESIDENCES, CATERING, AND CONFERENCES EXPENDITURE	2016/17	2015/16
	£	£
Accommodation	2,226,149	2,244,532
Conferences	107,717	102,040
Catering	969,452	1,001,663
Conferences	287,245	302,926
Total	<u>3,590,563</u>	<u>3,651,161</u>

### 7a. ANALYSIS OF 2016/17 EXPENDITURE BY ACTIVITY

	Staff Costs (Note 8) £	Other Operating Expenses £	Depreciation £	2016/17 Total £
Education (Note 5)	2,479,873	2,136,490	196,975	4,813,338
Residences, Catering & Conferences (Note 6)	1,756,041	1,418,688	415,835	3,590,564
Other	120,494	54,957	12,506	187,957
Loan interest payable		241,278		241,278
Contribution to Colleges Fund Under Statute G, II		41,000		41,000
	<u>4,356,408</u>	<u>3,892,413</u>	<u>625,316</u>	<u>8,874,137</u>

### 7b. ANALYSIS OF 2015/16 EXPENDITURE BY ACTIVITY

	Staff Costs (Note 8) £	Other Operating Expenses £	Depreciation £	2015/16 Total £
Education (Note 5)	2,414,565	2,037,128	210,854	4,662,547
Residences, Catering & Conferences (Note 6)	1,677,997	1,528,026	445,138	3,651,161
Other	114,092	132,011	13,388	259,491
Loan interest payable		253,021		253,021
Contribution to Colleges Fund Under Statute G, II		37,000		37,000
	<u>4,206,654</u>	<u>3,987,186</u>	<u>669,380</u>	<u>8,863,220</u>

### 7c. ANALYSIS OF EXPENDITURE

	2016/17	2015/16
	£	£
Other operating expenses include		
Audit fee payable to the College's external auditors	14,058	13,515
Other fees payable to the College's external auditors	-	-
Cost of fundraising	322,295	278,841
Investment management costs - commercial property	16,777	27,675
Investment management costs - Securities & Cash	221,042	102,717

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 8. STAFF COSTS

	College		Non -		Total 2015/16 £
	Fellows	Academics	Academics	Total	
	2016/17 £	2016/17 £	2016/17 £	2016/17 £	
<b>Staff Costs</b>					
Emoluments	552,791	324,476	2,666,050	3,543,317	3,486,113
Social security costs	30,348	5,067	213,800	249,215	208,830
Other pension costs	90,828	14,777	458,269	563,874	511,711
	<b>673,967</b>	<b>344,320</b>	<b>3,338,119</b>	<b>4,356,406</b>	<b>4,206,654</b>

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

#### Average Staff Numbers

Academic	46	5	-	51	49
Non-Academics	-	-	89	89	87
	<b>46</b>	<b>5</b>	<b>89</b>	<b>140</b>	<b>136</b>
Fellows - full time stipendary	8				
Fellows - part time stipendary	35				
Fellows - non-stipendary	16				

#### Key management personnel

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

Staff costs include compensation paid to key management personnel.

	2016/17 £000	2015/16 £000
<b>Key management personnel</b>	<b>197</b>	<b>203</b>

The total remuneration for persons who served as Trustees (as members of the College Council) in 2016/17 was £298k (2015/16: £334k)

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 9. FIXED ASSETS

	College Land £	College Buildings £	Assets in Construction £	Furniture & Equipment £	2016/17 Total £	2015/16 Total £
<b>Consolidated</b>						
<b>Cost or valuation</b>						
At 30 June 2016	37,940,000	56,910,000	4,288,186	1,844,053	100,982,239	98,482,452
Additions	-	-	8,126,831	121,615	8,248,446	2,502,457
Disposals	-	(4,482,808)	-	(28,838)	(4,511,646)	(2,670)
Revaluation during the year	-	-	-	-	-	-
At 30 June 2017	<u>37,940,000</u>	<u>52,427,192</u>	<u>12,415,017</u>	<u>1,936,830</u>	<u>104,719,039</u>	<u>100,982,239</u>
<b>Depreciation</b>						
At 30 June 2016	-	5,007,080	-	1,096,320	6,103,400	3,778,913
Provided for the year	-	524,272	-	101,043	625,315	2,327,157
Disposals	-	(4,482,808)	-	(28,838)	(4,511,646)	(2,670)
Written back on revaluation	-	-	-	-	-	-
At 30 June 2017	<u>-</u>	<u>1,048,544</u>	<u>-</u>	<u>1,168,525</u>	<u>2,217,069</u>	<u>6,103,400</u>
<b>Net Book value</b>						
At 30 June 2017	<u>37,940,000</u>	<u>51,378,648</u>	<u>12,415,017</u>	<u>768,305</u>	<u>102,501,970</u>	<u>94,878,839</u>
At 30 June 2016	<u>37,940,000</u>	<u>51,902,920</u>	<u>4,288,186</u>	<u>747,733</u>	<u>94,878,839</u>	<u>94,703,539</u>
<b>College</b>						
<b>Cost or valuation</b>						
At 30 June 2016	37,940,000	56,910,000	4,288,186	1,246,555	100,384,741	97,904,394
Additions	-	-	8,126,831	102,301	8,229,132	2,480,347
Disposals	-	(4,482,808)	-	(18,213)	(4,501,021)	-
Revaluation during the year	-	-	-	-	-	-
At 30 June 2017	<u>37,940,000</u>	<u>52,427,192</u>	<u>12,415,017</u>	<u>1,330,643</u>	<u>104,112,852</u>	<u>100,384,741</u>
<b>Depreciation</b>						
At 30 June 2016	-	5,007,080	-	736,185	5,743,265	3,443,795
Provided for the year	-	524,272	-	72,274	596,546	2,299,470
Disposals	-	(4,482,808)	-	(18,213)	(4,501,021)	-
Written back on revaluation	-	-	-	-	-	-
At 30 June 2017	<u>-</u>	<u>1,048,544</u>	<u>-</u>	<u>790,246</u>	<u>1,838,790</u>	<u>5,743,265</u>
<b>Net Book value</b>						
At 30 June 2017	<u>37,940,000</u>	<u>51,378,648</u>	<u>12,415,017</u>	<u>540,397</u>	<u>102,274,062</u>	<u>94,641,476</u>
At 30 June 2016	<u>37,940,000</u>	<u>51,902,920</u>	<u>4,288,186</u>	<u>510,370</u>	<u>94,641,476</u>	<u>94,460,599</u>

An interim desktop valuation of College buildings was carried out by Carter Jonas, Chartered Surveyors at 30th June 2015 on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolescence.

The amount of finance cost capitalised during 2016/17 was £824k (2015/16 £821K). The freehold College buildings at 30 June 2017 were insured at reinstatement costs of £105.0m.

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 10. INVESTMENTS

	Consolidated 2016/17 £	College £	Consolidated 2015/16 £	College £
At 30 June 2016	84,477,565	84,857,571	78,529,599	78,909,605
Additions	11,340,000	11,340,000	3,420,000	3,420,000
Disposals	-	-	(18,750)	(18,750)
Gain/(loss)	10,978,179	10,978,179	2,546,716	2,546,716
At 30 June 2017	<b>106,795,744</b>	<b>107,175,750</b>	<b>84,477,565</b>	<b>84,857,571</b>

#### Represented by:

Estate Properties	14,905,300	14,905,300	14,365,300	14,365,300
Quoted Securities - Equities	67,945,661	67,945,661	57,917,933	57,917,933
Quoted Securities - Fixed Interest	2,616,381	2,616,381	3,680,066	3,680,066
Unquoted	15,765,782	15,765,782	8,271,553	8,271,553
Cash Held For Reinvestment	5,562,620	5,562,620	242,713	242,713
Investment in Subsidiary Companies		380,006		380,006
	<b>106,795,744</b>	<b>107,175,750</b>	<b>84,477,565</b>	<b>84,857,571</b>

The valuation of the investment properties was carried out by Carter Jonas, Chartered Surveyors at 30 June 2015 at market value.

The stock exchange investments were valued at mid-market price at the Balance Sheet dates.

### 11. SHORT-TERM INVESTMENTS

	Consolidated 2016/17 £	College £	Consolidated 2015/16 £	College £
At 30 June 2016	17,574,410	17,574,410	21,050,620	21,050,620
Additions	-	-	-	-
Disposals	(10,000,000)	(10,000,000)	(3,123,050)	(3,123,050)
Gain/(loss)	19,801	19,801	(353,160)	(353,160)
At 30 June 2017	<b>7,594,211</b>	<b>7,594,211</b>	<b>17,574,410</b>	<b>17,574,410</b>

The College has invested the proceeds of the private placement in a lower-risk investment portfolio pending drawdown of the funds to finance the building of new accommodation and facilities at the College.

#### Represented by:

Quoted Securities - Equities	-	-	-	-
Quoted Securities - Fixed Interest	-	-	-	-
Cash Held For Reinvestment	7,594,211	17,574,410	17,574,410	17,574,410
	<b>7,594,211</b>	<b>17,574,410</b>	<b>17,574,410</b>	<b>17,574,410</b>



# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 12. STOCKS AND WORK IN PROGRESS

	Consolidated 2016/17 £	College £	Consolidated 2015/16 £	College £
Food and Drink	18,015	18,015	14,952	14,952
Wine	78,576	78,576	107,115	107,115
Cleaning Materials and Other	29,293	29,293	30,331	30,331
	<b>125,884</b>	<b>125,884</b>	<b>152,398</b>	<b>152,398</b>

### 13. TRADE AND OTHER RECEIVABLES

	Consolidated 2016/17 £	College £	Consolidated 2015/16 £	College £
Taxes and legal fees due from Government Departments	411,527	32,426	31,918	22,852
Grants receivable	-	-	-	-
Due from subsidiary undertakings	-	4,448	-	3,949
Other receivables	139,020	139,020	154,875	154,875
Prepayments and accrued income	434,189	431,851	7,375,495	7,342,032
	<b>984,736</b>	<b>607,745</b>	<b>7,562,288</b>	<b>7,523,708</b>

### 14. CASH AND CASH EQUIVALENTS

	Consolidated 2016/17 £	College £	Consolidated 2015/16 £	College £
Current accounts	4,733,961	4,724,788	1,812,545	1,761,190
Cash in hand	1,312	1,262	1,182	1,132
	<b>4,735,273</b>	<b>4,726,050</b>	<b>1,813,727</b>	<b>1,762,322</b>

### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated 2016/17 £	College £	Consolidated 2015/16 £	College £
Trade creditors	476,086	476,086	535,313	535,313
Loan repayments of capital	198,000	198,000	189,000	189,000
Contribution to Colleges Fund	41,000	41,000	37,000	37,000
Due to subsidiary undertakings	-	1,597,469	-	379,430
Taxes and social security costs	442	442	88,323	88,323
Student deposits and accounts	202,706	202,706	261,084	261,084
Accruals and deferred income	2,111,145	475,101	533,046	382,314
	<b>3,029,379</b>	<b>2,990,804</b>	<b>1,643,766</b>	<b>1,872,464</b>

### 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated 2016/17 £	College £	Consolidated 2015/16 £	College £
Bank Loan	4,264,778	4,264,778	4,464,689	4,464,689
Private Placement Liabilities - Tranche One	11,580,000	11,580,000	11,580,000	11,580,000
Private Placement Liabilities - Tranche Two	7,000,000	7,000,000	7,000,000	7,000,000
	<b>22,844,778</b>	<b>22,844,778</b>	<b>23,044,689</b>	<b>23,044,689</b>

The bank loan is secured on certain College freehold properties and is subject to interest fixed under a swap agreement at 5.24% for 25 years from 2007. Repayments commenced in 2007 and will be made over the 25 years to June 2032.

The first private placement of £11,580,000 is repayable in two tranches, of £6,433,333 on 30 October 2043 and £5,146,667 on 30 October 2053 and is subject to a fixed rate of interest of 4.40%.

The second private placement of £7,000,000 is repayable on 31 January 2044 and is subject to a fixed rate of interest of 4.45%.

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 17. PENSION PROVISIONS

	Consolidated 2016/17 £	College £	Consolidated 2015/16 £	College £
At 30 June 2016	1,623,305	1,623,305	1,768,467	1,768,467
Movement in year:				
Current service cost including life assurance	560,923	560,923	531,910	531,910
Contributions	(486,108)	(486,108)	(525,682)	(525,682)
Other finance (income)/cost	-	-	-	-
USS Pension provision adjustment	-	-	-	-
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	203,131	203,131	(151,390)	(151,390)
<b>At 30 June 2017</b>	<b>1,901,251</b>	<b>1,901,251</b>	<b>1,623,305</b>	<b>1,623,305</b>

### 18. ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £	Unrestricted permanent endowments £	Total 2016/17 £	Total 2015/16 £
<b>College and consolidated</b>				
At 30 June 2016	27,077,705	20,421,931	47,499,636	46,000,030
New donations and endowments	174,062	-	174,062	1,008,043
Investment income	-	127,378	127,378	121,548
Expenditure	-	(127,378)	(127,378)	(121,548)
Transfer between funds	127,651	-	127,651	-
Increase/(decrease) in market value of investments	3,409,701	564,406	3,974,107	491,563
<b>At 30 June 2017</b>	<b>30,789,119</b>	<b>20,986,337</b>	<b>51,775,456</b>	<b>47,499,636</b>

#### Analysis by type of purpose:

Fellowship Funds	9,023,913	7,809,396
Scholarship Funds	5,545,897	4,014,139
Prize Funds	328,159	286,192
Hardship Funds	2,910,672	2,518,465
Research Funds	11,546,047	10,246,768
Book Funds	745,689	660,251
Other Funds	688,742	1,542,494
General Endowments	20,986,337	20,421,931
	<b>51,775,456</b>	<b>47,499,636</b>

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 19. RESTRICTED RESERVES

Reserves with restrictions are as follows:

#### College and consolidated

	Restricted funds / donations £	Total 2016/17 £	Total 2015/16 £
At 30 June 2016	8,044,686	8,044,686	7,673,490
New grants and donations	1,255,748	1,255,748	391,547
Investment income	1,037,860	1,037,860	976,070
Expenditure	(1,163,036)	(1,163,036)	(1,122,517)
Transfer between funds	(100,867)	(100,867)	-
Increase/(decrease) in market value of investments	995,882	995,882	126,096
<b>At 30 June 2017</b>	<b>10,070,273</b>	<b>10,070,273</b>	<b>8,044,686</b>

#### Analysis by type of purpose:

Fellowship Funds	2,196,157	1,331,704
Scholarship Funds	1,810,712	1,537,911
Prize Funds	173,448	111,626
Hardship Funds	3,496,741	2,943,042
Research Funds	262,404	230,386
Book Funds	1,340,399	1,218,231
Other Funds	790,412	671,786
General Endowments	-	-
	<b>10,070,273</b>	<b>8,044,686</b>

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

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

	2016/17 £	2015/16 £
Surplus/(deficit) for the year	15,018,074	11,208,726
<b>Adjustment for non-cash items</b>		
Depreciation and movements to Revaluation Reserve	625,315	669,380
Loss/(gain) on endowments, donations and investment property	(10,997,982)	(2,193,562)
Decrease/(increase) in stocks	26,514	23,418
Decrease/(increase) in trade and other receivables	6,577,552	(7,051,690)
Increase/(decrease) in creditors	1,376,613	326,178
Increase/(decrease) in provisions	277,946	(145,162)
Pension costs less contributions payable	(203,131)	151,390
<b>Adjustment for investing or financing activities</b>		
Investment income receivable	213,368	360,293
Interest payable	241,278	253,021
<b>Net cash inflow from operating activities</b>	<b><u>13,155,548</u></b>	<b><u>3,601,992</u></b>
<b>21. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Non-current investment disposal	-	18,750
Investment income received	(213,368)	(360,293)
Endowment funds invested	(11,340,000)	(3,420,000)
Withdrawal of deposits	10,000,000	3,123,050
Payments made to acquire non-current assets	(8,248,446)	(2,502,457)
<b>Total cash flows from investing activities</b>	<b><u>(9,801,814)</u></b>	<b><u>(3,140,950)</u></b>
<b>22. CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Interest paid	(241,278)	(253,021)
Repayments of amounts borrowed	(190,911)	(180,691)
<b>Total cash flows from financing activities</b>	<b><u>(432,189)</u></b>	<b><u>(433,712)</u></b>

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 23. RELATED PARTY TRANSACTIONS

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

### 24. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England & Wales), wholly -owned by the College, are as follows:

<b>Company</b>	<b>Principal Activity</b>
Newnham College Library Company Ltd	Provision of library services
Newnham College Management Ltd	Provision of maintenance and construction projects
Newnham College Ltd	Dormant

### 25. FINANCIAL COMMITMENTS

At 30 June 2017 and 30 June 2016 the College had no annual commitments under non-cancellable operating leases. The College has committed to investing in various private equity funds over approximately the next three years as at June 2017. A total of £0.7m (2016: £1.1m) may be called up for investment at any point during that period, but this is not a liability, it would be a reclassification of College investments.

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 26 PENSION SCHEMES

#### (a) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit plan, the Cambridge Colleges' Federated Pension Scheme. At 30 June 2017 Newnham College had 7 active members participating in the plan.

The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, at 31 March 2017 but allowing for the different assumptions under FRS102 and taking into consideration changes in the plan benefit structure and membership since that date.

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

	2017 % p.a.	2016 % p.a.
Discount rate	2.60	2.8
Increase in salaries	2.85	2.4
RPI assumption	3.35	2.9
CPI assumption	2.35	1.9
Pension increases in payment (RPI Max 5% p.a.)	3.25	2.7
Pension increases in payment (CPI Max 2.5% p.a.)	1.85	1.7

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI\_2016 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2016: S2PA with CMI\_2015 future improvement factors and a long-term future improvement rate of 1.0% p.a.). This results in the following life expectancies:

- Male aged 65 now has life expectancy of 22.1 years (previously 21.9 years)
- Female aged 65 now has life expectancy of 23.9 years (previously 23.9 years)
- Male aged 45 now and retiring in 20 years has a life expectancy at 65 of 23.5 years (previously 23.2 years)
- Female aged 45 now and retiring in 20 years has a life expectancy at 65 of 25.4 years (previously 25.4 years)

#### Employee Benefit Obligations

The amounts recognised in the Balance Sheet as at 30 June 2017 (with comparative figures as at 30 June 2016) are as follows:

	2017 £	2016 £
Present value of plan liabilities	(5,998,346)	(5,296,200)
Market value of plan assets	4,777,095	4,322,895
<b>Net defined benefit asset/(liability)</b>	<b><u>(1,221,251)</u></b>	<b><u>(973,305)</u></b>

The amounts to be recognised in the Income and Expenditure for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £	2016 £
Current service cost	79,862	102,361
Interest on net defined benefit (asset)/liability	27,510	41,714
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
<b>Total</b>	<b><u>107,372</u></b>	<b><u>144,075</u></b>

Changes in the present value of the plan liabilities for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £	2016 £
Present value of plan liabilities at the beginning of the year	5,296,200	4,922,972
Current service cost (including Employee contributions)	71,932	94,409
Benefits paid	(176,863)	(268,572)
Interest on plan liabilities	146,817	178,795
Actuarial (gains)/losses	660,260	368,596
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
<b>Present value of plan liabilities at the end of the year</b>	<b><u>5,998,346</u></b>	<b><u>5,296,200</u></b>

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 26 PENSION SCHEMES

#### (a) Cambridge Colleges Federated Pension Scheme

Changes in the fair value of the plan assets for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £	2016 £
Market value of plan assets at the beginning of the year	4,322,895	3,804,505
Contributions paid by the College (including employee salary exchange)	62,557	137,847
Employee contributions (excluding paid by salary exchange)	1,780	1,758
Benefits paid	(176,863)	(268,572)
Administrative expenses	(14,644)	(13,631)
Interest on plan assets	119,307	137,081
Return on assets, less interest included in Income and Expenditure	462,063	523,907
<b>Market value of plan assets at the end of the year</b>	<b>4,777,095</b>	<b>4,322,895</b>
Actual return on plan assets	581,370	660,988

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017	2016
Equities	67%	59%
Bonds and cash	27%	35%
Property	6%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

Analysis of the measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £	2016 £
Return on assets, less interest included in the Income and Expenditure	462,063	523,907
Expected less actual plan expenses	(4,934)	(3,921)
Experience gains and losses arising on plan liabilities	(103,046)	6,543
Changes in assumptions underlying the present value of plan liabilities	(557,214)	(375,139)
<b>Remeasurement of net defined benefit liability recognised in OCI</b>	<b>(203,131)</b>	<b>151,390</b>

Movement in net defined benefit asset/(liability) during the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £	2016 £
Net defined benefit asset/(liability) at beginning of year	(973,305)	(1,118,467)
Recognised in Income and Expenditure	(107,372)	(144,075)
Contributions paid by the College	62,557	137,847
Remeasurement of net defined benefit liability recognised in OCI	(203,131)	151,390
<b>Net defined benefit asset/(liability) at end of year</b>	<b>(1,221,251)</b>	<b>(973,305)</b>

### Funding Policy

Funding valuations are carried out every three years on behalf of the Management Committee, acting as Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the funding valuation are different to those adopted under FRS102.

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 16 December 2016 and are as follows:

Annual contributions of not less than £24,375 p.a. payable for the period from 1 July 2015 to 31 March 2034.

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

# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 26. PENSION SCHEMES

#### (b) Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised in the income and expenditure account.

The total cost charged to the income and expenditure account for the College and subsidiaries in 2016/17 is £454,728 (2015/16: £387,835).

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. The valuation as at 31 March 2017 is underway.

Since the College 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:

	2017	2016
Discount rate	2.57%	3.6%
Pensionable salary growth	N/A	N/A
Pension increase (CPI)	2.41%	2.2%

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

Male members' mortality	98% of S1NA ["light"] YoB tables - No age rating
Female members' mortality	99% of S1NA ["light"] YoB tables - rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% p.a. long term rate were also adopted.



# NEWNHAM COLLEGE

## Notes to the Accounts - continued

### 26. PENSION SCHEMES

#### (b) Universities Superannuation Scheme

The current life expectancies on retirement at age 65 are:

	<b>2017</b>	<b>2016</b>
Males currently aged 65 (years)	24.4	24.3
Females currently aged 65 (years)	26.6	26.5
Males currently aged 45 (years)	26.5	26.4
Females currently aged 45 (years)	29.0	28.8

	<b>2017</b>	<b>2016</b>
<b>Existing benefits</b>		
Scheme assets	£60.0bn	£49.8bn
Total scheme liabilities	£77.5bn	£58.3bn
FRS102 total scheme deficit	£17.5bn	£8.5bn
FRS102 total funding level	77%	85%