



DOWNING COLLEGE CAMBRIDGE

ANNUAL REPORT AND ACCOUNTS for the financial year ending 30 June 2014



The West Range ©Tim Rawle

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FINANCIAL HIGHLIGHTS

	2014	2013	2012
	£	£	£
Income			
Income	10,155,889	9,663,733	9,239,544
Donations and Benefactions Received	5,292,916	3,124,484	2,304,365
Conference Services Income	2,042,832	2,130,085	1,875,620
Operating Surplus/(Deficit)	320,009	336,783	306,969
Cost of Space (£ per m2)	£150.87	£150.20	£156.65
College Fees:			
Publicly Funded Undergraduates	£4,068/£4,500	£3,951/£4,500	£3,951
Privately Funded Undergraduates	£7,350	£6,999	£6,000
Graduates	£2,424	£2,349	£2,289
Loss on College Fee per Student	£2,436	£2,630	£1,995
Capital Expenditure			
Investment in Historical Buildings	1,751,811	573,388	446,851
Investment in Student Accommodation	1,499,507	740,562	2,784,000
Assets			
Free Reserves	8,349,966	13,372,300	11,499,498
Investment Portfolio	35,775,344	34,917,793	31,785,279
Spending Rule Amount	1,617,819	1,543,197	1,505,631
Total Return	7.6%	9.2%	6.2%
Total Return: 3 year average	7.7%	10.3%	10.6%
Return on Property	5.8%	7.6%	11.4%
Return on Property: 3 year average	8.3%	12.1%	14.3%
Return on Securities	8.9%	10.8%	0.0%
Return on Securities: 3 year average	6.5%	8.1%	6.9%
Net Assets	147,365,167	141,519,568	137,605,725

DOWNING COLLEGE, CAMBRIDGE CB2 1DQ

Patron: HRH The Duchess of Kent, GCVO

Visitor: The Crown

MEMBERS OF THE GOVERNING BODY

Master: Professor Geoffrey Grimmett, MA (Oxon), DPhil (Oxon), DSc (Oxon), ScD, FRS, Professor of Mathematical Statistics

The Fellows of the College (in order of Election) as of 1 October 2014

Paul Christopher Millett, MA, PhD, *Vice-Master*, Collins Fellow in Classics, University Senior Lecturer in Classics (1983)
 William Mark Adams, MA, MSc (London), PhD, Moran Professor of Conservation and Development (1984)
 Trevor William Clyne, MA, PhD, FEng, Professor of the Mechanics of Materials (1985)
 Catherine Lynette Phillips, BA (Queen's), MA (Toronto), PhD, R J Owens Fellow in English (1988)
 Graham John Virgo, BCL (Oxon), MA, Professor of English Private Law (1989), University Pro-Vice-Chancellor (Education)
 John Stuart Landreth McCombie, MA, MA (McMaster), PhD, *Tutor*, Professor of Regional and Applied Economics (1989)
 David John Wales, MA, PhD, ScD, FRSC, Professor of Chemical Physics (1989)
 Trevor William Robbins, CBE, MA, PhD, FRS, Professor of Cognitive Neuroscience (1991)
 Christopher Allim Haniiff, MA, PhD, *Fellows' Steward*, Professor of Physics (1993)
 Nicholas Coleman, BSc, MB, ChB (Bristol), PhD, FMed Sci, Verjee Fellow in Medicine, Professor of Molecular Pathology (1994)
 Adam Noel Ledgeway, BA (Salford), MA (Manchester), PhD (Manchester), *Tutor*, Professor of Italian and Romance Linguistics (1996)
 Ian Richard James, MA, MA (Warwick), PhD (Warwick), *Graduate Tutor*, Fellow in Modern and Medieval Languages, Reader in French (1996)
 Susan Elizabeth Lintott, MA, PhD (Kent), *Senior Bursar*, *Senior Treasurer of the Boat Club* (1997)
 Zoe Helen Barber, MA, PhD, Reader in Materials Science (2000)
 Sophia Demoulini, BA (Wooster), MSc (Minnesota), PhD (Minnesota), Fellow in Mathematics (2000)
 Ian Gareth Roberts, BA (Wales, Bangor) MA (Salford), PhD (Southern California), LittD, FBA, Professor of Linguistics (2000)
 Michael Trevor Bravo, BEng (Carleton), MPhil, PhD, University Senior Lecturer at the Scott Polar Research Institute (2001)
 David Robert Pratt, MA, PhD, FRHistS, *Secretary to the Governing Body*, *Fellow Archivist and Keeper of Art and Artefacts*, Fellow in History (2001)
 David John Feldman, QC (Hon), MA (Oxon), DCL (Oxon), FBA, FRSA, Rouse Ball Professor of English Law (2003)
 Liping Xu, BSc (Beijing), PhD, University Lecturer in Turbomachinery (2004)
 Paul Derek Barker, BSc (Imperial College, London), DPhil (Oxon) University Senior Lecturer in Chemistry (2004)
 Guy Barnett Williams, MA, PhD, *Senior Tutor*, Assistant Director of Research, Wolfson Brain Imaging Centre (2004)
 Marcus Tomalin, MA, MPhil, PhD, *Fellow Librarian*, *Admissions Tutor (Arts)*, *Graduate Tutor*, Fellow in English, University Research Associate in Engineering (2004)
 Jay Theodore Stock, BA (Trent), MSc (Guelph), PhD (Toronto), *Graduate Tutor*, University Senior Lecturer in Human Evolution and Development (2005)
 Natalia Mora-Sitja, BSc (Barcelona), MA (Barcelona), MSc (Oxon), DPhil (Oxon), *Tutor*, University Lecturer in Economic History (2005)
 William O'Neill, BSc (Essex), MSc (Essex), PhD (Imperial), Professor of Laser Engineering (2006)
 Amy Catherine Goymour, MA, BCL (Oxon), *Tutor*, Hopkins Parry Fellow in Law, University Lecturer in Land Law (2006)
 Adriana Irma Pesci, MS, PhD (Nacional de la Plata), Darley Fellow in Mathematics (2006)
 Amy Louise Milton, MA, MSc, PhD, Ferreras-Willems Fellow in Neuroscience, University Lecturer in Experimental Psychology (2007)
 Brigitte Steger, MA, MPhil (Vienna), PhD (Vienna), Senior Lecturer in Modern Japanese Studies (2007)

Jonathan Trevor, BA (Glamorgan), MA (Warwick), PhD, *Praelector*, Fellow in Management Studies, University Lecturer in Human Resources and Organisations (2008)

Kenneth McNamara, BSc (Aberdeen), PhD, *Dean*, University Senior Lecturer in Earth Sciences (2008)

Richard Keith Taplin, MBE, BSc (LSE), MA, *Junior Bursar* (2009), University Junior Proctor

Jie Li, BS (Wuhan), MS (Paris), PhD (Paris), University Lecturer in Fluid Dynamics (2009)

Keith James Eyeons, MA, MA (Nottingham), PhD, *Chaplain, Praelector, Fellow Information Officer*, Fellow in Theology (2010)

Robert Keith Harle, MA, PhD, Fellow in Computer Science (2010)

Timothy James Burton, MA, MB, BChir, PhD, Fellow in Pharmacology, Clinical Lecturer in Translational Medicine & Therapeutics (2010)

Marta Morgado Correia, BA (Lisbon), PhD, *Admissions Tutor (Science)*, Fellow in Biological Sciences (2010)

Alicia Hinarejos, BA (Valencia), MPhil (Valencia), BA (UNED), MJur, MPhil, DPhil (Oxon), University Lecturer in Law (2011)

Gabrielle Bennett, BA (Virginia), *Development Director* (2011)

Michael Housden, MSci, MA, PhD, *Senior Treasurer of the Amalgamation Club*, Mays-Wild Research Fellow in Chemistry (2012)

Kamran Yunus, BSc (Bath), PhD (Bath), *Tutor*, Fellow in Chemical Engineering (2012)

John Richer, MA, PhD, Reader in Astrophysics (2013)

Sarah Kennedy, BA (Melbourn), LLB (Melbourn), PhD, Research Fellow in English (2013)

Monica Moreno Figueroa, BA (Leon), MA (Mexico City), MA (Goldsmiths), PhD (Goldsmiths), Fellow in Social Sciences, University Lecturer in Sociology (2014)

Brendan Plant, BEc (Sydney), LLB (Sydney), MSc (LSE), PhD, Hopkins Parry Fellow in Law (2014)

Retirements and Resignations 1 July 2013 – 30 September 2014

Peter James Duffett-Smith, MA, PhD, *Vice-Master*, University Reader in Experimental Radio Physics (1980) (retired 2013)

Peter David Evans, MA, PhD, ScD, *Tutor*, Fellow in Physiology, Principal Investigator, Babraham Institute (1981) (retired 2014)

Subha Mukherji, MA (Calcutta), MA (Oxon), MPhil, PhD, University Senior Lecturer in English (2009) (resigned 2014)

Paul Linden, BSc (Adelaide), MSc (Flinders), PhD, FRS, GI Taylor Professor of Fluid Mechanics (2011) (retired 2014)

Joseph Webster, MA Hons (Edinburgh), MScR (Edinburgh), PhD (Edinburgh), Isaac Newton-Graham Robertson Research Fellow (2011) (resigned 2013)

The Honorary Fellows

Giles Skey Brindley, MA (London), MD, FRS
 Sir Francis Graham Smith, MA, PhD, FRS
 Sir Arnold Stanley Vincent Burgen, MA, FRS
 Sir Alan Bowness, CBE, MA
 Dame Janet Abbott Baker, CH, DBE,
 MusD (hon), LLD (hon)
 Alan Norman Howard, MA, PhD, FRIC
 Peter Mathias, CBE, MA, DLitt, FBA
 Sir Trevor Robert Nunn, CBE, BA
 Godfrey Michael Bradman, FCA
 Colin Brian Blakemore MA, ScD, FRS
 Martin John Kemp, MA, FBA
 Richard John Bowring, MA, PhD, LittD
 David Stanley Ingram, OBE, MA, PhD, ScD,
 FRSE
 Sir Quentin Saxby Blake, CBE, MA, RDI, FCSD,
 FRA
 Sir Lawrence Antony Collins, LLD, FBA
 Baroness Phyllis Dorothy James, OBE, JP, FRSL
 Sir David Anthony King, MA, PhD, ScD, FRS
 Rt Revd Nicholas Thomas Wright, MA, DPhil, DD
 Sir John Pendry, MA, PhD, FlinstP, FRS
 Sir Brian Vickers, PhD, DLitt, FBA
 Aitzaz Ahsan, MA, LLM, Barrister at Law
 Professor John Lawrence Cardy, MA, PhD, FRS
 Howard Eric Jacobson, MA
 The Rt Hon the Lord Justice Lewison, QC, Kt,
 MA
 Air Chief Marshal Sir Stuart Peach, KCB, CBE,
 MPhil, DTech (hon), DLitt
 The Rt Hon the Lord Justice Lloyd-Jones, QC,
 Kt, MA, LLM
 The Rt Hon the Lord Justice McCombe, Kt, MA
 Barry John Everitt, BSc, MA, PhD, ScD, DSc,
 DSc (hon), FRS, FMedSci

The Emeritus Fellows

Alfred Thomas Grove, MA
 David Andrew Blackadder, BSc (Edinburgh),
 MA, DPhil (Oxon)
 Ian Bonar Topping, MA
 Robert John Richards, MA, PhD
 Charles Harpum, MA, LLB, LLD
 John Alan Hopkins, MA, LLB
 Martin Joshua Mays, MA, PhD
 Barry Charles Moore, MA, MSc (LSE)
 Philip Huson Rubery, MA, PhD, ScD
 Charles Porter Ellington, BA (Duke), MA, PhD,
 FRS
 Margery Ann Barrand, BSc, PhD
 Richard Smith BA (London), MA (Oxon), PhD,
 FBA
 Stafford Withington, BEng (Bradford),
 PhD (Manchester)
 Peter Duffett-Smith, MA, PhD
 Peter Evans, MA, PhD, ScD
 Paul Linden, BSc (Adelaide), MSc (Flinders),
 PhD)

The Associate Fellows

Julian Jeffs, QC, MA
 William Tudor-John, MA
 George Frederick Pulman, QC, MA
 John Neville Tait, MA

Foundation Fellow

Humphrey Battcock, MA,
 MBA (London Business School)

The Wilkins Fellows

Godfrey Michael Bradman, FCA
 Julian Robin Darley, MA, FEng
 Richard Alexander Frischmann, MA
 Christian Flemming Heilmann, MA
 Alan Norman Howard, MA, PhD, FRIC
 Joanna Maitland Robinson
 Rumi Verjee, MA
 Tim Cadbury, MA
 Janet Owens, MD
 Richard Williams, MA
 Jonathan Howard, MA
 Chris Bartram, MA, FRICS, RA
 Maria Willetts, MA (Oxon)
 Robert John, MA, DLitt (Swansea)
 Louise Arnell, MA
 Robert Markwick, MA, MBA (Manchester)
 James Edward Simon Arnell, MA, Barrister
 at Law

The Fellows Commoner

David Chambers, MSc (LBS), MSc (LSE),
 PhD (LSE)
 Barrie Hunt, MA, M.Ed (Exeter)
 Timothy Rawle, MA
 Peter Thomson, MA
 Martin Vinnell, BSc, PhD (Essex)

The Fellows Commoner Emeritus

John Hicks, MA, FEng

Bye-Fellows

Dan Alistarh, PhD
 Nigel Allington, BSc (Hull), MA
 Annela Anger-Kraavi, MA, BSc (Tallinn), MPhil,
 PhD
 Richard Berengarten, MA
 Jimena Berni, MS, PhD
 Ian Bucklow, PhD
 Marie Buda, PhD
 Matthew Carter, BA
 Andrej Corovic,
 George Couch
 Kate Crowe
 Neda Farahi, PhD
 Andrew Holding
 Bernadette Holmes
 Vicky Jones, MA, MB, Bchir, MRCS
 Lucia Li, MA, MB, BChir
 Kathleen Liddell, LLB, (Melbourne), BSc,
 (Melbourne), MBioeth, (Monash), DPhil, (Oxon)
 Andrew Lynch, MA, MMath, PhD (Sheffield)
 Shane McCorristine, MA, PhD, FRHistS
 Douglas Maslin, MA, MB BChir
 Catherine Maunder, MA
 Alex Morris, PhD
 Jill Pearson, BA, VETMC, MRCVS
 Ian Sabir, MA, MB, BChir, PhD, MRCP
 Johanna Syrjanen
 William Schafer, PhD
 Jane Sterling, MB, BChir, MA, PhD, FRCP
 Gareth Taylor, BA, PhD
 Anastasia Theodosiou, BA, MPhil, MB, BChir
 Michael Wakelam, BSc (Birmingham),
 PhD (Birmingham)
 Haixi Yan

OFFICERS AND PRINCIPAL PROFESSIONAL ADVISERS

Master from 1 October 2013: Professor Geoffrey Grimmett, MA, DPhil, DSc (Oxon), ScD

Master to 30 September 2013: Professor Barry John Everitt, BSc, MA, PhD, ScD, DSc. (Hon. Hull), DSc. (Hon. Birmingham), FRS, FMedSci

Senior Tutor: Dr Guy Williams, MA, PhD

Senior Bursar: Dr S E Lintott, MA, PhD (Kent)

Actuaries

Cartwright Consulting Ltd
Mill Pool House
Mill Lane
Godalming GU7 1EY

Architects

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1 Coate Street
London E2 9AG

Robert Lombardelli Partnership
St. Luke's House
5 Walsworth Road
Hitchin, Herts SG4 9SP

Quinlan and Francis Terry
Old Exchange
High Street
Dedham
Colchester CO7 6HA

Auditors

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

Bankers

Barclays Bank
9-11 St Andrew's Street
Cambridge CB2 3AA

Property Managers

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

Property Valuers

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

Securities Managers

Partners Capital LLP
5 Young Street
London W8 5EH

Morgan Stanley Securities Limited
Private Wealth Management
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Solicitors

Hewitsons LLP
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42 Newmarket Road
Cambridge CB5 8EP

Penningtons LLP
Clarendon House
Clarendon Road
Cambridge CB2 8FH

Marks & Clerk LLP
62-68 Hills Road
Cambridge CB2 1LA



Report of the Governing Body



REPORT OF THE GOVERNING BODY

The Financial Accounts

The accounts that follow consolidate those of the College and its wholly-owned subsidiaries, Downing College Developments Limited, Downing Cambridge Conferences Limited, and The May Ball Company Limited. The College is one of 31 autonomous, self-governing Colleges within the University of Cambridge. The University is consistently ranked among the top universities in the world; this year, it was ranked joint second in the QS World University Rankings¹, fifth in The Times Higher Education rankings², and top in the Complete University Guide to UK Universities³.

Founded in 1800, the College elected its first Fellow in 1808 and admitted its first undergraduate in 1817. A bequest from Sir George Downing 3rd Baronet led to the foundation of the College, which was originally formed for the encouragement of the study of Law and Medicine and of the cognate subjects of Moral and Natural Science. The College now accepts students in all subjects taught in the University of Cambridge. Known as the “last of the old and the first of the new”, the College was the 17th to be founded within the University of Cambridge, after a gap of 204 years, some 69 years before the founding of the next College, which was the first women’s College in Cambridge. Each College is autonomous, self-governing, and distinctive. At the beginning of the academic year, Professor Geoffrey Grimmett, FRS, was installed as the College’s 17th Master. For the academic year 2013-14, the community consisted of 51 Fellows, 448 undergraduates (including two visiting students), and 250 graduates, reflecting the increasing emphasis placed by the University as a whole on graduate education, both in taught courses and research. The work of the College is supported by 150 staff (FTE 118.6).

The Undergraduates

Of the 446 undergraduates in residence, 59% were men and 41% women, and 401 were home or EU students and 45 overseas. Of the 370 home students, 59% were from state-maintained schools and 41% from the independent sector. Undergraduate numbers are determined by the number that the College is able to accommodate; the target for entry, therefore, is static at approximately 125 new entrants in each year. Over the last five years, the total number of undergraduates has ranged from 436 to 455, with an average of 446. Except for medicine and architecture, where numbers are controlled through a University wide agreement, the College does not fix the number of students in any one subject, but rather assesses candidates across subjects. One of the more popular Colleges in terms of admissions, 879 applied for these places, 617 were interviewed and 141 were offered places, including six candidates who had deferred entry until 2014. The College wishes to encourage applications, but stresses the high level of academic attainment required for success. In 2013-14, overall numbers reflected the shape of the University as a whole, with the exception of law and medicine, two historically strong subjects, where numbers were higher, and English and mathematics, which had comparatively fewer students.

Admission to the University is highly competitive, with some 16,000 applicants each year. Applicant numbers have grown by 17% over the last ten years, while the numbers admitted have remained relatively constant at about 3,500. Downing, like the University as a whole, invests time and resources in (1) attracting individuals who can make the most of the educational experience with its emphasis on small group supervision and (2) in encouraging students from disadvantaged backgrounds to aspire to higher education and consider applying to the University. Very few, if any, undergraduates decline their offers; however, inevitably some do not achieve the A level and STEP grades that are a condition of their offers. Of the 141 offers made, 124 achieved their grades, with the minimum offer set at A*AA. For entry in

¹ <http://www.topuniversities.com/qs-world-university-rankings>

² <http://www.timeshighereducation.co.uk/world-university-rankings/2014-15/world-ranking>

³ <http://www.thecompleteuniversityguide.co.uk/league-tables/rankings>

2015, all Colleges are requiring A*A*A for science subjects, which more closely reflects the grades achieved by successful candidates.

The Colleges use all available information to assess whether or not to offer a candidate a place. However, statistical evidence has borne out the correlation in most subjects between high UMS scores at AS Level and results in the Tripos examinations. The Government's recent decision not to include AS results in the grade awarded at A level, but instead to retain AS on a standalone basis, will inevitably mean that some schools will choose not to prepare or enter their students for AS examinations. The Director of the Cambridge Admissions Office has written to all schools with a sixth-form to reassure them that applicants without AS scores will not be at a disadvantage and explain that in the absence of AS scores, emphasis will be put on GCSE results and teachers' predictions, which are not as strong in predicting success in higher education. The new system applies to students entering English sixth-forms in September 2015.

Under its agreement with the Office for Fair Access ('OFFA'), the University has committed to increase the proportion of UK resident students admitted from UK state sector schools and colleges so that they fall within a range of 61-63% by 2016-17 and to increase the proportion of UK resident students admitted from low participation neighbourhoods to approximately 4.0%. In October 2013, the College admitted 61% of UK resident students from state schools and 2% from low-participation neighbourhoods, a disappointing result, but similar to that achieved across the University. As standards cannot be compromised, emphasis is placed on recruitment and in raising aspirations. During the year, the College received a substantial donation to help its work in outreach and as part of this programme, named 'Discover Downing', will shortly be launching a new website.

Examination Results

A record number of firsts, 116, placed the College above the average for the University, which contributed to a higher ranking in the Tompkins Table. 25% of the students received firsts, and 11 of those came top of their Tripos examination. For the first time, a Downing student became Senior Wrangler, the name given to the student who comes top of the Mathematical Tripos. To celebrate this success, the College presented the student, Yang Li, with the Downing College Medal for Extraordinary Achievement, a copper, nickel and gold medal created for the occasion by Professor Bill O'Neill using laser technology. In addition, twenty-two prizes were awarded for special performance in the Tripos examinations: Kate Edwards (English Part II), Freya Petty (History of Art Part II, top), John Holden (Land Economy Part IB, top), Joel Ng (Law Part IA), Joe Marshall (Law Part IB), John Stevens (Law Part II), James Egan (Law Part II), Anthony To (Engineering Part IA), Jack Beattie (Manufacturing Engineering Part IIA), James Smith (Geography Part IB, top), Angus Keely (Medical Sciences Part IB), Sophia Lucena Phillips (MML Spanish Part IA, top), Sarah Weeks (Natural Sciences Part IA), Richard Thorburn (Natural Sciences Part IA), Mike Smith (Natural Sciences Materials Part II, top), Yao Shi (Natural Sciences Chemistry Part III), Leor Zmigrod (Psychological and Behavioural Sciences Part I, top), Hugh Chatfield (Economics Part I, top), Annabel Dunningham (Education Prelims, top), Jeremy Tayler (Bachelor of Theology 1st exam, top), and Iain McColl (Bachelor of Theology 2nd exam, top).

The Graduates

Each student of the University is required to be a member of a College. In the case of graduate students, while the primary admissions decision lies with the University, each graduate student must also be admitted by a College. It is the College's role to provide a tutorial service through its graduate tutors. The tutors are available to help with pastoral and welfare matters, but also provide the wisdom of experience on general academic matters. In addition, the College is able to offer some financial support in the form of hardship grants, studentships, and funding for travel and attendance at conferences. Once the degree has been completed, it is the College that presents

the student to the University for the awarding of the degree. Students are also able to take advantage of the College's educational and sporting facilities, e.g. the Library, the Sports Ground, the Gym, and the Boat House. In addition, the College provides a Middle Common Room and Bar, which encourages the contact across disciplines that is not available in the departments and is one of the strengths of a collegiate university. There is graduate representation on the Governing Body and the committees that are relevant to the graduate experience. All of this costs money, particularly as it takes place within Grade 1 Listed Buildings. At present, the College subsidises its services to graduate students by £1,632 per student.

Recognising the importance of research to its worldwide reputation, the University's strategy has been to increase graduate numbers by 2% a year, while keeping undergraduate numbers static. The Colleges have agreed to this level of controlled expansion. Over the last fifteen years, the number of graduates has grown from 4,819 to 6,579 (18.1%) registered students currently paying fees across the University. In Downing, while graduate numbers are considerably higher than in 1999, when there were 138 graduates in total, the numbers have averaged at 167 fee-paying graduates. Expansion puts pressure on accommodation and social space. The size of central facilities, from Dining Halls to Porters' Lodges, has been set in previous centuries for smaller student bodies and Downing is no exception. With the conversion of Parker's House, the College will be in a position to offer accommodation to all graduates who wish to live on the Domus.

While there is a certain attraction in a graduate community that reflects in microcosm the characteristics of the University's graduate student body, in terms of subjects, gender, and nationality, other factors, such as location and financial support, affect applications. Table 3.1 in the Graduate Admissions Statistics⁴ demonstrates the overwhelming popularity of those Colleges that are able to offer studentships, e.g. Trinity, where 1,107 applied, resulting in an acceptance rate of only 17%. Recent legacies, which have provided funding for studentships, will place Downing in a better position for the future. Given the proximity to the Downing site, the Judge Business School, Chemistry, and Engineering, it is not surprising that a higher proportion of Downing graduate students (27.4%) are in the Schools of Technology than the University average (19.2%). The relatively smaller number of students from the Arts and Humanities is again a function of location and funding: lack of public funding for graduate work, especially in the arts and humanities, means that the better-endowed Colleges, which are able to offer studentships, tend to attract higher numbers of applicants. To illustrate, the current graduate community in Downing includes three in the Faculty of Architecture and History of Art, none in Asian and Middle Eastern Studies, three in Classics, one in Divinity, one in English, six in Modern and Medieval Languages, one in Music, and none in Philosophy, which amounts to 15, or 8% of the total, whereas the University average is 11%. Besides the 109 funded students, there are 82 self-paying and seven part-funded graduate students. Of those students registered for an MPhil, 20 out of 29 are self-funded.

Graduates participate in academic societies, sports teams, and the social life of the College together with the undergraduates. In addition, there are separate academic and social events, including the popular graduate seminar series. The recent refurbishment of S Staircase has greatly improved the facilities for the MCR.

The Fellows

It was a particularly satisfying year in terms of recognition for members of the Fellowship. The Master was elected to the Royal Society; Professor Nick Coleman was elected as a Fellow of the Academy of Medical Sciences; Professor Trevor Robbins was one of three scientists awarded the Grete Lundbeck European Brain Prize by the Grete Lundbeck Brain Research Foundation for "their pioneering research on higher brain mechanisms". Professor Graham Virgo was appointed to the University position of Pro-Vice-Chancellor for

⁴ http://www.graduate.study.cam.ac.uk/sites/www.graduate.study.cam.ac.uk/files/attachments/graduateadmissions_2013_2014.pdf

Education, taking up his post on 1 October 2014; and Honorary Fellow and former Fellow Colin Blakemore was knighted “for services to scientific research, policy and outreach”.

Dr John Richer, a Reader in Astrophysics at the Cavendish Laboratory, joined Downing in the summer of 2013. Dr Richer’s research focuses on the physics of star formation. He is the UK science lead for the Atacama Large Millimetre Array (ALMA), the most complex observatory built on Earth. He is also Director of Undergraduate Teaching in the Department of Physics. Dr Sarah Kennedy joined the Fellowship as a Research Fellow on 1 October 2013. Dr Kennedy’s research falls within twentieth-century and contemporary Anglophone poetry. Gifford Combs and Robert Markwick became Wilkins Fellows in recognition of their support of the College.

The College has reciprocal arrangements for visiting academics from Keio University, Pomona College, and the University of Virginia. This year’s visitors were Professor Masamichi Komuro, an economist specialising the History of Japanese Economic Thought, and Professor Sara Myers, a classicist who writes on Latin literature and its context. Professor Grimmett was the Downing visitor to Pomona.

For the fourth year, the Fellowship has organised and participated in the Catalysis Conference, an academic conference that was designed to bring together donors and supporters of the College and the University with leading academics for a weekend residential colloquium. This year’s conference, ‘Crisis, which Crisis?’, began with a meditation on the nature of crisis, ‘Crisis: its use and abuse’, by the College’s Fellow and Director of Studies in Classics, Dr Paul Millett, followed by talks by Professor Bill O’Neill, a Fellow and Director of Studies in Engineering, on ‘UK Manufacturing: the myths; the truths; and the future’; Dr Nick Brown, a consultant medical microbiologist at Addenbrooke’s NHS Foundation Trust and University Associate Lecturer, on ‘Antibiotic resistance: a crisis of our own making, or an inevitable consequence of antibiotic use?’; Dr Rowan Williams, Master of Magdalene College, on ‘The Crisis in Faith?’; Mr Amol Rajan (English, 2002), the Editor of The Independent, on the media, ‘Hacked Off?’; Sir David King, Honorary Fellow and Former Master, on ‘Improving human well-being on a resource-limited planet: can we do it?’; and Sir Richard Dearlove, Master of Pembroke, on ‘The Crisis in Intelligence: Balancing the privacy of the individual with the demands of the State’. The format of the event is designed to demonstrate the interconnected nature of the Collegiate University by including both Downing and University academics and guests. Next year, this donor-recognition conference will be held on 28 March 2015 and will be called ‘Living with Risk’.

In addition to the Catalysis Conference, the College hosts The Oon Lecture, held biennially in conjunction with the Clinical School. The 2014 lecture was given by Daniel J Drucker MD, Senior Investigator, Lunenfeld-Tanenbaum Research Institute, Mount Sinai Hospital, Toronto. The lecture was entitled ‘L cell pharmacology advances the treatment of diabetes and gastrointestinal disorders’.

THE SOCIETIES

Academic Societies

Subject-based societies, run by the students, provide occasions for graduates and undergraduates from all years to meet, typically to hear talks by leading academics. The Blake Society, for the promotion of arts subjects, hosted talks on ‘Whatever happened to the ‘Facebook Revolution’?’, ‘The pioneering Garretts: breaking the barriers for women’, and ‘From Footlights, to French’s, via Fist of Fun’; the Cranworth Society, the largest student-run college law society in Cambridge, had as its speaker, Sir David Lloyd-Jones, the Chair of the Law Commission and a former Fellow. The Danby Society, the science society, held six academic talks on ‘Unmissable Cambridge: treasures to enjoy’, ‘The flying trapezium rule’, ‘Why is chemistry difficult’, ‘Why is it difficult, but not impossible, to study music

scientifically', 'First footfall: the colonisation of land' and 'The Neuropsychological Basis of Compulsion'. The Subjects covered in the series of talks held by the Maitland Society during the year included corporal punishment in twentieth-century Britain (Dr Deborah Thom), the meaning of slavery in the Ancient Greek world (Professor Robin Osborne), and the transformation of the Roman past in the Middle Ages' (Professor Rosamund McKitterick). The Whitby Society brings together Downing's medical and veterinary students and supervisors; the Lord Guildford Society is the society for classicists; and the Mathias Society, named after Peter Mathias, an economic historian and a former Master, has an extensive programme of guest speakers throughout the year.

This year, a new society was formed, The Brammer Geographical Society. The inaugural lecture was given by Dr Shane McCorristine, the current Director of Studies at Downing, and was entitled 'The Spectral Geographies of the Arctic Region'. The Society was named after Hugh Brammer (Geography, 1949), a soil scientist and environmentalist, who is still active nearly thirty years into his retirement. He has recently published an article on 'Bangladesh's dynamic coastal regions and sea-level rise' in the *Journal of Climate Risk Management*⁵.

Drama and Music

Since the opening of the Howard Theatre, Downing students have had unrivalled facilities. Designed by Theatre Projects, one of the world's leading creators of performance spaces, the Howard Theatre is used for student plays and recitals, as well as for academic and corporate conferences. This year, Downing Dramatic Society put on *Gatsby*, adapted by Issy Gateley (Linguistics, 2013), and *Strange Capers*, a peripatetic performance, using the Domus as its backdrop, consisting of excerpts from Shakespeare, devised and directed by Downing 1st-year student, Lewis Scott (Modern Languages). The Society also sponsored *Nougat for Kings*, co-written by Saul Boyer, a 3rd year English student, at The Edinburgh Fringe.

The College is one of the six that routinely host the Cambridge Shakespeare Festival. The July 2013 production was *Coriolanus*, followed by *Richard II*, both of which had three-week runs in the open air in East Lodge Garden.

Music in College covers the range from The Big Band to the Choir. The Music Society includes graduates and undergraduates and organises orchestral, chamber, choral, and other concerts, including the regular small recitals in the Master's Lodge. The mixed-voice Choir, one of the only student-run choirs in Cambridge, goes on tour every other year, and in summer 2014 went on tour to China. The Choir visited Beijing for twelve days, giving performances in five schools as a cultural exchange during which the Choir sang some of its music and the local students sang to it. The Choir then talked to the students about studying in Cambridge. It also performed at a dinner for the Beijing Unified Alumni Group. In between, it visited the Forbidden City, the Temple of Heaven, the Summer Palace, Tiananmen Square and the Great Wall. Much of the year was spent planning for the installation of a new organ, generously funded by alumni, in the chapel.

Sports

An impressive proportion of Downing students appear to subscribe to the philosophy of *mens sana in corpore sano*. A significant number of students who achieve first class results in the Tripos excel in sports. Nineteen students received Blues, Half-Blues or Colours for their performances in University Sports. One of these, Clark Glasgow, achieved a first class degree and also represented Great Britain at show jumping, a feat that was recognised by the University Blues Committee by the award of an Extraordinary Full Blue, which is believed to be the first time such an award has been made for equestrian sport. The College societies also encourage participation by

students whose enthusiasm is perhaps greater than their skill. For instance, the Men's Football Club is traditionally highly successful, having come top of the first division three times in the last six years, but fields three teams each weekend, and the newly formed Volley Ball Club includes players of any standard. The Boat Club aims to attract rowers of all levels of commitment, but that remains a challenge in the face of the extraordinary successes and professionalism of the Club. Nevertheless, the 'Rugby Boat' took its place in the 4th Division, and somewhat predictably managed to be bumped on four successive days. The Men finished Head of the River in the Lents Bumps for the first time in 17 years and the Women finished Head of the River in the Mays. Both crews celebrated their victories in the traditional way. Outside Cambridge, the Men saved the day for Cambridge by beating Oriel at the Henley Boat Race, the last occasion at Henley before the Oxford and Cambridge Women's Boat Race takes place on the Thames on the same day as the Men's. The Club takes particular pride in the successes of its alumni: this year, Mark Aldred (2005), a novice at Downing, won a Bronze medal at the 2013 World Championships in the lightweight pair and a Silver at the 2014 European Championships in the coxless lightweight IV.

Other successes include the Men's Badminton Team, who became League Champions; the Ladies Tennis Team, who were finalists; the Mixed 1st Netball Team, who won the cup and the 1st Ladies Netball Team, who won the league title. Both Downing's Men's and Women's Athletics Teams regained the championship title and the Mixed Lacrosse Team finished in the First Division, as did the Basketball Team. The Rugby Team retained the league trophy and won Cuppers, and has finished in the top four for 20 consecutive years.

The Development of the College

The maintenance and development of the estate is a continuing process. Even listed buildings must respond to the needs and expectations of students. The College's original architect, William Wilkins, created the neo-classical style of the College, which has been continued by successive architects: first by Barry, then by Baker, Scott, Howell, and finally, Quinlan Terry. This almost complete consistency of style, rare among Cambridge colleges, creates resistance to change, which causes its own difficulties in modernizing, for example, in reducing energy consumption, and integrating peripheral buildings, such as the former stables within the latest project, First Court. Nevertheless, planning consent was obtained for the remodeling of D staircase and the upgrading of services within its student rooms; for a major renovation of Howard Building, including the installation of air conditioning and heating hidden behind a grid with a Greek key design; and a design for the new Court was agreed with the City Council. In addition, it was possible to resume the programme to renovate the Lensfield Road houses, completing 40 to 42, and removing the wall that formed a barrier between the houses and the Domus. Those bricks, Cambridge Grey, will be used to make the walls in the new First Court.

Most development is funded by a combination of internal resources and donations. An opportunity arose this year to take advantage of the historically low rates and join with seventeen other colleges in a long-term private placement. The funds raised have enabled the College to accelerate the programme of much-needed works to the estate and bridge the financing needed for the First Court project until the external student houses are sold, once the 78 student rooms are available for occupation. First Court itself, which will include an art gallery, has been designed by Caruso St John, the architects responsible for the restoration of the Dining Hall, and who have most recently completed the reworking of the Tate Britain, a somewhat larger project.

Development, of course, is not confined to buildings: fundraising for the Everitt-Butterfield Research Fellowship in Biomedical and Biological Sciences reached the level at which a first appointment can be made for October 2015.

PUBLIC BENEFIT

The College's purpose is to provide a world-class education to the students with the most potential in each subject, whatever their means or social background. It is the goal of the College to attract the best applicants from the widest range of schools and colleges. The College actively supports the University's aim to increase the proportion of UK resident students admitted from UK state sector schools and colleges and from low participation neighbourhoods (LPNs), as outlined in its most recent OFFA Access Agreement. Since 2000, as part of the University's Area Links Scheme, Downing has engaged particularly, but not exclusively, with non-selective maintained-sector 11–16 and 11–18 schools, and Further Education and Sixth Form Colleges in Cornwall, Devon, and Dorset. Each of the College's full-time School and College Liaison Officers to date has been a recent Cambridge graduate and has typically held the position for a two-year stint. In July 2012, Sam Turner, a recent Downing graduate in Geography, took over from Carl Griffiths, who was in post from January 2010 to June 2012.

In 2013-14, the School and College Liaison Officer made 20 individual visits to speak with students and staff from 32 different schools and colleges, visited three UCAS HE Conventions and organised six Oxford and Cambridge Information Days for over 530 students and schools staff at host schools. The College hosted eight day and residential visits from link-area school groups, and welcomed 38 students from 20 different schools and colleges on the annual South West Open Day in June. These events have been instrumental in raising aspirations and encouraging applications from students at schools without a history of sending pupils to Cambridge.

As the aim of this programme is to encourage students who may otherwise not consider higher education to look at all of the university options available to them, it is impossible for the College accurately to judge its success. In the 2013 admissions round, Downing received applications from 38 South-West students, of which 25 came from 13 different maintained-sector non-selective schools in Cornwall, Devon, and Dorset. Of applicants from non-selective schools, places were offered to five, four of whom accepted and are now undergraduates at Downing; and five were placed in the Winter Pool, but none of them was offered a place by other Colleges. Since 1999, when the programme began, 58 students from target schools in the South-West have taken up places at Downing.

Once here, students have access to several sources of financial aid. In 2013-14, 106 home and EU undergraduates (of a Home and EU undergraduate population of 388) received on average £2,644 through the Cambridge Bursary Scheme, which is operated in common with the University, other Colleges, and the Isaac Newton Trust. The Scheme forms part of the University's agreement with OFFA and provides benefits at a substantially higher level than the minimum required by OFFA. Students whose household income is below £25,000 receive a maximum grant of £3,500 per year in addition to any government means-tested grants. Those with incomes of up to £42,611 receive amounts that taper to £50. Fifty-two students (2012-13: 55) students received the maximum award under this Scheme. For students who will matriculate in October 2014, the Cambridge Bursary Scheme will continue to provide the same level of support.

This year, the College paid out 387 grants totalling £412,688 (2012-13: £399,469) to support the purchase of books and equipment; attendance at conferences; travel; studentships; and bursaries in cases of financial hardship. Trust and other restricted funds provided £140,564, £40,329 was met from general funds, and £231,795 was paid through the Cambridge Bursary Scheme (2012-13: £245,246). Undergraduates received £333,107 of the total payments made, which amounted to 16.6% of the Tuition Fee. The remainder, £79,581, was paid to graduates, which amounted to 19.2% of the Graduate Fee.

TUITION FEES AT THE UNIVERSITY AND ITS COLLEGES

Tuition Fees for Home and EU undergraduates are charged at the maximum permitted rate of £9,000 for students matriculating in 2012, 2013 and 2014. Approval for this level of fee was conditional on the signing of an Access Agreement with OFFA.⁶ This financial year was the second of the new system. Under the College Fee Agreement between 1999–00 and 2011–12, the University passed over a portion of the funds that it received from the Higher Education Funding Council ('HEFCE'), calculated on a per capita basis, to the Colleges. From 2012–13, the tuition fee for new students is paid either by the students themselves or on behalf of the students through the Student Loan Company. The Colleges collect these fees and pass half over to the University. The Colleges and the University now pay equal shares towards the Cambridge Bursary Scheme, with the Isaac Newton Trust contributing funds to support the obligations of the less-well-endowed Colleges, such as Downing.

The Colleges and the University engage in substantial outreach activities to encourage all academically qualified students to apply for admission to Cambridge, whatever their backgrounds or financial circumstances. The University is committed under the OFFA Agreement to increasing the proportion of UK-resident students admitted from UK state-sector schools and colleges until it falls within the range 61–63% and the proportion of UK-resident students admitted from low-participation neighbourhoods to approximately 4%. It already meets the benchmark on retention.

The £9,000 tuition fee is only a contribution to the real costs of offering the form of education that Cambridge provides. An internal study recently concluded that, taking arts, humanities and sciences together, it cost £17,100 per annum in 2009–10 to educate an undergraduate. This figure was calculated by applying to College costs the methodology used in the University financial reporting to HEFCE to arrive at a combined figure. The chart overleaf lists the functions that the University and the Colleges each perform: the Colleges admit, matriculate, supervise and then present undergraduates for degrees, taking responsibility for pastoral care. The University provides lectures and laboratories, and examines and classifies students.

The distinguishing feature of an education at Cambridge or Oxford is the emphasis on small-group teaching, the costs of which are borne by the Colleges. The maximum number of supervisions per year is 80, depending on the year and subject, approximately 10% of which involve just one student, but most (28%) involve groups of two. The basic rate is from £27.30 for supervision of one student, up to £41.52 for supervising in groups of six or more. Colleges augment remuneration in different ways and have different contractual arrangements. For instance, Downing augments the intercollegiate rate by 20%, if a Fellow teaches for 80 hours or more per year, and contributes up to £300 towards academic expenses. This year, 24 Fellows received this enhancement of supervision pay. However, provision of supervisions costs considerably more than payments to supervisors: supervisions require a support organisation and, of necessity, take place in historic premises that are expensive to maintain. For Downing, the average cost of educating an undergraduate in 2013–14 was £7,901 (2012–13: £8,182) per year.

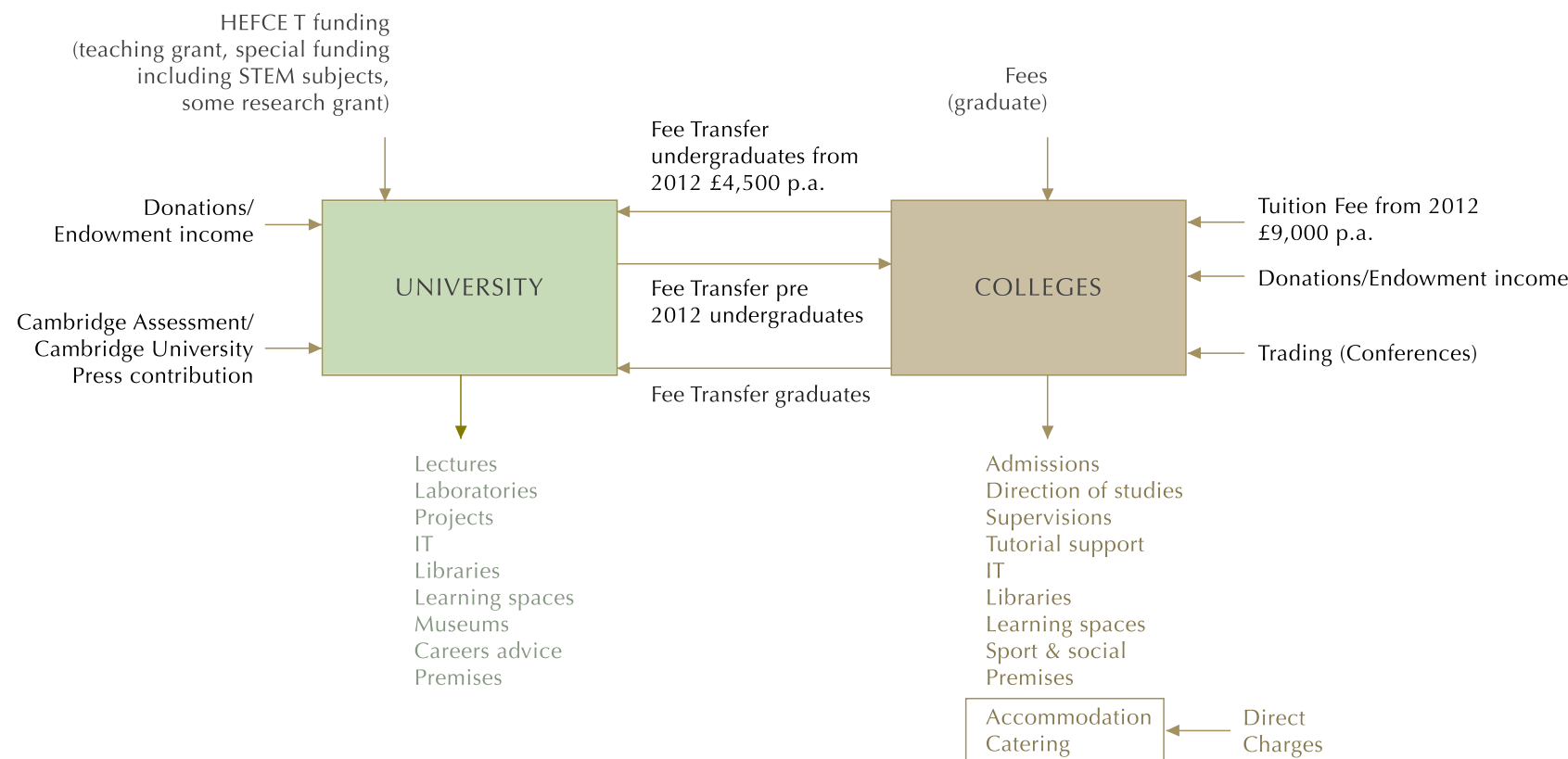
While, broadly, there is parity of educational provision across the Colleges, each College will have a different cost base, largely driven by the costs of its infrastructure and the balance in its Fellowship between University-employed Teaching Officers, who can be paid for supervising at the intercollegiate rate, and College Teaching Officers, whose stipend is paid by the College. In order to counter diseconomies of scale and to promote efficiency, Colleges collaborate to provide various services, and share know-how and best practice in operational matters. Nevertheless, there is inevitably a disparity in resources and different approaches to meeting the shortfall between tuition fees and the cost of education. An intercollegiate taxation system redistributed £4.0 million in 2014, but of this £2.3 million went in support of predominantly graduate Colleges. Colleges at Cambridge, more so than at other Universities, have historically

⁶ <http://www.offa.org.uk/agreements/University%20of%20Cambridge%20114%20access%20agreement%202013-14.pdf>

been supported by philanthropic gifts from founders and alumni who appreciate the benefits of the costly education that they have received.

In 2013-14, Downing spent £4.1 million on Education, of which £3.4 million, or £7,901 per capita, was for undergraduates. Of the total amount, 49% was spent on Teaching, 13% on Tutorial, 11% on Admissions, 4% on Research, 12% on Scholarships and Awards and 11% on other Educational Facilities.

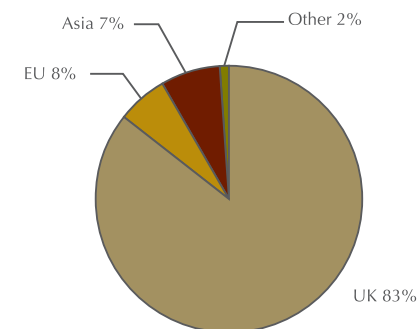
UNIVERSITY AND COLLEGES: A SYMBIOTIC RELATIONSHIP



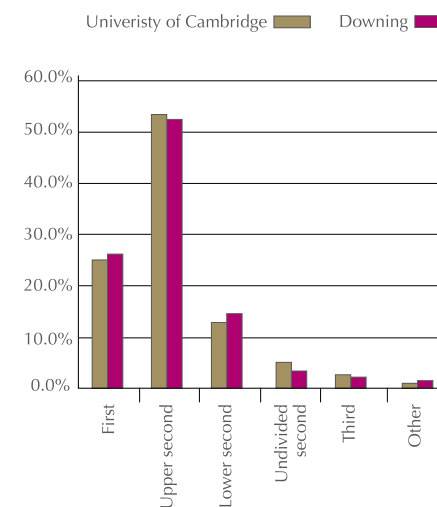
UNDERGRADUATE NUMBERS 2013-14 AS OF 1 OCTOBER 2013

Subject	Year 1	Year 2	Year 3	Year 4	Years 5-7	Total 2013-14	Total 2012-13
Anglo-Saxon	1	0	1	0	0	2	1
Archaeology & Anthropology	0	2	1	0	0	3	5
Architecture	2	2	2	0	0	6	6
Asian & Middle Eastern Studies	2	1	2	2	0	7	7
Chemical Engineering	0	1	2	1	0	4	4
Chemical Engineering via Engineering	1	0	0	0	0	1	1
Chemical Engineering via Natural Science	1	0	0	0	0	1	0
Classics	1	4	3	0	0	8	10
Classics – 4yr	1	0	0	1	0	2	2
Computer Science	3	1	2	0	0	6	3
Economics	7	6	6	0	0	19	17
Education	2	1	1	7	1	12	5
Engineering	12	8	8	11	0	39	43
English	2	5	4	0	0	11	17
Geography	4	5	5	0	0	14	16
History	6	5	5	1	0	17	17
History of Art	0	2	0	0	0	2	2
Human, Social and Political Science	7	1	0	0	0	8	0
Land Economy	2	3	1	0	0	6	6
Law	18	18	17	4	0	57	50
Linguistics	1	0	1	0	0	2	7
Management Studies	0	0	0	3	0	3	1
Manufacturing Engineering	0	0	2	3	0	5	1
Mathematics	2	5	6	5	0	18	21
Medical Sciences	15	16	17	10	23	81	63
Modern Languages	6	6	5	4	0	21	20
Music	0	1	1	0	0	2	3
Natural Sciences (Biological)	10	15	11	5	0	41	40
Natural Sciences (Physical)	11	10	12	13	0	46	49
Philosophy	1	3	0	0	0	4	6
Politics, Psychology and Sociology	0	2	4	0	0	6	9
Psychology and Behavioural Sciences	3	0	0	0	0	3	0
Theology	2	2	3	0	0	7	8
Theology BTh	2	2	0	0	0	4	6
Veterinary Medicine	2	2	0	1	4	9	10
Total	127	129	122	71	28	477	456

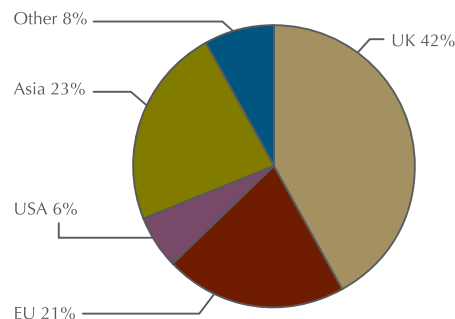
UNDERGRADUATES BY REGION



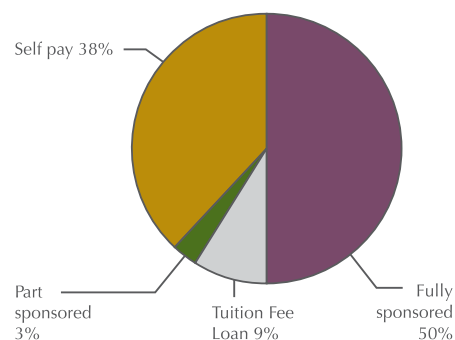
UNDERGRADUATE DEGREE CLASSIFICATIONS



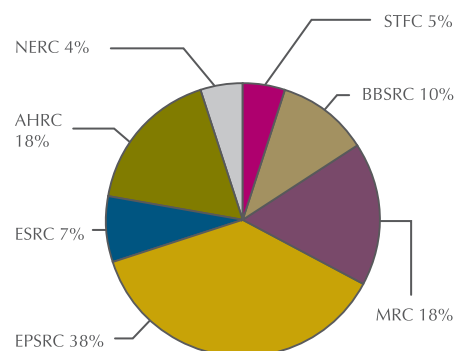
GRADUATES BY REGION



GRADUATES BY FEE TYPE



GRADUATES BY PUBLICLY- FUNDED BODY (Cambridge University 2010)



PHD THESES SUCCESSFULLY DEFENDED BY DOWNING GRADUATE STUDENTS 2013-14

Aran Terol, P	PhD Chemistry (Mechanistic insights into the aggregation of β -Amyloid)
Ashford, A L	PhD Biological Science @ Babraham (The role of the protein kinase DYRK1B in cancer cell survival and cell cycle control)
Braithwaite, V	PhD Biological Science @ MRC Nutrition (Predictors of rickets in The Gambia: Fibroblast growth factor – 23)
Buda, M	PhD Psychology (The cognitive neuroscience of reality monitoring)
Buonincontri, G	PhD Clinical Neurosciences (Advanced MRI for cardiac assessment in mice)
Cawston, A M	PhD Philosophy ('Shorn of all camouflage': Re-assessing the problem of violence)
Chen, B	PhD Engineering (Carbon Nanotubes for Adhesive, Interconnect, and Energy Storage Applications)
Galej, W P	PhD Biological Science (Structural and biochemical studies of the spliceosomal U5 snRNP)
Harris, C J	PhD Plant Sciences (Analysis and engineering of virus resistance in plants)
Haslam, G	PhD Materials Science (Ni-C and WC materials as fuel cell electrocatalysts)
Humphries, K E	PhD Geography (A political ecology of community-based forest and wildlife management in Tanzania: Politics, power and governance)
Jia, Y	PhD Engineering (The Convergence of Parametric Resonance and Vibration Energy Harvesting)
Keen, P H R	PhD Chemical Engineering (Encapsulation of biological material in colloidosomes)
Kosinski, M S	PhD Social and Developmental Psychology (Measurement and prediction of individual and group differences in the digital environment)
Lakadamyali, F	PhD Chemistry (Solar light driven hydrogen evolution with cobaloximes modified on dye-sensitised TiO ₂)
Laraia, L	PhD Medicinal Chemistry (Target-based and phenotypic approaches towards novel inhibitors of DNA repair and mitosis)
Lin, W-C	PhD Engineering (Fabrication of zinc oxide nanostructures using microheaters)
Macqueen, A R	PhD Biological Science @ Babraham (Differential roles for the class IA phosphoinositide-3-kinases p110a8 in T cell activation)
Mahendrarajah, S	PhD Asian and Middle Eastern Studies (The Sufi Shaykhs of Jam: A history, from the Il-Khans to the Timurids)
Makhoul, M	PhD Asian and Middle Eastern Studies (Seismography of identities: reflections of Palestinian identity evolution in Israel between 1948 and 2010)
Mavronicola, N	PhD Law (Delimiting the Absolute: The nature and scope of Article 3 of the European Convention on Human Rights)
Murfitt, K J	PhD Biochemistry (Post-transcriptional regulation of miRNA activity and expression in <i>C. elegans</i>)
Nicholls, T J J	PhD Biological Science @ MRC MBU (The role of MGME1 in maintenance of the human mitochondrial genome)
Oberg, E K	PhD Materials Science (Energy-based mechanics of ballistic impact on ceramic/composite protective plates)
Orti Camallonga, S	PhD History (The Spanish perception of the Jewish examination, 1945- 2005)
Plant, B C	PhD Law (Marking the Boundary between Facts and Norms: Effectiveness, Effectivités, and the Adjudication of International Territorial Disputes)
Ramoglou, E	PhD Management Studies (A realist analysis of the entrepreneurial worldview: under-labouring for a scientific study of entrepreneurship)
Salvaggio, F	PhD Chemistry (Synthesis of biologically active quinolone natural products extracted from the actinomycete pseudonocardia sp. CL38489)
Schmidt, H G	PhD Biochemistry (Does transcription activator diffusion drive gene clustering in eukaryotes?)
Shafqat, S	PhD Social and Developmental Psychology (The social psychology of extremism: reconceptualising extremism through global perceptions)
Snowdon, L A	PhD Physiology, Development and Neuroscience (Investigating the roles of Rme-8 and ligand modification in Notch pathway regulation)
Summers, D M	PhD Surgery (Maximising the potential for kidney donation in the UK: The role of donation after circulatory-death)
Sun, M D	PhD Biochemistry (Structural and functional characterisation of human DNA repair protein CtIP/RBBP8)
Thampanich, N	PhD Land Economy (Thailand's Economic Growth from a Kaldorian Perspective)
Vertannes, B	PhD History (Crusade and reform: the language of Christian martyrdom, c. 1095-1190)
Wang, X	PhD Biochemistry (Defining the metabolic abnormalities underlying diabetic cardiomyopathy)
Wang, X	PhD Chemistry (Cation-bridging on negatively charged surfaces)
Zhang, Y	PhD Architecture (Effects of street-alleyway environment upon pedestrian activities in the old city of Beijing)
Zhao, J	PhD Land Economy (The implications of economic distance for real estate research)

STFC Science and Technology Facilities Council; BBSRC Biotechnology and Biological Sciences Research Council; MRC Medical Research Council; EPSRC Engineering and Physical Sciences Research Council; ESRC Economic and Social Research Council; AHRC Arts and Humanities Research Council. NERC National Environment Research Council

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Barber, Dr Zoe

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Bravo, Dr Michael

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Correia, Dr Marta Morgado

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Goymour, Miss Amy

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Hinarejos, Dr Alicia

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Linden, Professor Paul

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McCombie, Professor John

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Milton, Dr Amy

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Pesci, Dr Adriana

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COLLEGE GOVERNANCE

The College is a lay eleemosynary corporation established by Royal Charter. The Governing Body has all the powers of an ordinary person subject to the College's statutes and general law and is bound to act in a faithful and proper way in accordance with its purposes. Acting on the powers in the Charities Act 2006, the Secretary of State removed the exempt status of the Colleges of Oxford and Cambridge on 1 June 2010. The College was then registered with the Charity Commission on 12 August 2010 (Registered Number: 1137455). The Cambridge Colleges are classed as a special case for purposes of accounting and continue to publish accounts in the form of accounts stipulated by Statute G III 2(i) of the University, *The Recommended Cambridge Colleges Accounts ('RCCA')*, which is based on Financial Reporting Standards and is compliant with the *Statement of Recommended Practice: Accounting for Further and Higher Education*. The Intercollegiate Colleges Accounts Committee advises on interpretation. The College is a charity within the meaning of the Taxes Act 1988, s 506 (1).

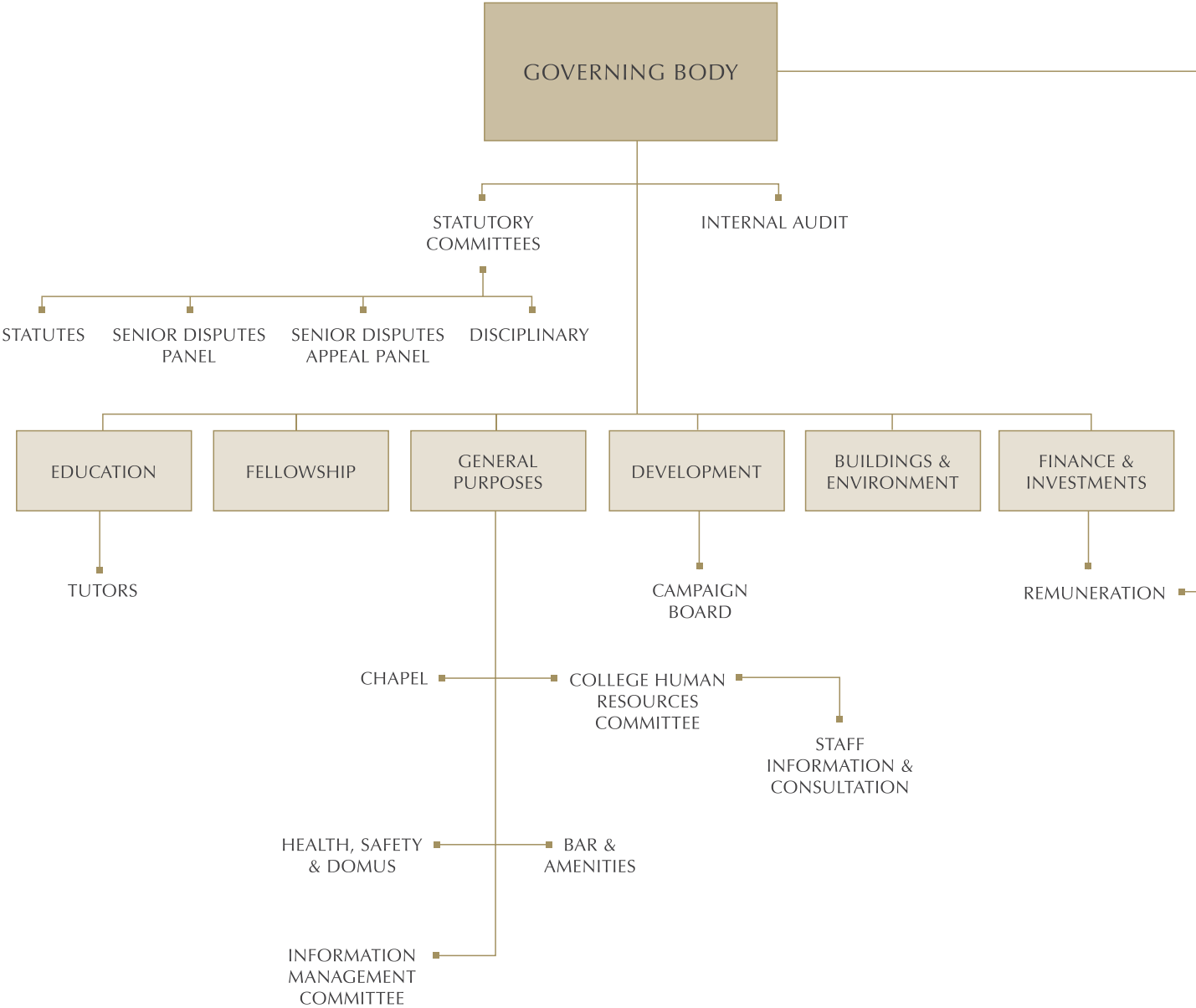
The Statutes that set out the arrangements for governance of the College were last completely revised during 2005 and approved by Her Majesty, with the advice of Her Privy Council on 9 May 2006, with approval given to amendments on 18 March 2009. The Master is Chairman of the Governing Body; the Senior Tutor has overall responsibility for the admission, education and welfare of undergraduates and graduates; and the Senior Bursar has overall responsibility for the finances and administration of the College. Both the Senior Tutor and the Senior Bursar are accountable to the Governing Body. Members of the Governing Body serve until the earlier of retirement or the end of the academic year in which they reach 67 years of age. Members of the Governing Body in office during the period and at the date of this Report are listed on pages 2 and 3. With few exceptions, Fellows are chosen after interview on the basis of excellence in teaching and research and their commitment to providing direction of studies and supervisions across the principal subjects offered by the University. New members of the Governing Body are trained in the fulfilment of their responsibility for governance through a system of mentoring. Members of the Governing Body have received training in their duties as trustees.

The Governing Body, which meets seven times per year, discharges its responsibilities through the structure of committees shown in the following table. Representatives of the JCR and the MCR attend Governing Body meetings, each of the secondary Committees (with the exception of the Fellowship Committee), and most of the tertiary Committees. External advisers serve on the Investments meetings of the Finance Committee (4), the Development Committee (2), the Health, Safety, and Domus Committee (1), and the Remuneration Committee, which consists only of external members (5), with the Senior Bursar in attendance. Its remit is to review the recommendations of the Governing Body, taken on the advice of its Finance Committee, on the remuneration of its members. In essence, the Committee can either accept or reduce (but not increase) the recommended level of remuneration. In addition, the Master's Consultative Council and the Campaign Board offer advice on elements of College strategy.

Members of the Governing Body are required to act with integrity, to act in the College's interests without regard to their own private interests, and to manage the affairs of the College prudently, balancing long-term and short-term considerations. The direct cost of governance for 2013-14 was £32,833 (2012-13: £34,528).

The College is a legally autonomous body; however, it exists within the federal structure of the University. Matters of concern to all Colleges and the University are discussed and acted on through a system of University-wide committees, such as the Colleges' Committee, of which all Heads of Houses are members, the Senior Tutors' Committee, which is chaired by the Vice-Chancellor, and the Bursars' Committee. Representatives of the Senior Tutors and Bursars sit on each other's committees and on the Colleges' Committee. These committees work through the building of consensus, as their decisions are not constitutionally binding.

THE COMMITTEE STRUCTURE



COLLEGE FUNDING

The College funds its activities from academic fees, charges for student residences and catering, income from its conference and functions business, its investments, and from donations and bequests.

Academic Fees

Academic fees consist of the College Fee and grants to support teaching and research. Of these, the most significant source of funding is the tuition fees payable by or on behalf of undergraduates. For students matriculating in October 2013, the College collected a £9,000 Tuition Fee from Home/EU students, passing on half to the University (see separate section on p.19–20). The University paid the College £1,666,991 from its HEFCE grant towards the cost of admitting, supervising, and providing tutorial support and social and recreational facilities. The total fees that the College received for educating undergraduates, including the private fees payable by overseas students, was, therefore, £2,007,242, which amounted to 19.8% of total income (2012–13: £1,863,895 and 19.3%). The fee for Home/EU students has remained unchanged since 2012; for all others, the fee was £4,068. Privately funded undergraduates paid a tuition fee of £7,350. The fee payable by all graduate students was £2,424.

The control of costs, coupled with a modest increase in student numbers, resulted in a decrease of 7.4% in the shortfall per student, from £2,630 to £2,436 (on a fully allocated basis⁷). Using a methodology consistent with that used by the University, the College has calculated that it cost £7,901 to educate an undergraduate. (2012–13: £7,914). The model, which allocates costs between undergraduates and graduates, calculated that the shortfall on each graduate student was £4,047 (2012–13: £4,031). Because of the high level of fixed costs, reducing the number of students would not help the financial position. The costs are highly sensitive to the cost of providing space, which is affected by energy and labour costs. The funding shortfall is partly offset by income from charitable funds.

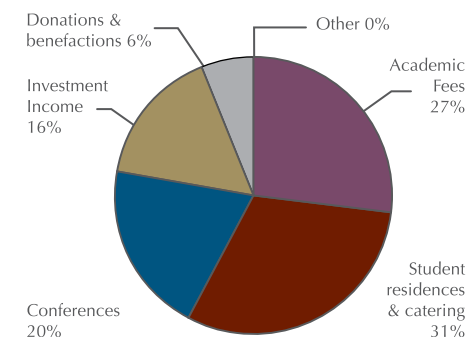
The Colleges Fund

The Colleges Fund, which is funded through the intercollegiate taxation system, makes grants to Colleges with insufficient endowments⁸. In the past, the College has received grants, totalling £663,800 over the last ten years. For 2013–14, the College was not awarded a grant, an outcome that is indicative of the flaws in the model, rather than of the achievement of self-sufficiency. The College's endowment, taken together with an assumed level of profit from the conference business, was deemed to be adequate for its size (measured by the numbers of undergraduates, graduates, college teaching officers and Fellows), when clearly it is not. The College considers that the burden of buildings maintenance requires a more substantial endowment, which was the main driver for the launch of the fundraising campaign.

Stipends

Under the Cambridge system, the majority of the Fellows of a College are paid their principal stipends by the University. Remuneration systems among the Colleges differ. In Downing, Fellows who hold positions in the University – the majority – are paid for the supervisions that they undertake for Downing students (or for students of other Colleges in order to obtain exchange teaching) at an enhanced intercollegiate hourly rate, provided that at least 80 hours of supervisions are taught, and are given rooms and other benefits. The intercollegiate rate for 2013–14 for an hour's supervision of two students was £33.46. The College Statutes permit Official Fellows

BREAKDOWN OF INCOME
2013/14
Total £10.2 million



⁷ See Note 1, 'Academic Fees and Charges', excluding Research/Teaching Grants and Other Fees and note 4 'Education Expenditure'

⁸ In 2013, the size of the endowment (net of loans) placed Downing at 22nd of 31 (2012: 22nd) in terms of this measure of wealth. Colleges of a similar sized student body (+/- 50) have endowments ranging between £42.3 million and £136.8 million. The median of all Colleges was £58.1 million (2012: £50.9 million).

to reside within the College: as of October 2014, three Fellows are resident in College. All of these costs, including the cost of maintaining premises, are included within the costs of Education in the Income and Expenditure Account. Direct staff costs are shown in Note 9. In 2013–14, the cost per square metre of providing space was £150.87 compared with £150.20 in 2012–13, an increase of 0.5%. From time to time, Downing appoints College Teaching Officers (who are Official Fellows) in those subjects in which either there is a substantial need for undergraduate teaching, but for which the College has been unable to secure University Teaching Officers as Fellows, or for which it has received special funding that enables the College to support an additional Fellow in subjects in which it has a particular strength. From October 2014, three full-time (English, History, and Law) and one quarter-time (Social and Political Science) College Teaching Officers are funded by the College. Approximately £5.0 million of the College's £36 million total endowment is required to support the College Teaching Officer posts.

The cost of providing education is considerably greater than the money that the College receives from academic fees. Since 1999–00, the year in which the Government imposed a 21.8% cut in the College Fee, the cumulative shortfall has been £18.7 million. From the introduction of the £9,000 Tuition Fee in October 2012, the shortfall has been £3.0 million.

Development

In order to boost the charitable funds necessary to support its educational mission, the College has launched various appeals. The funds so obtained have enabled the College to commemorate the work of its most outstanding Fellows and Masters and certain of its successful alumni through the establishment of named scholarships and Fellowships. The Professor Sir Lionel Whitby Memorial Fund and the Oon Fund provide scholarships in Medicine, and the Harris Fund provides prizes and scholarships in Law. The Glynn Jones Fund provides support for Downing men and women who wish to take courses in management studies. The Darley Fellowship Fund helps support a Fellowship in Mathematics, and the Lord Butterfield Fund makes it possible for Downing students to spend a period of study at Harvard. The Octavius Augustus Glasier Collins Fellowship Fund helps support a Fellow in Classics. The Verjee Fellowship Fund supports a Fellowship in Medicine, the Hopkins Parry Fellowship funds a Fellowship in Law, and the Mays Wild Fellowship funds a Fellowship in Natural Sciences. Dr Janet Owens generously supplemented the fund that supports the R J Owens Fellowship in English, and Robert John has provided funding to support a Fellowship in Experimental Psychology. Members of the College have also contributed generously to the estate – for example, towards the Sir Mortimer Singer Graduate Building with its Frischmann and Heilmann Wings, the Howard Theatre, Howard Court, and the Howard Building, the Maitland Robinson Library, and the Lieutenant Colonel Anderson Fitness Room. Most recently, the Howard Foundation, recognising the importance of appearance to the conference trade, kindly paid for substantial improvements to the car park, Humphrey Battcock has contributed to the conversion of Parker's House, and Christopher Bartram to the creation of an art gallery. Friends of Downing have also made major contributions to support the College's educational mission: the Ferreras Willetts family has endowed a Fellowship in Neuroscience and Gifford Combs has sponsored the Catalysis Conference and contributed to the new Court. Most recently, under the chairmanship of Luke Nunneley (1981, Law) and Kate Panter (1981, Medicine), funds have been raised to support the Everitt Butterfield Fellowship in Biomedical and Biological Sciences. A generous donation from Jamie (1988, Law) and Louise Arnell (1987, Classics) supports the College's work in widening participation. In addition, the Downing College Alumni Association raises money through the sale of merchandise in order to fund prizes for academic achievement and grants for student hardship.

In 1996, the College established a Development Office in order to maintain links with members of the College out of residence. It sponsors events such as alumni days, reunions, and meetings; it also focuses giving through appeals. A major fundraising campaign for endowment, 'Catalysis', was launched at the London Event on 2 November 2009. At the end of the financial year, £17.1 million had been pledged. Because of the Trusts and Restricted Funds it holds, the College is able to support its students with grants, bursaries, and hardship funds. In addition, it is able to reward excellence through scholarships and prizes. This year, the College made awards of £469,843 of which £195,530 was provided by Restricted Funds including Trust Funds, £42,518 was met from general funds and £231,795 was received as a refund (partly paid from University fee income and partly from the Isaac Newton Trust).

Conferences

Through its subsidiary Downing Cambridge Conferences Limited, the College continues to focus on building its commercial business, which consists of conferences and functions. Income from commercial activities is intended to cover the out-of-term portion of the year-round costs of the estate and the staff. Profits from this, together with fundraising efforts, rigorous cost control, and more economically appropriate charging policies are key contributors to the strategy needed to address the unfavourable business environment within which Oxbridge colleges operate.

Trinity College

The College has benefited from the generosity of Trinity College. The College continues to benefit from the discounted rent payable on the sports ground lease. The Isaac Newton Trust, established by Trinity in 1988 to promote education, learning, and research in the University of Cambridge, donated a total of £150,000 over the period 1999–2004 on a matching basis to create an endowment for supporting students experiencing financial hardship. Since 2006, The Isaac Newton Trust has operated and contributes to the Cambridge University Bursaries Scheme, whereby a portion of the top-up fee is set aside to fund bursaries of up to £3,500. In 2013–14, the College received £231,795 (2012–13: £245,246) to offset its obligations under the Scheme. In the past, the Trust has also paid the College for the release of College Teaching Officers' time for teaching for the University, supporting Fellows with postdoctoral research posts, and contributing towards Research Fellow costs with the Isaac Newton Trust Research Fellowship Scheme. This year, it paid £18,750, being half the cost of the Mays Wild Research Fellow.

The Isaac Newton Trust has recently announced its withdrawal from the Cambridge Bursary Scheme from 2016–17 in order to focus on funding graduate studentships.

SIGNIFICANT POLICIES

1. RESERVES

1. Total Funds stood at £147.4 million at 30 June 2014. Of this amount, £84.0 million is designated as operational assets, representing the net book value of the buildings that are not supported by the Revaluation Reserve or Deferred Capital Grants that arise from donations. These funds are designated because they represent functional fixed assets that cannot be spent as income.
2. In formulating the reserves policy, the Governing Body has considered the factors which cause variations in income. These are: student numbers, changes in the apportionment of the College Fee and in the funds awarded by HEFCE to the University, the susceptibility of the conference business to corporate cutbacks and geopolitical events, and the volatility of the investment portfolio caused by movements in world markets and unanticipated rental voids. The Governing Body has also considered examples of historical unanticipated expenditure, in particular those that have arisen from problems in the fabric of the building, e.g. dry rot. The Reserves also support any liability arising from the CCFPS final salary pension scheme for staff under FRS 17 (2014: £2,038,725; 2013: £1,825,322).
3. The Governing Body therefore considers that free reserves should represent one year's worth of expenditure and a £1 million unanticipated expenditure on repairs. To that end, it believes that the free reserves should be no less than £10 million. However, the programme of conversion of investment properties for operational use has the effect of diminishing the free reserves, which the Governing Body accepts may lead to a lower level of reserves than is desirable.
4. The level of reserves is reviewed routinely by the Finance Committee and in response to any relevant, specific interim requests for expenditure.
5. At 30 June 2014, free reserves (General Reserve less pension liability) stood at £8.3 million (2013: £13.4 million).

2. INVESTMENT PRINCIPLES (The "SIP")

1. The College may invest in securities and in real or personal property. (See Statute XLVII, approved by Her Majesty in Council on 19 July 2005, and superseded by the full set of statutes approved on 9 May 2006).
2. The College manages its investments in securities and property to produce the highest return consistent with the preservation of capital value in real terms for the long term, net of costs and approved withdrawals. A subsidiary aim is to enhance the value of the capital for future beneficiaries. The goal implies a time-weighted net return target of inflation (approximated by a long-term inflation rate of 4%) plus 4% measured over five-year periods.
3. The Investment Committee sets the overall asset allocation and appoints advisors and managers. On 1 August 2009, the College appointed Partners Capital to advise on and manage the securities portfolio. Such appointments are reviewed at three-yearly intervals or in response to specific problems or opportunities. The review considers the risk/return parameters that have been given to the managers, whether these parameters still accord with the College's investment objectives, the performance benchmark resulting from these parameters, and the long-term investment objective. The portfolio advised on by Partners Capital is designed to generate a nominal, unlevered return of 9.3% (5.3% real + 4% cost of inflation) after all management charges, leaving a margin of 1.3% (9.3% – 8%) to build a cushion against the risk of downturns.

4. For the financial year 2013–14, for performance measurement purposes, the benchmark consisted of Equities: 40%, MSCI World Index (in local currency); Fixed Income: 12%, FTSE A British Government All Stocks; Hedged Funds: 22%, HFRI Fund of Funds Composite; Cash: 2%, UK three-month LIBOR Index; Inflation Linked Bonds: 4%, FTSE A (Index Linked) British Government All Stocks; Commodities: 3%, S&P Goldman Sachs Commodity Index; and Private Equity: 17%, Cambridge Associates Private Equity Index. Tactical Allocation ranges were cash: 0–5%; Fixed Income: 0–18%; Hedge Funds: 10–33%; Equities: 20–50%; Private Equity: 10–25%; Commodities: 0–6%; and Inflation Linked Bonds: 0–10%.
5. From August 2009, the custodian for the majority of the securities was BNP Paribas Securities Services S.A.
6. Since 1 August 1957, the College has operated an Amalgamated Fund made under the Universities and Colleges (Trusts) Act 1943, in which permanent capital, expendable capital, restricted funds (including trusts), and unrestricted funds hold units. The Fund is invested to optimise total return. The College adopted a spending rule that was designed to smooth spending and reduce the effect on income of fluctuations in market performance. The amount of return recognised in the Income and Expenditure Account is equal to the weighted average of prior year's spending adjusted for inflation measured by RPI + 1% (70% weight) plus the amount that would have been spent using 4.5% of the prior year's closing value of the investments (30% weight). In formulating this rule, the College had regard to the unapplied total return on funds invested. Until 2008–09, an amount equal to interest expense on loans taken out in place of withdrawals from the portfolio was also included in the drawdown. From 2009–10, interest expense has not been covered.
7. Since 1 July 2010, the units of the Amalgamated Fund have also been invested in the College's commercial property portfolio. The College only invests directly in property held for strategic purposes. In the case of commercial property, the investment analysis must demonstrate an acceptable commercial yield. For any investment in residential property for use by the College's students, the net yield must be positive, with the prospect of an appropriate capital gain. No such purchases are contemplated in the near term. Such purchases must also take account of the College's overall liquidity and income requirements. In 2008, the College, acting on advice from Carter Jonas, undertook an analysis of its Regent Street properties to establish which properties could be converted to student accommodation and which would be held as long-term investments. Following this analysis, the Spending Rule outlined in paragraph 6 was adjusted to incorporate the total return from the investments in property.
8. The unapplied total return stands at £8,402,036 for the securities portfolio and includes returns from commercial property since 1 July 2007.
9. The College's property portfolio is presently managed by Carter Jonas LLP. Routine decisions are taken by the Senior Bursar acting on advice from Carter Jonas and the law firm Hewitsons.
10. All investments, including the parameters for the investment of cash, are overseen by the Investments Committee, with day-to-day management delegated to the Senior Bursar. Membership of the Investment Committee consists of eight members of the Finance Committee but augmented by four external members with professional expertise. The Investment Committee reports to the Governing Body, which is responsible for authorising major changes of strategy, the appointment of fund managers, and all direct holdings of property.
11. The Investment Committee is required to meet three times a year in order to review investment performance; in practice, however, it tends to meet more frequently in order to consider specific investment opportunities or unusual events. The Committee receives quarterly performance reports from its core securities portfolio manager, representatives of which also attend the principal meetings.
12. This Statement has been reviewed in November 2014 and will be reviewed at least every three years.

3. RISK

Because of the relatively small size of its investment portfolio, the College has adopted a cautious strategy towards its investments. The College has commissioned a series of reviews of its securities holdings in order to quantify the risk/return profile of the portfolio and to recommend an appropriate strategic asset allocation to reduce the volatility of returns. Although the portfolio is well diversified and takes into account the risk-adjusted returns of each asset class and its role within the portfolio (e.g. volatility reduction, provision of income, return enhancement, deflation hedge, or inflation hedge), the turmoil in the financial markets towards the end of 2008 resulted in most asset classes being affected negatively with assets with long historical trends of low correlation to each other moving in tandem. The College responded by conducting a detailed and careful analysis and concluded that its strategy is sound, but that implementation should be on the basis of advice from a third party rather than through discretionary fund management. During the most recent financial problems, the portfolio appears to be behaving according to the modelling which informed its construction.

The portfolio has substantial exposure to currency movements, which is limited through foreign exchange forward contracts to target hedging 70% of the US dollar, Euro, and Japanese Yen exposure. Only currencies with potential exposure of greater than 5% of the portfolio are subject to currency management.

4. ETHICAL INVESTMENT

The College keeps its duty in regard to the ethical investment of its funds under review. In line with the findings of the Harries case (Bishop of Oxford v. Church Commissioners, 1992), the overriding principle guiding the College's investments is the financial return of the portfolio, unless such investments are contrary to the charity's aims. Categories of exclusion that may fall within this definition are companies whose activities violate human rights, the environment, and best practice in social and stakeholder matters. After a period of assessment of methods of managing investments, the College decided to change its system of investing. With effect from the financial year beginning on 1 August 2009, the College withdrew its portfolio from its discretionary manager and appointed a firm of advisors that 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.

5. RISK MANAGEMENT

The Governing Body's Risk Management Register is kept under review. The relevant Committees have considered the risks inherent in their areas of responsibility and have advised the Governing Body on the probability of occurrence and the likely impact, together with the steps taken in mitigation. Although risks can be identified and plans to deal with such risks formulated, the College is nevertheless exposed to a variety of risks, some of which cannot be addressed through insurance. The age of the estate, parts of which are 200 years old, means that problems inevitably occur, sometimes without warning and often at great expense. Annual results can be affected by large swings in student numbers, principally in the graduate community and mainly because of multiple applications and the uncertainty of funding. A wide range of the College's operations are affected by volatility in the financial markets and by recession in the real economy, the effects of which are hard to mitigate. All operations would be impacted by a pandemic. The College has made an appropriate plan to minimise problems.

6. THE ENVIRONMENT

Green Policy

The College will comply fully with environmental legislation and relevant officially approved codes of practice, in order to:

- promote sound environmental management policies and practices in all areas of its activities
- minimise the consumption of carbon-rich energy and of water
- minimise waste and pollution and operate effective waste management and recycling procedures
- increase awareness of environmental responsibilities among Fellows, students, staff, and guests
- encourage modes of transport which minimise the environmental impact

Management Policy

The College aims to be at the forefront in environmental planning and implementation among Cambridge Colleges. It will achieve this by:

- researching techniques to achieve energy and waste reduction
- implementing stringent intra-College policies, with pre-determined targets for energy and waste reduction over time
- applying environmentally sustainable purchasing policies, including total supply chain and whole-life-costing techniques
- communicating targets, monitoring achievement, and feeding back results to participants

Scope

The Environmental Policy covers the following areas:

- reducing the carbon footprint by consuming less energy and converting to more environmentally-friendly sources of energy where practicable
- promoting recycling, aided by minimising and responsibly disposing of non-recyclable waste (eg under the WEEE regulations)
- reducing the *per capita* consumption of water
- promoting a Green Travel policy for Fellows, staff, students, and guests
- monitoring consumption of energy and water, investigating anomalies, and feeding information back to consumers
- using environmentally-sound building and refurbishment methods



Reducing Consumption

The College aims to meet or exceed all national and sector targets for carbon reduction. These targets include those under the Carbon Reduction Commitment (CRC), the Higher Education Funding Council for England (HEFCE), and those defined by the Cambridge Colleges.

Current targets include:

- requalification of the Carbon Trust Standard (originally awarded 2009); Downing is the only Oxbridge College to have achieved certification
- The '14/14' Commitment. The College aimed to use 14% less energy in 2014, compared with that used in 2010
- reducing *per capita* water consumption by 10% by 2013/14 (baseline 2010)
- reducing carbon consumption by between 34% and 50% by 2020 (baseline 2005)
- reducing carbon consumption between 80% and 100% by 2050 (baseline 2005)

Recycling and Waste Management

The College undertakes to reduce the absolute quantity of waste generated and, specifically, the volume sent to landfill, year-on-year.

This reduction will be achieved by:

- purchasing items with reduced packaging
- reducing waste arising from food preparation by means of better stock control and portion management
- involving staff and students in correctly segregating waste streams to maximise recycling
- working with the City Council and other waste disposal agencies to recycle more effectively
- creating new recycling channels where possible

Greater Environmental Awareness

The College will actively promote environmental awareness among Fellows, students, staff and conference guests.

Increased awareness will be achieved by:

- actively publicising national and local environmental initiatives
- managing College initiatives through the Health, Safety & Domus Committee, and the Buildings and Environment Committee
- involving JCR and MCR Green Officers in all initiatives
- including, where practicable, environmentally based incentives in staff performance targets and in student rents
- monitoring and publicising energy-saving and environmental targets and performance, including informing conference guests
- improving conformance with the qualification criteria for Green Tourism

Green Transport Policy

The College encourages responsible travel arrangements:

- generally, students may not bring motor vehicles to Cambridge
- Fellows, students, and staff are encouraged to walk or bicycle to work more frequently
- by publicising information on routes, conference and non-conference guests will be encouraged to come to the College by public transport
- work patterns may be adjusted where possible to facilitate use of public transport: the College will provide incentives to staff to use public transport if economically justified

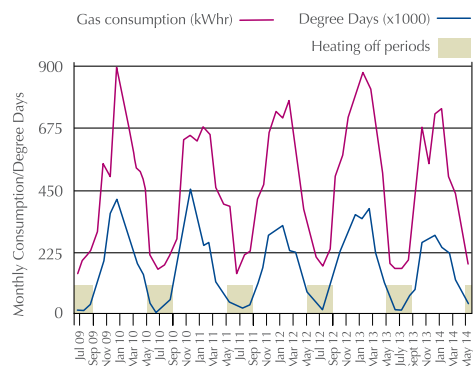
Actions and Targets

The College will:

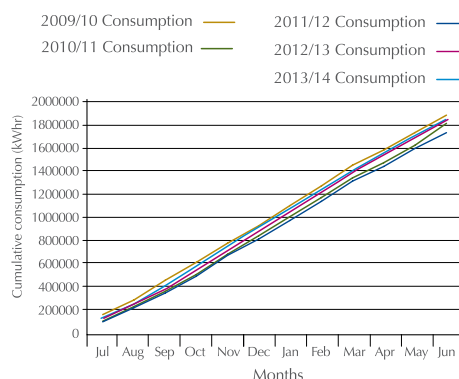
- aim to reduce gross energy consumption by 14% in 2014, compared with a 2010 baseline
- install additional voluntary metering and provide monthly data to residents on their energy consumption
- maintain Carbon Trust Standard Certification
- reduce volumes of waste by 5% in 2013/14 and increase the proportion recycled by a further 5% against the 2009 baseline
- assess buildings for energy efficiency and undertake a programme of remedial action to improve their performance (insulation etc)
- achieve 20% renewable content in electricity procurement by 2015
- support the efforts of Green Officers by providing past annual and current monthly energy consumption data. A continual display of on-domus energy consumption is displayed on a screen inside the Porters' Lodge.



GAS CONSUMPTION (MWhr) vs DEGREE DAYS (15.5c datum) 2009 to 2014



ELECTRICITY CONSUMPTION by FY 2009 to 2014



Progress on Green Initiatives

- 19 February 2008, Downing was the first College to sign the Cambridge Climate Change Charter and has remained in the forefront of environmental improvement
- 1 July 2009, the College became the first College, and remains the only College, to gain Carbon Trust Accreditation; Accreditation was renewed in 2012, and we are seeking recertification for 2014
- On 1 April 2010, the Climate Change Act 2008 came into force, which imposed a mandatory carbon trading scheme. Downing was a leader in defining the processes for the Cambridge Colleges to participate jointly
- 2010, Quentin Blake (1953–56: English), an Honorary Fellow and Children's Laureate, donated the drawing of a 'Green Griffin' to the College. The Green Griffin is the figurehead for the environmental awareness strategy
- In May 2012, the College came top (equal with Jesus) in the Colleges' Environmental League Table
- In March 2013, Downing again topped the Colleges' Environmental League Table
- In March 2014, Downing once again achieved the highest overall CUECS ranking
- During 2011–12, while degree days increased by 4% compared with 2010–11, gas consumption increased by 11%. This was largely because of a very cold April and May, which meant that heating was kept running for three weeks longer than normal
- In 2012–13, the College kept heating running for an additional six weeks because of cold weather, which meant that we used more gas than in any of the preceding three years. Electricity use, while unacceptably high, was lower than that in 2009
- A further four BMS systems were retrofitted to boilers on the Domus
- In 2012, Solar PV was installed on the East Range, contributing 1.76MWh during the first eight months of operation
- Solar PV was installed in the newly converted Grifphon House, increasing daily generating capacity by 11.5kWp
- A survey was undertaken using advanced infra-red imaging to detect areas of heat loss, and this data, allied with student feedback on cold rooms has helped to prioritise draught-proofing work
- The College obtained English Heritage support for retrofitting Georgian windows in room C03 with specialist double glazing
- Room rental agreements have been amended where practicable to reduce the need for parental transport during Christmas and Easter vacations
- The College provides incentives to staff to use the train and other lower-carbon modes of transport
- In 2013, the College signed up to the 'Student Switch Off' Campaign, designed to emphasise energy savings initiatives; Downing had the highest percentage sign-up rate among the Colleges, and came third overall. We are signed up again for the 2014 Campaign
- In 2014, the College achieved the top ranking among Cambridge Colleges for the Student Switch Off Campaign 2013/14.
- Downing achieved Gold Standard – being one of only three Colleges in the University-wide Green Impact awards (18 June 2014)
- The College was also awarded a Gold Level Green Tourism award in July 2014

A Degree Day is any day in which the outside temperature falls below 15.5°C multiplied by the number of degrees below 15.5°C

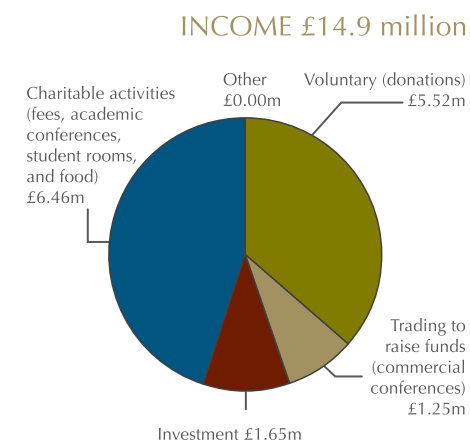
RESULTS IN THE FORMAT REPORTED TO THE CHARITY COMMISSION

The *Summary Information Return* ('SIR') that is made annually to The Charity Commission is based on *The Charities Statement of Recommended Practice*, which has a different emphasis from that of the standard profit and loss model of accounts that informs *The Statement of Recommended Practice: Accounting for Further and Higher Education* and the *Recommended Cambridge Colleges Accounts* ('RCCA'). Whereas the RCCA inevitably focuses users' attention on the efficiency and viability of an entity as measured by the surplus or deficit of the period's operations, the SIR incorporates in its definition of income all the funds flowing into the entity, including capital donations to endowment.

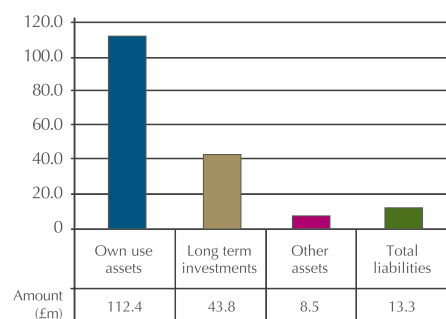
By highlighting the costs of governance, investment management, and trading to raise funds, the SIR frames an entity's efficiency in terms of its success in keeping administration costs to a minimum. When published on the Charity Commission's website, information is presented pictorially. The pie charts illustrate the College's dependence on current and past donations (37% of Income) to support its £8.24 million spending on its charitable activities. The charts also provide a measure of profitability on trading to raise funds. That contribution, however, should not be taken at face value: the commercial conference business absorbs overhead costs that would otherwise fall on charitable activities.

A further chart shows the extent to which funds have been used to support the current year's activities and the extent to which they have been retained for future use, although in many cases that division reflects the terms of the donations.

Compared with 2012-13, income for 2013-14 increased by 17.8% to £14.88 million, principally as a result of increased donations to endowment. Income from charitable activities increased by 5.1%, with the most significant rise being from student charges and fees. Income from commercial conferences was £1.25 million, down 9.1% from last year's £1.37 million; however, there was no change in charitable (i.e. academic) conferences, which remained at £0.8 million. Spending on charitable activities increased by 3.8% to £8.24 million. Of the £5.52 million in donations received during 2013-14, £5.05 million were retained for future use.

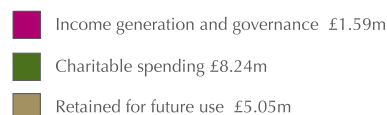
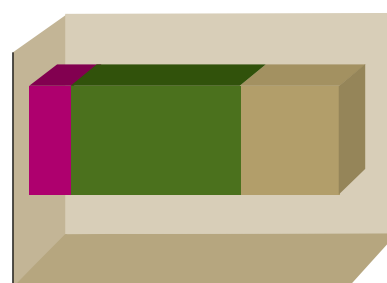


ASSETS, LIABILITIES & PEOPLE

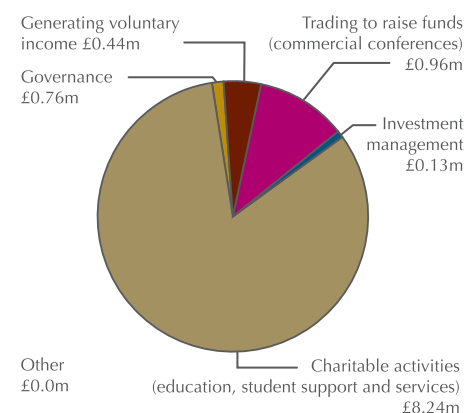


Employees 170

CHARITABLE SPENDING

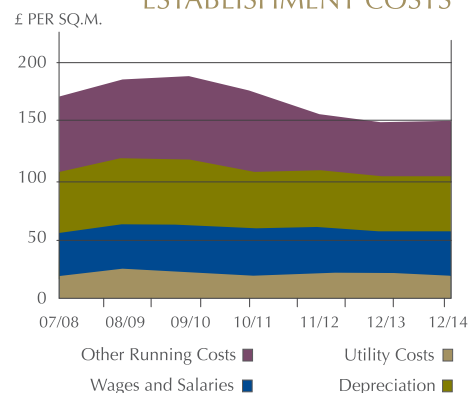


SPENDING £9.8 million



FINANCIAL REVIEW

ESTABLISHMENT COSTS



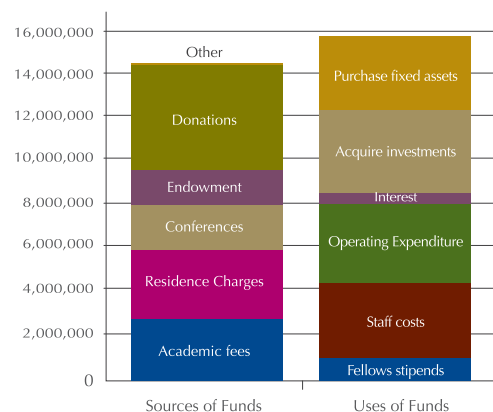
Income and expenditure

- Surplus of £0.3 million
- Income up by 5.6%
- Conference income down by 4.1%

The surplus of £0.3 million was broadly in line with that of last year. However, last year's surplus included a substantial profit on the sale of operating property: on a like-for-like basis, this year's surplus was significantly higher by £0.2 million - a particularly pleasing result in that this year's accounts include the interest on the private placement. Removing the interest, the operating results would have been £0.4 million vs the prior year's result of £0.1 million, a significant improvement that was especially encouraging in that the Howard Building, a busy venue for conferences, was out of commission for six months.

The College's Income is made up of Academic Fees, the 'Student Hotel', Conferences, and Investment Returns. Taken together, income increased from £9.7 million to £10.2 million, up some 5.1%. The increase of 4.5% in fees was partly the result of a return to a more typical level of student numbers and partly the effect of another cohort attracting the £9,000 fee, 50% of which is for the College. With the introduction of the £9,000 tuition fee for Home/EU undergraduates in October 2012, the College's funding streams changed substantially. Over a 15-year period, education, once seen as a public good has been redefined as a private good for which the recipient must pay. The slashing of funding for undergraduate education in the grant to the University from the Higher Education Funding Council required a re-examination of the respective costs of the Colleges and the University, leading to an agreement that each would receive half of the tuition fee and pay half of the costs associated with the OFFA Agreement in terms of bursaries and the promotion of widening participation. Special funding streams for STEM (Science, Technology, Engineering and Mathematics) subjects and seed funding for mandated initiatives remains with the University. The transition will be completed when those students on six-year courses graduate in 2018. Despite a rise in RPI from September 2012–14 of 5.5%, there has been no inflationary increase since the initial rate was set in October 2012, and neither will there be in October 2015. At the margins, the overall loss on each undergraduate (£2,762) and graduate (£1,632) is decreased by any shortfall as the biggest contributor to the costs of providing academic services is the expenditure on the provision of space (20%), which is a fixed cost.

SOURCES AND USES OF FUNDS 2013/14



Progress continues to be made towards realistic charging for non-academic services; however, the costs of providing student accommodation within a Grade 1 Listed site are in excess of the amount that it is reasonable to charge students, given that the maximum maintenance loan, first introduced in 1990–91 and all but frozen since 2009, is £3,610, against an average rent of £3,913 for 30 weeks and £4,695 for 38 weeks. From 2008–09 to 2014–15, the maximum maintenance loan has reduced in real terms by £483 (13.9%). Those students whose household income is below £25,000 and who are entitled to a maximum Cambridge Bursary of £3,500 in addition to the Government grant of £3,387 and the loan of £3,862 are well provided. Students whose household income is above £42,875 and who may also have siblings at University at the same time, however, often struggle, given the prohibition on term-time working. During the year, £280,300 was paid out under the Cambridge Bursary Scheme and £19,164 in response to specific needs.

Income from the 'Student Hotel' reflected an increase in the rent roll of 5.2%, which included 3.9% of above inflation increases to reduce further the gap between income and costs. The lengthening of the contract for all of the Lensfield Road houses and two staircases

to 38 weeks (with a rebate for two weeks to recognise the reduction of overheads over the Christmas period) has helped absorb fixed costs while recognising that academic and other commitments frequently require an extension to the traditional Oxbridge 30 week period of residence. Over the last five years, the average weekly rent has increased from £90.41 to £130.43 (44.3%) and more nearly covers costs, in line with the College's policy of resisting blanket subsidies. Despite this significant increase, rents are considerably less than comparable purpose-built facilities on the open market in Cambridge. Any further growth in income from the 'student hotel' is likely to come from increased volume rather than prices, particularly as the Parker's House development will provide the opportunity for 78 students to make fuller use of the catering facilities.

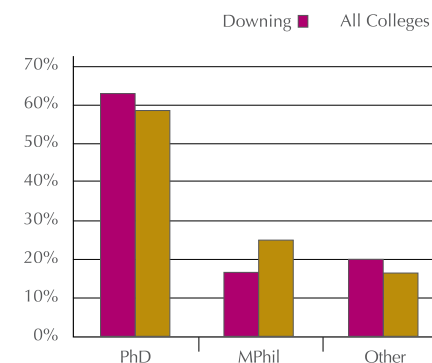
The four main areas of expenditure, education, food, estate maintenance, and overheads, accounted for 36.8% of operating expenses. Education costs reflected an increase in the number of prizes awarded and a greater need for student hardship grants, including a higher contribution to the costs of the Cambridge Bursary Scheme. Food costs increased, but the profit margin fell from 59.2% to 55.6%, reflecting the change in mix: the higher-margin conference and function sales dropped 4.5% and lower-margin student sales increased, principally at the Lord Butterfield Cafe and Bar. The change was not, however, a permanent substitution of low-margin business for high-margin business: the renovation of the Howard Building resulted in the loss of 6 months of potential sales. The results of the Conference business for the important three-month summer period suggest a return to the levels of activity before the renovation of the Howard Building. The increase in estate costs reflected the costs of addressing the backlog. The year's results benefited from the mild winter, which both reduces energy costs and lowers the carbon tax payable.

Overall, costs, excluding interest, grew by 1.7%, compared with a general inflation figure of 2.6%, although food inflation for that period was 4%. Despite the addition of 3.5 in the Full Time Equivalent Staff to support the increased activity in catering (up 5.4%) and the building programme, the increase in pay which accounts for just under half of total costs at £4.4 million was limited to 2.4%. Once again, the cost of living award was limited to 1% for both academic and support staff, a level which is unsustainable over the long-term, especially given that the median level of staff pay was £18,358. During the year, a major reorganisation of the staff was implemented, at an annual cost of £100,000, to acknowledge changing expectations with regard to communication, to ensure that the existing estate was properly maintained while a major development of the Domus was undertaken, and to create a career structure for loyal staff.

Salaries grew by 2.3%, reflecting the savings from a research fellow leaving early to take up an academic teaching post and the appointment of a new research fellow on a non-stipendiary basis. The results for 2014/15 will, however, present a very different picture as the full cost of the regradings from the reorganisation takes effect, together with the decision to ensure that every permanent member of staff is paid at least £7.64 per hour. With the help of the Isaac Newton Trust, and the Cambridge Philosophical Society, the College has been able to continue to appoint its full quota of research fellows and to contribute to research and academia by providing this first position in an academic career. The importance of these posts has been recognised within the Catalysis Campaign in that through fundraising, the College has successfully endowed a research fellowship in the Biomedical Sciences.

The College endeavours to compensate for the losses incurred in providing non-economic services by exploiting its assets to the full for the benefit of the beneficiaries of its charitable purposes. During term time, the Howard Conference Centre and public rooms throughout the College are available for day conferences and, when the students are not in residence, the rooms are used for residential conferences with spare capacity used to accommodate bed and breakfast guests. This business generated over £2 million in revenue in 2013-14, yielding an estimated net profit of £0.5 million, but contributing approximately £0.8 million towards fixed expenditure.

POSTGRADUATE COURSE ANALYSIS



Although the commercial business helps to offset operating expenditure, there is nevertheless an intractable gap between the income generated by operations and their cost, which is funded by returns on the investment of the College's endowment. That gap remained the same as in 2012–13 at £1.9 million. Alumni and other friends of the College have added substantially to the endowment over the years, with an additional £17.1 million received to date from the Catalysis Campaign. In order to develop, as well as to sustain, the College, it is necessary to continue to call on the loyalty of old members. In 2013-14, 17% responded to the call, and of the 8,919 living alumni, 36% have given at some point. As the current level of funding education is inadequate, all development depends, in effect, on the recognition of former students of the value of their own College experience and their willingness to ensure that future students can benefit from the same level of individual supervision and pastoral care.

DEVELOPMENT: ALUMNI RELATIONS AND FUNDRAISING

- Pledges made and cash received: £5.5 million
- Total Gifts recorded in the accounts: £5.3 million
- Telephone Fundraising Campaign: £0.2 million
- Legacies: £3.2 million
- Participation rate: 18%
- Number of Gifts received: 1,482

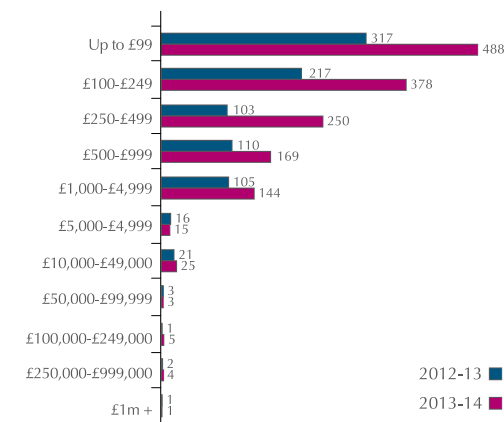
Downing has just closed one of its best years ever in terms of fundraising. The total raised in the Catalysis Campaign now stands at £17.1 million, after £5.5million was raised in donations and pledges between 1 July 2013 and 30 June 2014. In 2009, the College set a goal for the Catalysis Campaign of raising £20 million by the end of 2015. However, as the Campaign was launched, financial markets around the world tumbled and it seemed that it would be impossible to meet the deadline under such economic circumstances. As 2015 approaches, it appears that after all, the original goal will be reached on time.

The annual fundraising activities, such as the telephone campaign, direct mailings, and the Catalysis Conference, remained on track. This year the difference was in the legacies received. Having been founded by a legacy that was depleted significantly by decades of litigation, legacies are a headline for the College this year for a very different reason. Because of legacies – and in particular those of three Downing alumni: John Whitworth (1949, History), Alfred Monk (1956, English), and Harold Johnson (1951, Geography) –£3.1 million was received by the College. Alfred ‘Alf’ Monk and John Whitworth had been school teachers and Harold Johnson was a professor of history.

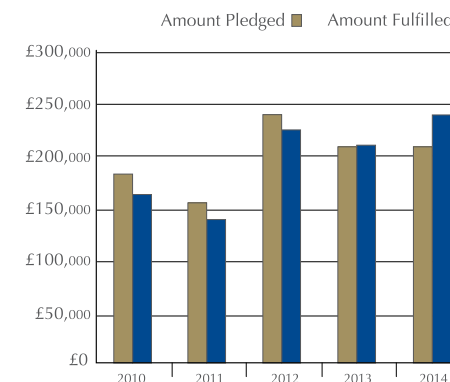
The College takes very seriously its commitment to thank those who have remembered Downing in their wills. Those who have done so are invited to become members of the 1749 Society and the College strives to say ‘thank you’ in as many ways as it can, while it can. Membership of the 1749 Society has increased to 243 members, with 71 new members having joined in the last two years. This surge in membership is due to a re-invigorated legacy programme of regular mailings, the involvement of year representatives, and discussions in the telephone campaign during other activities and in face-to-face meetings. The story of two teachers and a history professor who, between them, gave in excess of £3 million to Downing within one financial year illustrates the transformative importance of legacies to the College.

The ‘quiet’ phase of fundraising for Parker’s House and First Court raised £2.6 million by 30 June 2014. The quiet phase is the period of time during which some of the larger donations are secured, and in this case was coincident with the final stages of the planning permission process. Convention suggests that the public phase for a building fundraising project should be launched when at least 20–25% of the funds have been committed. The project finished the year with over 30% of the required funds raised. In November 2014, the public phase will be launched. For the next two years, Parker’s House and First Court will be the priority of the College’s fundraising efforts and will include mailings, the telephone campaign, and features in the College’s magazine, Dow@Cam. Alumni and friends of the College will have an opportunity to ‘buy a brick’ and have their name (or the name of whomever they choose) permanently displayed in this beautiful new court.

NUMBER OF GIFTS RECEIVED



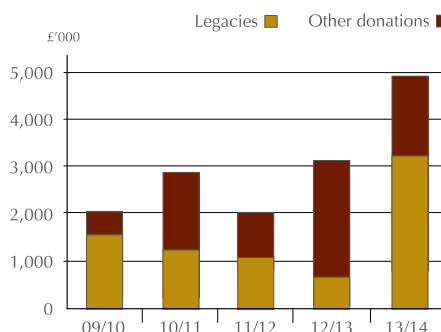
TELEPHONE FUNDRAISING DONATIONS 2000-2014



CATALYSIS CAMPAIGN

	Cash Received	Further Pledges	Committed Funds
Teaching & Learning	£6.0m	£0.6m	£6.6m
Research & Discovery	£0.4m	–	£0.4m
Heritage & Environment	£3.2m	£0.3m	£3.5m
Support & Services	£0.8m	£0.1	£0.9m
Culture & Community	£0.3m	–	£0.3m
General Endowment	£4.3m	£0.4m	£4.7m
Annual Fund	£0.5m	£0.2m	£0.7m
TOTAL	£15.5m	£1.6m	£17.1m

DONATIONS & LEGACIES



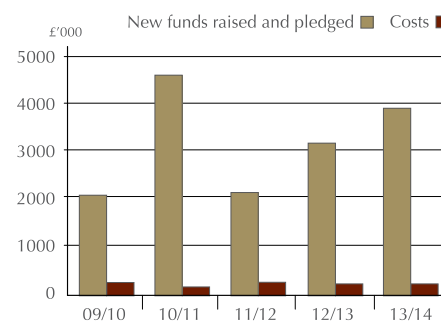
Note: Excludes Howard Theatre Donation

Totals over 5 years:

Legacies: £7.8 million

Other Donations: £7.2 million

NEW FUNDS RAISED & PLEDGED AND FUNDRAISING COSTS



Note: Excludes Howard Theatre Donation

The tables below show the total funds recognised for the years 2013-14, 2012-13 and 2011-12; the Status of Donors and Members out of Residence in 2013-14, 2012-13 and 2011-12; and attendance at Alumni and Donor events in 2014-15, 2013-14, 2012-13 and 2011-12.

Actual funds recognised during the year

	2013-14 £	2012-13 £	2011-12 £
Unrestricted			
Endowment	844,750	857,984	1,287,809
Annual Fund	216,506	150,156	145,679
	1,061,256	1,008,140	1,433,488
Restricted			
Student Accommodation	3,332	11,583	4,457
Hall Restoration	2,285	5,438	8,274
Howard Foundation Projects	410,794	—	333,060
Parker's House	446,942	1,079,025	850
Teaching and Research	279,180	523,125	265,706
Student Support	2,972,211	422,218	144,617
Sports & Cultural (incl. Boat Club)	82,745	58,290	63,863
Downing Enterprise Scheme	34,171	16,667	50,000
Other	—	—	50
	4,231,660	2,116,344	870,877
TOTAL	5,292,916	3,124,484	2,304,365

In addition, The Segreants Trust (formerly the Boathouse Centenary Trust) received donations of £22,171 during the year, bringing the total it has raised to £1,213,938. Alumni clubs, such as The Segreants, The Griffins, and the Downing College Alumni Association, also raise funds to support members in residence.

Status of Members out of Residence and Donors

MEMBERSHIP DATABASE	2013-14	2012-13	2011-12
Number of Alumni (living and deceased)	11,138	10,919	10,685
including former undergraduates	9,361	9,223	9,160
including former graduates	1,777	1,696	1,525
Deceased	2,211	1,879	1,826
Living Members	8,919	9,040	8,859
Address known (Members in Contact)	7,529	7,254	6,998
including former undergraduates	6,206	6,127	5,983
including former graduates	1,323	1,127	1,015
% Address known	84%	80%	79%
Email address known	6,155	5,835	5,479
% Email address known (of those whose address is known)	82%	80%	78%
Address unknown	1,390	1,786	1,861
Request not to be mailed	80	80	117
PARTICIPATION RATES			
Living donors this financial year	1,270	1,358	1,262
including former undergraduates	1,134	1,220	1,147
including former graduates	95	97	86
including others	41	41	31
Members who have ever contributed to the College	3,757	3,639	3,547
Living members in contact who have contributed	3,175	3,054	2,982
% of total living members	36%	34%	34%
% of members in contact	42%	42%	43%
Participation Rate this financial year of living members	14%	15%	14%
Participation Rate this financial year of living members in contact	17%	19%	18%
% former undergraduates	18%	20%	19%
% former graduates	7%	9%	8%

Events and other Forms of Contact

Event Attendance by Financial Year (1 July – 30 June)

	2014-15		2013-14		2012-13		2011-12	
	Total	Alumni	Total	Alumni	Total	Alumni	Total	Alumni
1749 Reception: July	77	33	103	45	62	39	52	27
Alumni Day: September	201	122	232	143	168	94	171	94
Association Dinner: September	144	96	170	110	148	88	162	96
Parents Lunch: November	159	1	149	1	79	—	—	—
London Event: October/November	132	105	147	121	158	133	107	85
150th Anniversary of DCBC			—	—	158	106	—	—
Griffins' Dinner: January			21	14	21	14	16	16
Year Reps Meeting: January			26	19	26	19	28	22
Catalysis Conference			108	38	103	40	98	51
Reunion Dinner: March/April			167	156	141	134	154	148
Segreants Dinner: April			102	56	133	82	38	38
MA Awards Dinner: May			99	83	100	80	109	158
Donors Garden Party: June			162	68	188	72	128	70
Graduands Reception: June			348	97	224	—	228	—
Other events			159	109	481	341	430	419
TOTAL			1,993	1,060	2,190	1,242	1,612	1,194



www.twitter.com/downingcollege

Followers: 2,504

Tweets: 1,169



www.facebook.com/downingcollege

Fans: 3,712



www.flickr.com/photos/downingcollege

Photos: 1,978

Views: 15,452



Downing College LinkedIn Group

Members: 1,077

CONFERENCE SERVICES

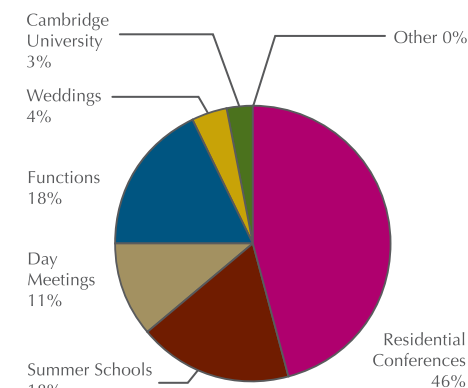
- Conference Services income: £2.0 million – down 4.1%
- Charitable Conferences: £0.8 million - flat
- Total room nights decreased from 16,849 to 15,337 – down 9.0%

As a result of the six-month renovation of one of the two principal venues, conference income decreased by 4.1% to £2.0 million. This major refurbishment of the 30-year-old Howard Building, partly funded by the Howard Foundation, brought all services to present-day standards and introduced air-conditioning. In order to honour commitments to long-term clients, events were transferred to the Howard Theatre, which resulted in losing the opportunity to sell the Howard Theatre, with its greater capacity, for larger events. However, the reduction in income from the closure was not as much as originally feared.

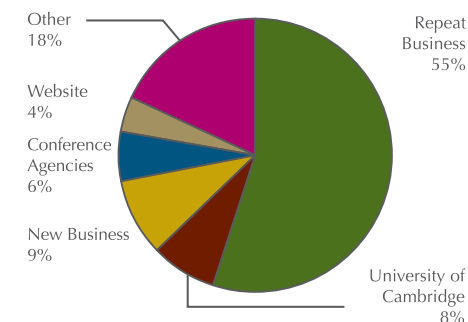
Income was also affected by a significant drop in residential bookings, both corporate and academic, which fell by 8% and 37%. This reduction was offset by an increased level of revenue from functions, which went up by 28%. Although the general bedroom occupancy rate fell by 9.7%, the higher-value en-suite rooms saw their occupancy rate fall by only 3.7%. The College is confident that the partnerships fostered with its most significant clients will ensure that business lost in this period will not be lost permanently and that future income will continue to rise. The level of repeat business has increased to a satisfying 55% of the total, and the College's relationship with University departments, and especially the Judge Business School, is a continuing source of reliable income.

The College continues to invest in the marketing of its facilities and was awarded the Gold Award for Green Tourism in June. An acknowledged tourist destination, Cambridge is also a major centre for bio-technology, and, therefore an increasingly popular venue for scientific conferences. There has, however, been a corresponding increase in the supply of venues, with Colleges taking advantage of the opportunities for earning income from improved and new student facilities. Together with an increase in the number of hotel rooms, competition from other Colleges and the University will inevitably put downward pressure on margins, which the staff are encouraged to resist. Without a river, Downing has had to create a brand that differentiates the College from others. With the advent of the Howard Theatre, the elegant restoration of the Hall, and the renovated Howard Building, the College has created a stunning complex. These public facilities, in conjunction with the College's distinctive architecture and superior en-suite rooms, have helped the College maintain its position in the top quartile among Colleges measured by revenue. While comparative information is not available, it is hoped that the emphasis on cost awareness and the need for efficiency marks out the College as equally successful in terms of profitability.

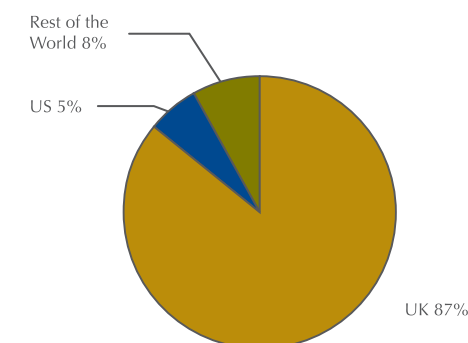
INCOME BY BUSINESS SECTOR



INCOME BY BUSINESS SOURCE



INCOME BY REGION



REPRESENTATIVE EVENTS IN THE COLLEGE – 1 JULY 2013 TO 30 JUNE 2014

2013	Group	Title
7-27 July	The Cambridge Shakespeare Festival	Cymbeline
25-26 July	Fine Cell Work	Fine Cell Work Summer Exhibition
2-3 August	UK Shoot Limited	Ramanujan – Film Shoot
7-12 September	HHA-Howard Foundation Cambridge Tour	HHA Farfield Hall
20-21 September	University of Cambridge	French Embassy Conference
20 September	Hawking-UK Premiere Drinks Reception	Vertigo Films
23–24 September	Arts Marketing Association	Ambassadors Away Day
3 October	Local World Ltd	Cambridge News Community Awards
10 October	Cambridge BID Awards	Cambridge BID
11 October	CU Development Office	Chemistry Next Generation Event
24 October	CU Office of Communications and External Relations	Festival of Ideas
30 October	Danby Society – talk by Dr Rob Wallach	'Museums in Cambridge'
6 November	Friends of the Fitzwilliam Lecture	The Hon. James Stourton – Sothebys
7 November	Mathias Society	Raakhi Odedra on Scottish Economy
11 November	Blake Society – talk by Dr Anne Alexander	'Whatever happened to the Facebook Revolution?'
29 November	Whitby Society – talk by Mr Leroux Fourie	'Hyena bites'
4 December	Downing College Students	Philippines Typhoon Relief Variety Show
2014		
29 January	Blake Society – talk by Jenifer Glynn	'The Pioneering Garretts: Breaking the Barriers for Women'
12 February	The Oon Lecture by Dr Daniel J Drucker	'L cell pharmacology advances the treatment of diabetes and gastrointestinal disorders'
13 February	The Royal Aeronautical Society	The 14th Sir Arthur Marshall Lecture
17-22 February	Downing College Drama Society	'Gatsby'
27 February	CU Oriental Dance Society	Dance Show
3 March	Downing College Music Society	Lent Concert
7 March	Blake Society - talk by Bill Cashmore	'From Footlights to French's, via Fist of Fun'
8-9 March	CU Chinese Society	Annual Variety Show
11 March	Maitland Society - talk by Dr Caroline Burt	'Edward the Second'
12 March	Cambridge University Environmental Consulting Society	Launch Event for the 2014/15 Green League Table
13 March	Cambridge Commonwealth, European and International Trust	Cambridge Trust Scholars' Lecture
25 April	Brammer Geographical Society	'Bangladesh's Dynamic Geology and Sea-Level Rise'
28 April	Centre for Family Research	Hora Chilena Film Screening
11-13 June	CU Institute for Sustainability Leadership	Saint-Gobain Sustainability Leadership Programme

INVESTMENTS

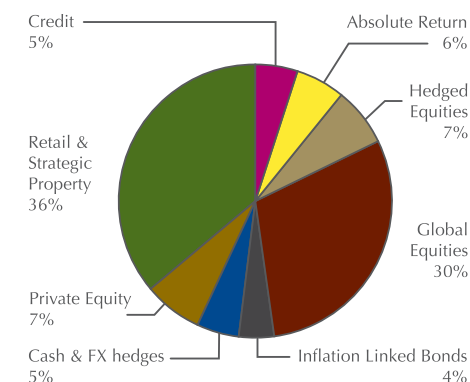
- Total Return: 7.6%
- £22.8 million in securities: 8.9% total return
- £13.0 million in property: 5.8% total return
- Endowment Drawdown: £1.5 million
- Additions to the securities portfolio: £3.9 million

The financial crisis of 2008 prompted intense scrutiny of all operational and financial matters, which led to the decision to change fund managers for the securities portfolio and to take more control through an advisory, rather than a discretionary, mandate. The model which was adopted at that point was designed to achieve two-thirds of the upside in world equity returns, while restricting downside losses to one-third. That strategy was chosen as the best means of protecting value in the portfolio from the volatility inherent in equity markets and of maintaining sufficient liquidity to permit the College to access funds. These decisions reflected the importance of the securities portfolio in supporting the operations of the College.

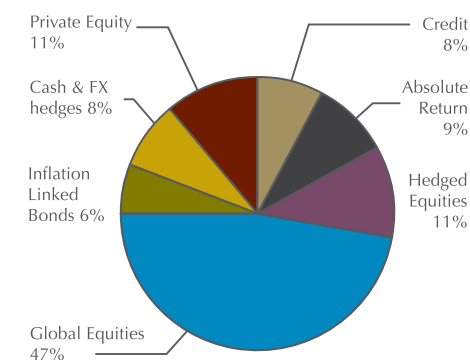
Risk within the portfolio is measured by calculating the Equivalent Net Equity Beta ('ENEB'), which looks through all investments in the portfolio to calculate their correlation with equity markets. The model has performed in line with the agreed risk profile of 60% equity risk measured over a three-year period and 63% risk during the last year. The expected return for the three-year period was 24.1%, while the portfolio achieved a 25.7% return, excluding the effect of foreign currency hedges. For the most recent year, the expected return was 13.1%, compared with a result, before the effect of hedging, of 12.9%. Returns are measured after deducting all costs, including fees. Because of the 12.7% loss in value of the pound between the June financial year ends in 2013 and 2014, the hedging programme preserved 2.8% of the returns when translated into sterling, which would have been especially important had the College needed to withdraw a significant amount of the portfolio's funds. Performance in the individual years has demonstrated the robustness of the model: for 2011-12, when equity markets (measured by MSCI AC World NR LC) lost 2.8% in value, the College's portfolio broke even; and in the most recent year, when world markets returned 20.8%, the portfolio achieved 63% of that return.

While the strategy since 2008-09 has been to protect value by limiting risk and hedging foreign currency exposure, the increased resilience of the College's other financial activities has led to a reassessment. The Committee considers that long-term growth in the portfolio can only be achieved by assuming more risk within the portfolio and that the effect of volatility in returns, both in movements in the currency and equity markets, can be smoothed within the spending rule. The contribution to cash-flow from rents has provided 74% of the liquidity for spending over the last three years, which permits emphasis within the portfolio on illiquid investments. Following the commencement of the Parker's House project, the rental cash-flow has now reduced and the contribution will fall to nearer 50%. By year-end the ENEB was raised to 70%, 18% of the portfolio was in illiquid securities and 72% of the portfolio was in sterling investments. Since June 2014, Partners Capital has had discretion over the investments in the portfolio within the guidelines agreed in the Statement of Investment Principles. As part of the five-year assessment of the fund's performance, the Committee is in the process of reviewing targets for risk, returns, hedging, and liquidity.

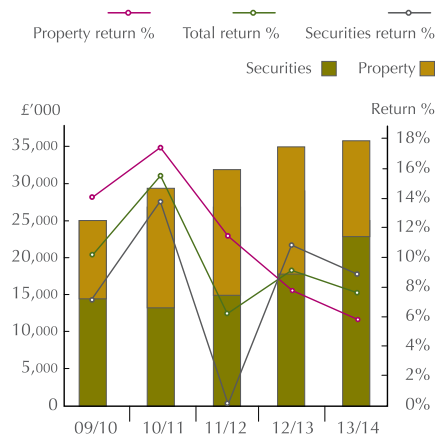
ASSET ALLOCATION AT
30 JUNE 2014 (Inc. property)



ASSET ALLOCATION AT
30 JUNE 2014 (Exc. property)



ENDOWMENT & TOTAL RETURN



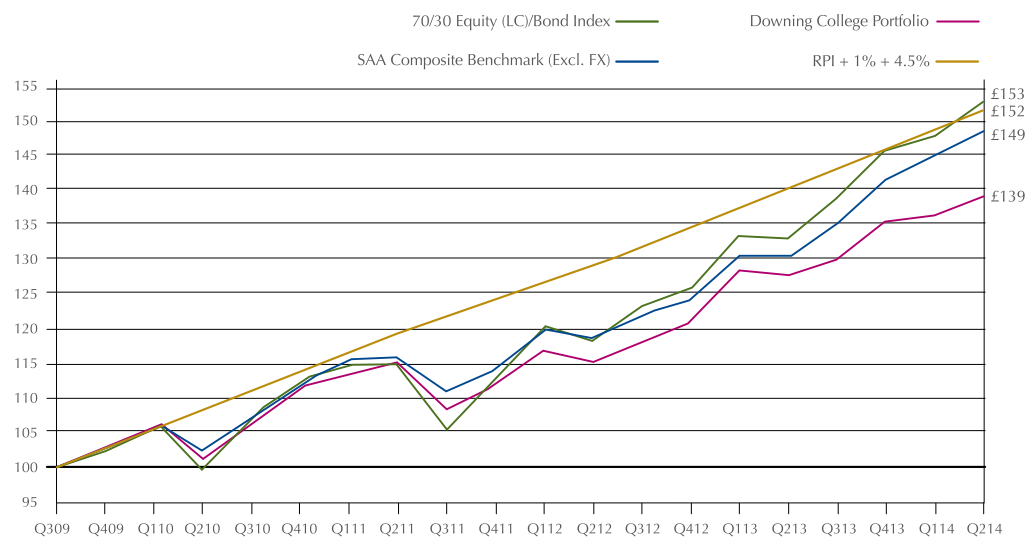
Property

The Investment Portfolio is generally considered an approximate for the College's Endowment, and its size is often thought of as a measure of financial resilience and sound stewardship. Using size as a shorthand, however, is itself a limitation: at year-end, the portfolio appeared to increase by only 2.5%, despite an addition of £3.9 million in philanthropic contributions. The ending balance does not signify losses in the portfolio but is the result of a £4 million reduction in the College's property holdings as a consequence of a change of use from an investment to an operational property. The second such transfer in four years, this decision to invest in the College's own operations in pursuit of its strategy of aiming to house all students within its twenty-acre site is a reminder that the role of the endowment is to support the operations of the College, which must sometimes take the form of a significant capital contribution. The valuation of the remainder of the property portfolio remained flat, but there has been some success in attracting new tenants with strong covenants to create an interior design destination.

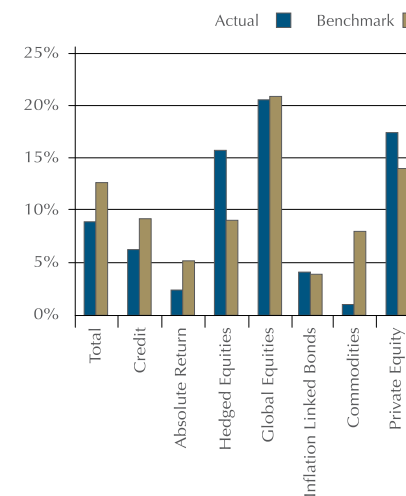
Distributions for Spending

During 2013-14, the spending rule delivered £1.6 million in support of current operations, broadly similar to that in previous years. The spending rule ensures that investment returns are smoothed to protect operations from the volatility of returns and that the amount available for spending is known in advance. The relatively small increase reflects the adjustments through smoothing that have compensated for the overspend between 2009 and now in times of portfolio losses. The formula applies a weight of 70% to the previous year's distribution, increased by RPI+1% (a standard measure of inflation for the education sector) and 4.5% of the average for the last twelve quarters of endowment capital values. The distribution for 2014-15 increased to £1.02 per unit on a unit value of £22.69 versus £1.01 per unit for 2013-14 (on a unit value of £22.17). The distribution for 2014-15 represents a yield of 4.61% on the three-year average fund unit value and 4.49% on the closing fund unit value as at 30 June 2014. When the yield falls to 4.5% in both calculations, the portfolio's value will have recovered from the overspend from 2009 to the present, which was one consequence of the 2008 financial crash. If the yield drops, the portfolio retains returns as a cushion against future downturns. In setting the spending rule, the Committee is conscious of the need to balance the claims of present with future beneficiaries and aims to preserve the purchasing power of the endowment. Since the inception of this portfolio in the fourth quarter of 2009, educational inflation has run at 24.6%, while the total return on the portfolio has been 39.4%. However, in order to preserve the purchasing power of the portfolio over this period, a spend rate of only 2.5% would have been required.

CUMULATIVE PERFORMANCE SINCE INCEPTION - value of £100 invested



SECURITIES RETURN AGAINST BENCHMARKS



Composition of Investment Portfolio

	30 June 2014 £	30 June 2013 £	30 June 2012 £
1. Securities			
Core Portfolio Cash*	1,758,792	2,568,000	1,150,120
Forward Foreign Exchange Hedges	108,791	(130,556)	20,179
Fixed Income	—	—	977,115
Credit	1,828,812	2,445,001	1,749,672
Absolute Return	2,165,428	2,426,224	2,210,363
Hedged Equities	2,552,546	1,034,564	1,306,265
Global Equities	10,652,959	6,050,458	4,314,086
Private Equity	2,416,374	2,065,922	1,930,040
Inflation Linked Bonds	1,327,382	979,154	801,863
Commodity Fund	—	399,767	424,219
Total	22,811,084	17,838,533	14,883,921
Other Private Equity**	—	—	12,098
TOTAL SECURITIES	22,811,084	17,838,533	14,896,019
2. Property			
Office	5,345,660	10,209,966	10,151,704
Retail	7,618,600	6,869,294	6,737,556
TOTAL PROPERTY***	12,964,260	17,079,260	16,889,260
TOTAL PORTFOLIO	35,775,344	34,917,793	31,785,279

* Includes donated cash and shares held at nil value.

** Includes donated shares in three new ventures, held at nil value.

*** This excludes the residential properties: 25 Parkside, 96A Regent Street, 76 Regent Street, 70 Regent Street and 65 Devonshire Road. These have a combined value of £6,100,000 but are treated as the College's operational property in the accounts. Because the costs of a formal valuation would outweigh the likely benefits, the values given are provided by Carter Jonas on the basis of an informal assessment.

CAPITAL AND RESERVES

- £147.4 million in capital and reserves (including buildings) - up 4.1%
- £110.7 million in buildings
- £35.8 million in investment assets – up 2.5%
- £3.9 million in benefactions and donations transferred to Partners Capital
- £8.3 million in general reserves – down 37.6%

By year-end, the College's capital base had increased by 4.1%. This improvement was the result of (i) a surplus on operations of £0.3 million, (ii) benefactions and donations of £3.9 million, and (iii) unspent returns on the investment portfolio of £1.6 million. These additions to reserves, however, were once again offset by further actuarial losses on the closed staff pension scheme, Cambridge Colleges Federated Pension Scheme ('CCFPS') of £0.2 million. The benefactions of £3.9 million added to the endowment were in addition to contributions of £0.9 million to building projects and of £0.2 million to annual costs, which are recognised respectively in the deferred capital grants section of the Balance Sheet and the Income and Expenditure account. The capital donations, combined with a return of 8.9% in the Securities Portfolio and 5.8% in the Property Portfolio, led to an overall increase of £5.0 million in Investment Assets. However, an amount of £4.1 million was transferred to operational buildings, representing the value of the upper floors of Parker's House, which are the subject of conversion to student accommodation. The net increase in Investment Assets, therefore, was £0.9 million. At the end of the year, Investment Assets stood at £35.8 million, an increase of 2.5%.

General reserves have decreased by 37.6% (£5.0 million), which at year end stood at £8.3 million. The value of investments held by general reserves increased by 3.6% (£0.5 million). However, there was a decrease of 41.5% (£5.5 million) due to the transfer to the designated buildings reserve following (i) the transfer from investment assets to operational property of the value of Parker's House and (ii) the value of building works undertaken during the year, including the costs of renovating the Howard Building.

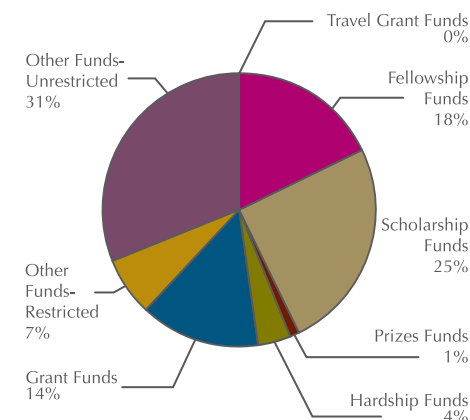
Taken together, these transactions accounted for an addition of £5.8 million for an ending balance on capital and reserves of £147.4 million.

CASH FLOW

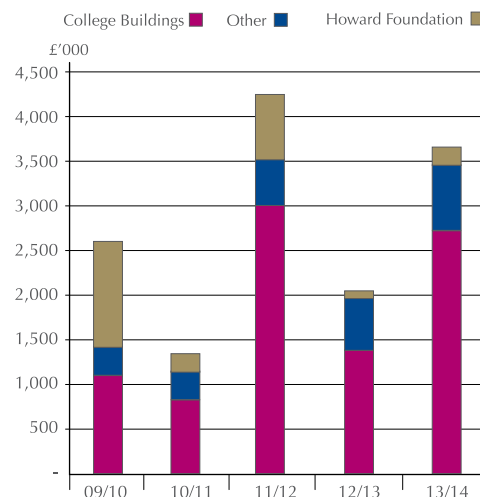
- Cash flow from earnings before depreciation, interest expense, and changes in working capital: £1.9 million
- Change in cash balances in year: £1.0 million reduction
- Total capital expenditure: £3.5 million
- Total capital expenditure excluding donor-funded and special projects: £3.0 million

Cash consumed by all activities resulted in a decrease of £1.0 million in cash balances, with cash held at year end of £2.6 million. Cash generation from operating activities before the effects of working capital and the proceeds from private placement amounted to £0.2 million, a slight improvement on last year's break even, reflecting the better operating performance. Endowment income less interest payable contributed a further £1.3 million of cash.

ENDOWMENT RESERVES



CAPITAL EXPENDITURE



The long-overdue renovation of the Howard Building and of two student houses in Lensfield Road led to an unusually high level of capital expenditure of £3.5 million. Excluding the Howard Building costs and other works funded by donations from the total, £2 million was invested in capital expenditure, which was not quite covered by earnings before depreciation of £1.7 million. Furthermore, for the first time in four years, the cash generated would not have been able to cover the recommended allowance of 1.5% (£1.7 million) of the insured value of the buildings (£112 million).

In 2013, the College raised £5 million in a long-term private placement, with the intention of taking advantage of historically-low rates⁹ in order to provide bridge financing for the Parker's House project and accelerate the refurbishment of student accommodation. The proceeds were invested in a special liquid portfolio, shown as a current asset investment on the balance sheet. Funds have not as yet been withdrawn.

The significant contribution by donors, which this year came to £5.3 million, demonstrates the College's reliance on the generosity of alumni both to develop and to sustain its activities. Of this, £0.4 million was received for the Parker's House project, resulting in cash of £2.0 million held specifically for the project, and £3.9 million was passed over to Partners Capital for investment, compared with £1.7 million last year.

INVESTMENT FOR THE FUTURE

A collective consciousness of historical roots has tended to inspire the long view, with future generations benefiting from decisions taken in previous decades. In the 1980s, a decision was made to negotiate a lease on a development on the eastern border of the College (Parker's House). The terms were so favourable to the College that renegotiation would become inevitable and create an opportunity to buy out the investor's remaining hundred-year interest at a time of depressed prices. The need to house an expanding graduate community may not have been to the forefront in the early 1980s, but creating the conditions for future development will result in the College being able to accommodate all students within its twenty-acre site by 2016. The conversion of the 1980s office block into 78 student en-suite rooms will form a new court, First Court, which links this space to the historical circumstances that created the College: the Court commemorates Sir George Downing, 3rd baronet's grandfather, Sir George Downing, 1st baronet, whose wealth eventually funded the foundation of the College.

The period between the re-purchase of the lease in 2010 and the time when construction could begin on the expiration of a tenancy in March 2014 permitted the College to explore the potential of the project to solve logistical issues in servicing the Domus and to consider ways in which to satisfy the requirement to contribute 1% of the construction costs to public art. The College consulted Adam Caruso of Caruso St John, the architects responsible for the restoration of the Dining Hall, who changed a fundamentally utilitarian project into an architecturally interesting addition to the Domus. By identifying the former stables as a space in which art could be exhibited, Caruso's plan not only fulfils the public art requirement but also gives purpose and significance to First Court. With the help of alumni and friends in the art world, plans for the three years of public exhibitions to which the College is committed are well underway. A creative solution to an accommodation problem has led to the development of the College's cultural life.

9. The placement was in two tranches, one for £2.9 million at 4.40% (£1.3 million for 30 years, £1.6 million for 40 years) and the second for £2.1 million at 4.45% for 30 years.

TEN YEAR CAPITAL PROGRAMME

At 1 October 2014

Net current rooms refurbished or acquired in last ten years (2005–2014): 130 (26%)

Total Student Rooms: 490

Restoration and Major Refurbishment

Year	Building	Number of Student Rooms if Applicable
2005	28 Lensfield Road	8
	Kitchen Refurbishment	
2006	54 Lensfield Road	7
	Parlour Extension and Offices	
2007	50 Lensfield Road	7
	Hall	
	U Staircase	
2008	Howard Lodge	32
2009	V Staircase	
2010	Howard Theatre	
	Boathouse Flood prevention	6
	Master's Lodge Flat	
	H Stair Bathrooms and Kitchen	
2011	Master's Lodge Roof	
	Parker's House Top Floor (Conference use)	
	K and L Staircase Bathrooms (12)	12
	Howard Lodge bathrooms	
2012	Griphon House (formerly 14 Regent St)	22
	Butterfield Building	
2013	Chapel Ramp	
	Rose Garden Flat (part)	
	40/42 Lensfield Road	19
2014	D Staircase	4
	Chapel and Organ	
	MCR and Offices	
Total		117

New and Acquired Buildings, Land, and Leases

Year	Location	Number of Student Rooms (if Applicable)
2005	96a Regent Street (Flats)	3
2006	76 Regent Street	4
2009	70 Regent Street	6
	Howard Theatre	
	Groundsman's Store (Barton Road)	
2010	14 Regent Street (conversion to 22 student rooms)	
2011	Parker's House (top floor change of use)	
2012	Nil	
2013	<i>Barton Road Development Consortium</i>	
2014	Parker's House (1st & 2nd Floors)	
Total (excluding sold houses)		13

Sale of Operational Property and Termination of Leases

Year	Property	Number of Student Rooms (if Applicable)
2005	91 Mawson Road	5
2007	55 Warkworth Terrace	7
2012	65 Lensfield Road (and 1 Downing Archway)	12
2013	1, 2 and 3 Gonville Place (leases terminated)	26
Total		50

FINANCIAL OUTLOOK

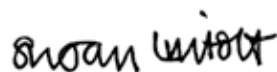
The five-year period following the financial crisis saw a re-shaping of expectations: external funding should be sought for research positions; multi-use, but subject specific, funds were targeted at general educational purposes; ingenuity was exercised in securing teaching at marginal costs; charging for student accommodation should reflect costs; passing catering trade should be courted. An atmosphere of privation pervaded. These measures have helped return a surplus for the third year in a row. Changed circumstances now mean that, in order to secure appropriate teaching in law, the Hopkins Parry Fund must again support a College Teaching Officer rather than be used to support law more generally in the College. External factors will also affect the College's ability to make ends meet: in addition to the extra cost of implementing the administratively cumbersome auto-enrolment pension scheme, the costs of USS are set to rise, and in future the disaggregation of the liabilities of the scheme will affect both the Income and Expenditure Statement and Balance Sheet. Despite the closure of the Downing section of the scheme in 2009, the funding deficit on the College's portion of the Cambridge Colleges Federated Pension Scheme continues to grow, this year reaching £2.0 million. While academic and academic-related salaries are contained by national agreements, the market sets the level of the majority (77%) of the salary bill. Although the College cannot prudently commit to the living wage campaign, it nevertheless recognises the difficulties experienced by the lowest-paid workers and has therefore raised the pay for the lowest-paid permanent staff above £7.64 per hour.

A shift in policy at the Isaac Newton Trust means that instead of subsidising the Cambridge Bursary Scheme, funds will support graduate studentships. Downing received £63,020 in subsidies in 2013-14 from the Isaac Newton Trust for the Cambridge Bursary Scheme.

PLANS FOR THE FUTURE

The Catalysis Campaign was originally conceived in 2009 as a campaign to raise funds principally to sustain existing activities that might be threatened by the vicissitudes of the funding of higher education. However, priorities change subtly over time and the wishes of donors create new opportunities, for example, by providing studentships for graduates. With the support of alumni and friends, the goal of raising £20 million should be reached during the coming year, but the pressure on funding core activities in Grade 1 listed premises persists. The long-term private placement of £5 million has not only provided financing to bridge the gap between the construction of Parker's House and the subsequent sale of the outlying properties, but also it also permits the acceleration of the projects for a major renovation of four houses on Lensfield Road. While it is possible to imagine a plan in which current activities are financially self-sustaining, funds will inevitably be required to invest both in the development of the estate, its buildings, and, most importantly, the life within.

On behalf of the Governing Body:

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2014	2013	2012	2011	2010
1. Education					
Tompkins Tables *	11	12	20	17	15
Undergraduate classification of degrees					
1st	116	87	82	76	81
2:1	213	228	219	217	209
2	13	17	34	45	41
2:2	54	50	60	50	47
3	9	8	14	8	14
Pass	13	14	13	15	16
DDH (Deemed to have deserved honours)	1	5	4	8	9
Ordinary	0	0	0	1	0
Fail	5	2	1	1	0
Number of Special Prizes ¹⁰	19	14	13	9	6
Graduate degrees awarded:					
PhD (including MB PhD)	39	35	38	42	38
MPhil, LLM, MBA et al	64	47	65	54	38
MB BChir	7 (inc 2xVetMB)	9 (inc 2xVetMB)	12 (inc 2xVetMB)	12 (inc 2xVetMB)	2
2. Admissions					
Number of Open Days					
College Open Days	5	5	3	4	4
University Open Days	2	2	2	2	2
South West Open Days	1	1	1	1	1
Numbers visiting Open Days	834	1,046	1,022	1,041	1,195
% subsequently applying to Downing (in October following)	17%	19%	19%	19%	21%
Applicants from South-West initiative (October following)	38	40	31	44	44
Applicants from South-West non-selective schools (included above)	25	27	23	38	31
Admissions from South-West non-selective schools	2	4	4	8	1
Applicants from low participation neighbourhoods	16	22	30	—	—
Admissions from low participation neighbourhoods	2	6	—	—	—

* The table ranks the results of the undergraduates in 29 of the Colleges, expressing the results as a % of the score that would be achieved if everyone were to get a First. Five points are awarded for a First, three for a 2:1, two for a 2:2, and one for a Third.

¹⁰ Special Prizes are awarded to those in the top 2.5% of their University Class List

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2014	2013	2012	2011	2010
2. Admissions continued					
Total Number of Applicants for Undergraduate Courses (in October following)	733	879	818	769	719
% Women: % Men	48:52	47:53	44:56	43:57	45:55
Applicants from Maintained Schools	341	391	383	381	358
% Maintained/ % Independent	62:38	59:41	61:39	62:38	60:40
Admissions (Including Summer Pool)	124	120	125	132	128
% Women: % Men	44:56	43:58	45:55	42:58	38:62
Admissions from Maintained Schools	62	63	61	72	69
% Maintained/ % Independent	61:39	59:41	56:44	58:42	58:42
Applications by subject					
Asian & Middle Eastern Studies	4	6	6	4	3
ASN&C	—	1	2	2	4
Archaeology & Anthropology	—	—	4	3	6
Architecture	25	28	24	18	24
Chemical Engineering via Engineering	9	16	11	—	—
Chemical Engineering via Natural Sciences	14	20	18	—	—
Classics	5	12	13	9	12
Computer Science	10	17	15	10	5
Economics	69	77	70	77	78
Education	2	5	1	1	—
Engineering	73	111	105	91	59
English	22	21	27	20	31
Geography	30	42	26	31	29
History	14	21	19	13	23
History of Art	2	2	4	3	6
Human, Social & Political Sciences	30	35	—	—	—
Land Economy	15	17	13	19	13
Law	84	81	77	70	103
Linguistics	3	1	3	4	3
Mathematics	43	35	38	30	37
Medicine	76	91	102	125	82
Modern & Medieval Languages	19	17	25	19	21
Music	1	4	3	2	1
Natural Sciences (Biological)	67	77	75	67	68
Natural Sciences (Physical)	54	84	88	94	59
Philosophy	5	5	6	5	8

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2014	2013	2012	2011	2010
2. Admissions continued					
Politics, Psychology & Sociology	—	—	30	34	28
Psychological & Behavioural Sciences	47	24	—	—	—
Theology	2	9	5	5	3
Veterinary Medicine	8	20	8	13	13
Ratio of Applications to Offers	5.0:1	6.0:1	5.7:1	5.3:1	4.9:1
% Applicants who are admitted	16.8%	14.1%	14.7%	16.3%	18.4%
% South-West Applicants who are admitted	16.0%	7.4%	17.4%	10.5%	25.8%
Total University Full-Time Undergraduates ¹¹	11,781	11,820	11,948	11,945	12,192
% Female: % Male	46:54	47:53	47:53	47:53	48:52
Total Full-Time Downing Undergraduates	446	436	455	446	445
% Female: % Male	41:59	41:59	41:59	43:57	44:56
Numbers of Undergraduates leaving before graduating	4	4	2	0	0
Total University Full-Time Postgraduates ¹¹	6,579	6,451	6,295	6,346	5,795
% Female: % Male	44:56	44:56	45:55	45:55	46:54
Total Downing Full-Time Postgraduates ¹¹	163	154	170	163	165
% Female: % Male	44:56	39:61	42:58	36:64	39:61
Total University numbers entering course for the first time which attract undergraduate fees ¹¹	3,617	3,536	3,663	3,630	3,951
% Female: % Male	47:53	48:52	47:53	48:52	47:53
Downing numbers admitted to current course in the previous twelve months which attract undergraduate fees ¹¹	137	130	133	141	148
% Female: % Male	42:58	40:60	41:59	44:56	39:61
Total University numbers admitted to full-time postgraduate courses in the previous twelve months ¹¹	4,015	3,930	3,794	3,962	3,346
% Female: % Male	46:54	46:54	47:53	47:53	49:51
Downing numbers admitted to full-time postgraduate courses in the previous twelve months ¹¹	88	76	94	80	72
% Female: % Male	48:52	33:67	45:55	38:62	40:60

¹¹ Cambridge Student Statistics Office figures (excluding incoming exchange and visiting students).

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2014	2013	2012	2011	2010
3. Composition of Full-time Students¹¹					
Undergraduates					
Home	370	370	397	403	—
EU	31	26	24	15	—
Overseas	45	40	34	28	—
Total	446	436	455	446	—
Postgraduates					
Home	58	61	59	53	—
EU	41	40	42	44	—
Overseas	64	53	69	66	—
Total	163	154	170	163	—
4. Financial Support for Students: Number of Students Receiving Grants					
Cambridge Bursary Scheme (formerly Isaac Newton Grants)	106	111	111	105	92
Cambridge Commonwealth Trust	8	4	12	8	12
Cambridge European Trust	8	1	5	8	12
Cambridge Overseas Trust	16	12	24	21	9
Gates Cambridge Trust	2	—	3	5	4
Average value of Cambridge Bursary Scheme Grants	£2,644	£2,508	£2,585	£2,435	£2,099
5. Accommodation					
Average Weekly Rent Undergraduate Study Bedroom	£130.43	£119.92	£109.14	£103.33	£96.46
Average Weekly Rent Graduate Study Bedroom	£131.72	£115.46	£112.29	£106.62	£99.69
Undergraduates Housed in College Accommodation	374	378	384	389	379
Graduates Housed in College Accommodation	108	120	117	101	106
Total Units of Student Accommodation	488	515	505	505	502
6. Student Catering Income					
Lunch	£86,013	£79,144	£88,728	£102,142	£90,991
Dinner	£88,769	£90,412	£90,584	£92,525	£94,625
Café	£130,068	£74,890	£41,502	£56,201	£65,367
Formal Hall	£50,204	£52,362	£53,520	£49,590	£42,459

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2014	2013	2012	2011	2010
7. Conference & Functions					
Conference and Function Income	£2,042,832	£2,130,084	£1,875,620	£1,886,940	£1,616,911
Total Room nights	15,337	16,849	14,696	14,743	11,410
Capacity Utilisation Total Conference Rooms	31.6%	35.0%	32.6%	—	—
En—suite Rooms	32.0%	33.2%	33.0%	—	—
Average Price Achieved per Room Used	£55.68	£52.46	£50.65	£46.08	£49.57
8. Development and Fundraising					
Development Campaign Cash Recognised (including by The Segreants Trust)	£4,904,293	£3,150,706	£2,325,775	£2,856,898	£2,721,334
Living donors as a % of members in contact	42%	42%	43%	43%	44%
Participation Rate this Financial Year of Living Members in Contact	21%	19%	18%	17%	18%
Direct Fundraising Costs:					
Donations Raised excluding Legacies and the Howard Gift	5:1	7:1	3:1	7:1	1:1
Donations Raised including Legacies but excluding the Howard Gift	13:1	9:1	6:1	11:1	6:1
Donations Raised including Legacies but excluding the Howard Gift (5 year average)	9:1	7:1	6:1	6:1	4:1
9. Income and Expenditure					
% Surplus (Deficit) Turnover	2.3%	2.8%	3.0%	(4.4%)	(10.0%)
% Surplus (Deficit) Free Reserves ¹²	2.8%	2.0%	2.4%	(2.7%)	(53.7%)
Staff costs as a % of Turnover	43.0%	44.2%	43.6%	45.1%	48.7%
£ per sq.metre cost of upkeep of Buildings	£150.87	£150.20	£156.65	£175.42	£188.32
10. Charitable Funds					
Charitable Funds Invested (including Works of Art, etc.) ¹²	£43,751,076	£42,860,536	£39,732,187	£36,425,533	£30,408,247
Endowment Assets less loans per Full-Time Students ¹²	£54,599	£63,323	£54,771	£50,781	£40,844
Capital Value per Unit	£22.69	£22.17	£21.39	£21.02	£19.37
Spending Rule Amount ¹³	£1,617,819	£1,543,197	£1,505,631	£1,467,740	£1,497,688
Spending Rule Amount as % Income	15.9%	16.0%	16.3%	16.6%	18.1%
Spending Rule Amount as % Income (Five Year Average)	16.6%	17.9%	19.3%	20.7%	21.6%
Spending Rule Amount as % Investment Portfolio	4.5%	4.4%	4.7%	5.0%	5.9%

12 Definitions changed in 2010-11.

13 The Spending Rule is the amount determined that can be spent and still preserve the purchasing power of the endowment for the long-term. It also constitutes the amount of the total return recognised in the income and expenditure account (note 3a).

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2014	2013	2012	2011	2010
10. Charitable Funds continued					
Total Actual Endowment Withdrawal ¹⁴	£3,116,516	£1,630,510	£1,243,975	£2,704,863	£1,637,621
Total Actual Endowment Withdrawal as % of Charitable Funds	7.1%	3.8%	3.1%	7.4%	5.4%
Performance of Core Securities Portfolio (net of fees)	8.9%	10.8%	0.0%	14.0%	7.2%
Annual Three-year Cumulative	6.5%	8.1%	6.9%	(1.5%)	(6.7%)
Annual Five-year Cumulative	8.1%	1.2%	(1.6%)	0.3%	(0.5%)
Performance of Property Portfolio	5.8%	7.6%	11.4%	17.4%	14.1%
Annual Three-year Cumulative	8.3%	12.1%	14.3%	10.6%	2.4%
Annual Five-year Cumulative	11.2%	10.2%	7.0%	5.8%	5.5%
11. Inflation Measurements					
RPI	2.6%	3.3%	2.8%	5.0%	5.0%
RPIX	2.7%	3.3%	2.8%	5.0%	5.0%
HEPPI – now discontinued	—	—	—	—	2.2%
Tender Price Inflation (October – October) Davis Langdon Tender Price Index	4.9%	2.0%	0.5%	(0.5%)	(2.0%)
12. The Fellowship					
Fellowship (as of 1 October 2014)	47	50	52	53	52
University Principal Employer	33	36	38	39	37
Professors	13	14	14	13	12
Readers	3	4	2	4	4
Senior Lecturers	6	7	6	6	6
Lecturers	8	8	11	12	12
Other	3	3	5	4	3
College Teaching Officers	3	2	2	4	4
Research Fellowships	2	3	3	2	3
Stipendiary	1	2	3	2	3
Non-stipendiary	1	1	—	—	—
Administrative + Chaplain	4	4	4	4	3
Female	14	14	14	16	16
Male	33	36	38	37	36
Resident	3	5	7	8	8
Non-Resident	44	45	45	45	44

¹⁴ The Total Actual Endowment Withdrawal is: (a) the amount actually withdrawn from the portfolio, plus (b) the donations and bequests that have been invested in units of the Amalgamated Fund at year-end that are netted against withdrawals for the Spending Rule Amount rather than disturb the portfolio, plus (c) EBITDA less interest and less capital expenditure (ex. Howard Foundation projects).

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2014	2013	2012	2011	2010
13. Support Staff					
Support Staff Headcount	155	144	139	135	137
Female	90	82	82	78	81
Male	65	62	57	57	56
Turnover					
Appointments	36	23	30		
Retirements	5	2	3	2	2
Resignations	19	13	18	21	18
Deceased	—	1	1	—	—
Dismissal/Redundancy	1	2	4	4	1
Days Sickness	618	944	895	1,123	1,508
Reports under RIDDOR	—	—	1	1	—
14. Pensions					
Members in the USS Pension Scheme	76	74	78	86	95
Members in Money Purchase Scheme	72	7	5	3	2
Members in the CCFPS Pension Scheme at the Triennial Actuarial Valuation 31 March	2	2	4	4	4
Pensioners	34	—	—	27	—
Male	17	—	—	12	—
Female	17	—	—	15	—
Deferred	50	—	—	59	—
Male	23	—	—	31	—
Female	27	—	—	28	—
Active Members	2	—	—	4	—
Average Age	64.0	—	—	51.7	—
Male	1	—	—	2	—
Average Age	57.5	—	—	59.5	—
Female	1	—	—	2	—
Average Age	60.7	—	—	43.8	—
Pension fund Assets (CCFPS) at Triennial Valuation Assets	£4,497,500	—	—	£3,551,000	—
Past Service Funding Level Deficit	(£925,600)	—	—	(£274,000)	—
Funding Level %	79%	—	—	93%	—
Members of Previous College Staff Scheme (Retired)	5	5	5	6	7

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2014	2013	2012	2011	2010
15. Environmental Measures					
Colleges Environmental League Table	1	1	1=	6	1
Management Rank	3	2=	1	6	2
Management Score	260 pts	86%	NA	71%	73.6%
Energy Rank (CO2 emissions 2014)	6	7	NA	4	7
Energy Score (CO2 emissions)	9.3 kg/p/day	11.5 kg/p/day	30.0kWh/p/day	57.0kWh/p/day	60.0kWh/p/day
Water Rank	3	2	NA	5	6
Water Score	142 litres/p/day	166 litres/p/day	<250 litres/p/day	279 litres/p/day	275 litres/p/day
Recycling Rank	1	2	NA	12	1
Recycling Score	NA	64%	92.1%	65%	97.6%
Water Use	£74,713	£84,706	£78,662	£62,460	£76,630
Gas Use	£167,491	£180,292	£163,061	£140,637	£128,415
Electricity Use	£178,146	£192,065	£157,110	£163,981	£201,318
Gas unit price (p/kWh)	2.32p	2.32p	2.548p	1.9804p	1.9804p
Electricity unit price (p/kWh)	9.236p	9.236p	7.905p	7.905p	10.533p
Scope 1 Carbon Emissions					
Gas (Tonne/CO2e)	943	1070	1,198	903	1,006
Fuel (Tonne/CO2e)	0	<1	<6	<1	<1
Scope 2 Carbon Emissions					
Electricity (Tonne/CO2e)	910	950	990	979	1,002
16. Governance					
Freedom of Information requests	61	25	14	—	—

ACCOUNTING

1. Donations and Benefactions

The College increasingly relies on donations and benefactions, these being received principally from members out of residence. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. Donations with no substantial restrictions are recognised as income in the income and expenditure account. Donations which are to be retained for the future benefit of the College, and other donations with substantially restricted purposes, other than for the acquisition or construction of tangible fixed assets, are recognised in the statement of total recognised gains and losses as new endowments.

2. Legacies

Because of its historical experience, the College treats legacies as having been received only when they have been paid, or when it becomes indisputably certain that they will be paid.

3. Taxation

On 1 June 2010, the College ceased to be an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and became a registered charity, number 1137455, on 12 August 2010.

The College is 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. The College is a partially exempt organisation for VAT purposes. With the approval of H M Revenue and Customs, it has adopted a methodology that enables it to recover part of the VAT on its expenses. Though recovered VAT significantly exceeds the VAT previously recoverable under the old CVCP Guidelines, input tax on purchases is, nevertheless, largely irrecoverable. In 2013-14, the College received £160,148 in refunds on purchases of £6.0 million.

The College's subsidiary companies, Downing College Developments Limited, Downing Cambridge Conferences Limited and The May Ball Company Limited are not subject to these exemptions and are liable for Corporation Tax. However, all taxable profits of the subsidiaries are gift aided to the College, thereby extinguishing any corporation tax that may be assessable.

4. Funds

i) Deferred Capital:

Deferred Capital represents donations towards the cost of purchase or construction of a tangible fixed asset other than land.

ii) Endowment:

Endowment funds are held on trust to be retained for the benefit of the College. They can be either permanent funds (of either a restricted or unrestricted nature) which must be invested permanently to generate an income stream, or expendable funds, which may be converted to income and are restricted only. Restricted funds are subject to specific trusts, which may be declared by the donor(s) or with their authority, or created through a legal process. The restriction may apply to income or capital, or both.

iii) Reserves:

Unrestricted funds are available to the College for general purposes and are expendable at the College's discretion. The College has designated part of the fund for a particular purpose, the Designated Building Reserve. This reserve, together with the Revaluation Reserve and Deferred Capital, represents the net book value of the fixed assets used for operational purposes.

5. Depreciation

The earliest buildings, designed by William Wilkins, form a significant part of the Domus and are listed as Grade I.¹⁵ All other buildings on the Domus come within the curtilage of those buildings and are therefore subject to some of the same restrictions. The Listing imposes an obligation to repair and restore. A full quinquennial asset valuation of the operational estate for accounting purposes was prepared by Gerald Eve LLP, Chartered Surveyors, as at 30 June 2011. The resulting value of the buildings was included in Fixed Assets on the Balance Sheet. All repairs that restore value are capitalised, as are improvements. Other repairs are charged against income. For insurance purposes, the replacement cost of the buildings has been valued at £112.9 million.

6. Pensions

FRS 17 has been adopted in full, enabling the estimated cost of providing the pension benefits earned during the year to be included as a staff cost within expenditure. The deficit on the scheme is shown as a liability of the College and deducted from reserves.

¹⁵ Certain of the College buildings were first listed as buildings of "special architectural or historic interest" on 26 April 1950. The buildings that are classified as Grade 1 ("buildings of exceptional interest", comprising about 2% of the 1989 resurvey) are: east and west Ranges, including the Hall, the Master's Lodge and the east and west lodges. Those classified as Grade 2 ("particularly important buildings of more than special interest", comprising about 4% of the list) are: The Gate lodge [with 36 Regent Street], and gates to Regent Street; the West Gate onto Tennis Court Road, including short screen walls on either side; North-west Gate onto Tennis Court Road opposite Fitzwilliam Street; Boundary Wall fronting Tennis Court Road.



Financial Statements



RESPONSIBILITIES OF THE GOVERNING BODY

The Governing Body is responsible for the administration and management of the College's affairs.

The Governing Body presents audited financial statements for each financial year. These are prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom Accounting Standards, including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by the University of Cambridge in their Recommended Cambridge College Accounts.

With reference to the above provisions, the Governing Body is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept.

It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University.

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

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

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF DOWNING COLLEGE

We have audited the financial statements of Downing College for the year ended 30 June 2014 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and College balance sheet, the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF THE GOVERNING BODY AND AUDITORS

As explained more fully in the Governing Body's Responsibilities Statement set out on page 68, the Governing Body 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 made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Trustees' 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 College's affairs as at 30 June 2014 and of its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with 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 Governing Body Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors
Salisbury House
Station Road
CAMBRIDGE CB1 2LA

A handwritten signature in black ink, appearing to read 'Peter', followed by a long, sweeping horizontal line that extends to the right.

Date: 19 December 2014

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

Statement of Principal Accounting Policies



BASIS OF PREPARATION

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

The income and expenditure account includes activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to the use of public funds. The analysis required by the SORP is set out in note 8.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain land and buildings.

BASIS OF CONSOLIDATION

The consolidated financial statements consolidate the financial statements of the College and its subsidiary undertakings for the year ended 30 June 2014. The results of subsidiary undertakings acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. The activities of student societies have not been consolidated.

A separate balance sheet and related notes for the College are not included in the accounts because the College's subsidiary companies are a design and build company, a conference trading company and a company operating the bi annual May Ball and therefore the balance sheet would not be materially different from the one included in the accounts.

RECOGNITION OF INCOME

a) Academic fees

College fee income is recognised in the period for which it is received and includes all fees chargeable to students or their sponsors.

b) Donations and benefactions

Charitable donations are recognised on receipt or where there is certainty of future receipt 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. Donations with no

substantial restrictions are recognised as income in the income and expenditure account. Donations which are to be retained for the future benefit of the College, and other donations with substantially restricted purposes, other than for the acquisition or construction of tangible fixed assets, are recognised in the statement of total recognised gains and losses as new endowments.

c) Capital grants and donations

Grants and donations are received for the purposes of funding the acquisition and construction of tangible fixed assets. In the case of depreciable assets these are credited to deferred capital grants when the related capital expenditure is incurred and released to income over the estimated useful life of the respective assets in line with the depreciation policy. Grants and donations of, or for the acquisition of, freehold land or heritage assets, which are non-depreciable assets, are credited to the income and expenditure account in the year of acquisition.

d) Other income

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

e) Endowment and investment income

All investment income is credited to the income and expenditure account in the period in which it is earned. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments.

f) Total return

The College operates a total return policy with regard to its endowment assets (including property). The endowment spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the endowment portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the endowment market value. The actual rate of spending for 2014 when measured against the previous year's market value was 4.5%.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates 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 income and expenditure for the financial year.

TANGIBLE FIXED ASSETS

a) Freehold Land and Buildings

Buildings are stated at valuation, the aggregate surplus or deficit is transferred to a revaluation reserve included within Reserves.

Existing land is not capitalised unless it is held for investment purposes. Purchased land is capitalised in the balance sheet.

Where buildings have been revalued, they are valued on the basis of their depreciated replacement cost. A full asset valuation of the operational estate for accounts purposes was carried out by Gerald Eve LLP, Surveyors, as at 30 June 2011. Freehold buildings are depreciated on a straight line basis over their expected useful economic lives of 100, 50, or 20 years.

Where 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.

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 30 June and are depreciated when brought into use.

b) Maintenance of premises

The cost of major refurbishment and maintenance that restores value is capitalised and depreciated over the expected useful economic life of the asset concerned.

c) Furniture, fittings and equipment

Furniture, fittings, and equipment are capitalised and depreciated over their expected useful life as follows:

Catering equipment	5 years
Furniture and equipment	10 years
Information Technology	3 years
Library books	30 years

INVESTMENTS

a) Securities

Securities are shown at their market value. Investment income is included when dividends and interest become payable. Interest on bank deposits is included as earned.

b) Works of Art

Works of art and silver are included at their market value as assessed by Christie's on 4 October 2012.

c) Estate Properties

Investment properties are included at valuation and the aggregate surplus or deficit is transferred to a revaluation reserve included within Reserves. An annual assessment was carried out by Carter Jonas, Property Consultants, at 30 June 2014.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

PROVISIONS

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, and 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.

ENDOWMENT FUNDS

Endowment funds are classified under three headings:

Where the donor has specified that the fund is to be permanently invested to generate an income stream for the general purposes of the College, the fund is classified as an unrestricted permanent endowment.

Where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied for a restricted purpose, the fund is classified as a restricted permanent endowment.

Where the donor has specified a particular objective other than the acquisition or construction of tangible fixed assets, and that the College must or may convert the donated sum into income, the fund is classified as a restricted expendable endowment.

RESERVES

Within the detailed notes to the financial statements the split of General Reserves, between free reserves and those designated for the repair and maintenance of the historic buildings, has been included to highlight the extent of the College commitment.

TAXATION

The College is a registered charity (number 1137455) 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 College received grants of £Nil (2013: £72,000) which is credited to permanent endowment.

PENSION SCHEMES

The College participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings-Related Pension Scheme. The fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are accounted for over the period during which the College benefits from the employees' services.

The College also contributes to the Cambridge Colleges Federated Pension Scheme, which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

The College also contributes to the personal pension schemes of employees. These funds are held separately from the assets and liabilities of the College. The contributions are charged to the Income and Expenditure Account as incurred and represent the amounts payable by the College to the fund for the year.

Principal Accounting Statements



CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 £000	2013 £000
Income			
Academic Fees and Charges	1	2,713	2,596
Residences, Catering and Conferences	2	5,173	5,044
Endowment and Investment Income	3	1,687	1,548
Donations	4	574	468
Other Income		9	229
Total Income		10,156	9,885
Expenditure			
Education	5	4,133	4,025
Residences, Catering and Conferences	6	5,571	5,369
Other (Investment and Property Management)		132	155
Total Expenditure	8	9,836	9,549
Surplus on Continuing Operations before Contribution under Statute G, II		320	336
Contribution under Statute G,II	7	—	—
Surplus on Continuing Operations after Contribution under Statute G, II		320	336
Surplus for the year transferred to Accumulated Income in Endowment Funds		(87)	(70)
Surplus for the year retained within General Reserves		233	266

All items dealt with in arriving at the Surplus for 2014 and Surplus 2013 relate to continuing operations.

Note of Historical Cost Surpluses and Deficits

The difference between the results as disclosed in the Income and Expenditure Account and the result on an unmodified cost basis is not material.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2014

	Note	Restricted Funds £000	Unrestricted Funds £000	Total Funds 2014 £000	Total Funds 2013 £000
Surplus on income and expenditure account		—	233	233	266
Unspent endowment fund income		87	—	87	70
Total Return not recognised in the Income & Expenditure Account	3b	301	553	854	1,217
Increase in market value of fixed asset investments excluded from Total Return		—	147	147	25
Capital grant from Colleges Fund	19	—	—	—	72
New endowments	19	3,178	845	4,023	1,744
Increase in market value of current asset investments		—	65	65	—
Actuarial loss in respect of pension schemes		—	(266)	(266)	(409)
Total recognised gains relating to the year		3,566	1,577	5,143	2,985
Reconciliation					
Opening reserves and endowments	28	13,106	109,609	122,715	119,730
Total recognised gains for the year		3,566	1,577	5,143	2,985
Closing reserves and endowments		16,672	111,186	127,858	122,715

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2014

	Note	2014 £000	2013 £000
Fixed Assets			
Tangible Assets	10	112,439	106,228
Investments	11	19,116	22,759
		131,555	128,987
Endowment Assets	12	24,650	20,106
Current Assets			
Investments		5,085	—
Stock		162	171
Debtors	13	681	922
Cash	14	2,578	3,573
		8,506	4,666
Creditors: amounts falling due within one year	15	(4,807)	(4,915)
Net Current Assets/(Liabilities)		3,699	(249)
Provisions for Liabilities and Charges		—	—
Creditors: amounts falling due after more than one year	16	(10,500)	(5,500)
Net Assets excluding Pension Liability		149,404	143,344
Pension Liability	17	(2,038)	(1,825)
Net Assets including Pension Liability		147,366	141,519

CONSOLIDATED BALANCE SHEET CONTINUED

	Note	Restricted Funds £000	Unrestricted Funds £000	Total 2014 £000	Total 2013 £000
Capital and Reserves					
Deferred Capital Grants	18	19,508	—	19,508	18,804
Endowments					
Expendable endowments	19	1,240	—	1,240	1,197
Permanent endowments	19	15,432	7,978	23,410	18,909
		16,672	7,978	24,650	20,106
Reserves					
General reserves excluding pension reserve	20	—	94,376	94,376	93,637
Pension reserve	20	—	(2,038)	(2,038)	(1,825)
Operational property revaluation reserve	20	—	7,240	7,240	7,314
Fixed asset revaluation reserve	20	—	3,630	3,630	3,483
		—	103,208	103,208	102,609
Subtotal of Endowment & Reserves		16,672	111,186	127,858	122,715
Total		36,180	111,186	147,366	141,519

These accounts were approved by the trustees on 28 November 2014 and are signed on their behalf by:



Prof G R Grimmett, Master

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2014 £000	2013 £000
A. Operating Activities		
Operating Surplus Before Tax	320	336
Profit on disposal	—	(221)
Depreciation	1,396	1,393
Less: Investment Income	(1,686)	(1,548)
Movement in Pension Deficit	(52)	(47)
Interest payable	395	268
Donation Income expended in year	(215)	(203)
Increase in current asset investments	(5,021)	—
Decrease in Stocks	8	—
Decrease/(increase) in Debtors	171	(102)
Decrease in Creditors	(264)	(342)
Net Cash Outflow from Operating Activities	(4,948)	(466)
B. Returns on Investments and Servicing of Finance		
Income from Endowments	1,652	1,543
Other interest received	34	5
Interest paid	(394)	(268)
Net Cash Inflow from Returns on Investments and Servicing of Finance	1,292	1,280
C. Contribution to Colleges Fund	—	—
D. Capital Expenditure and Financial Investment		
Purchase of tangible fixed assets	(3,387)	(771)
Donations and other deferred capital grants received	4,941	2,947
Net purchase of long term investments	(3,882)	(1,697)
Net purchase of other investments	(10)	—
Net Cash (Outflow)/Inflow from Capital Transactions	(2,338)	479
Net Cash (Outflow)/Inflow before Financing	(5,994)	1,293

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	2014 £000	2013 £000	
E. Financing			
Bond funding	5,000	—	
F. Decrease in Cash			
(Decrease)/Increase in Cash in the Period	(994)	1,293	
Bond funding	(5,000)	—	
Net Funds brought forward at 1 July 2013	(1,928)	(3,221)	
Net Funds carried forward at 30 June 2014	(7,922)	(1,928)	
G. Analysis of Changes in Net Debt			
	At 1 July 2013 £000	Cashflows £000	At 30 June 2014 £000
Cash at bank and in hand	3,572	(994)	2,578
Loan	(5,500)	(5,000)	(10,500)
	(1,928)	(5,994)	(7,922)



Notes to the Accounts



NOTES TO THE ACCOUNTS

1. Academic Fees and Charges

	2014 £000	2013 £000
College fees:		
Fee income paid on behalf of undergraduates at the Publicly-funded Undergraduate rate (per capita fee £4,500 - £4,068) (2013: £4,500 - £3,951)	1,667	1,555
Privately-funded Undergraduate fee income (per capita fee £7,350 - £6,270) (2013: £6,999 - £5,970)	340	309
Fee income received at the Graduate fee rates (per capita fee £2,424) (2013: £2,349)	415	373
	2,422	2,237
Research/Teaching grants	49	105
Other income	10	9
Cambridge Bursary Scheme	232	245
Total	2,713	2,596

2. Residences, Catering and Conferences Income

	2014 £000	2013 £000
Residential Accommodation		
College Members	2,471	2,321
Conferences	1,021	1,062
International programmes	111	114
Catering		
College Members	658	593
Conferences	853	904
International programmes	59	50
Total	5,173	5,044

3. Endowment and Investment Income

	2014 £000	2013 £000
3a. Analysis		
Total return contribution (see note 3b)	1,653	1,543
Current investment asset	21	—
Cash	13	5
	1,687	1,548

NOTES TO THE ACCOUNTS CONTINUED

3b. Summary of Total Return

	2014 £000	2013 £000
Income from:		
Investment portfolio and investment properties	1,058	1,314
Gains/(losses) on endowment assets:		
Investment portfolio and investment properties	1,575	1,531
Investment management costs (see note 3c)	(125)	(85)
Total return for year	2,508	2,760
Total return transferred to income and expenditure account (see note 3a)	(1,653)	(1,543)
Total return for year included within statement of total recognised gains and losses	854	1,217
Unapplied Total Return at beginning of year	7,548	6,331
Unapplied Total Return at end of year	8,402	7,548

These amounts do not include any total return relating to the College properties from financial years earlier than 30 June 2007.

3c. Investment Management Costs

	2014 £000	2013 £000
Freehold land and buildings	18	18
Quoted and other securities and cash	107	67
Total	125	85

4. Donations

	2014 £000	2013 £000
Unrestricted donations	244	172
Restricted donations	115	93
	359	265
Released from deferred capital grants (see Note 18)	215	203
Total	574	468

NOTES TO THE ACCOUNTS CONTINUED

5. Education Expenditure

	2014 £000	2013 £000
Teaching	2,038	2,031
Tutorial	552	497
Admissions	437	418
Research	143	160
Scholarships and Awards	483	450
Other Educational Facilities	480	469
Total (Note 8)	4,133	4,025

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £280,300 (2013: £278,400).

6. Residences, Catering and Conferences Expenditure

		2014 £000	2013 £000
Residential Accommodation	College Members	2,369	2,228
	Conferences	1,266	1,362
Catering	College Members	957	828
	Conferences	979	951
Total		5,571	5,369

Conferences expenditure is included above on a fully costed basis, however on a direct cost basis the conferences profit would be £818,022 (2013 - £918,860).

7. Contribution under Statute G, II

	2014 £000	2013 £000
University Contribution relating to 2013/14	—	—
University Contribution relating to 2012/13	—	—
	—	—

NOTES TO THE ACCOUNTS CONTINUED

8. Analysis of Expenditure by Activity

8a) Analysis of 2013/14 Expenditure by Activity

	Staff Costs (Note 9) £000	Other Operating Expenses £000	Depreciation £000	Total 2014 £000
Education (Note 5)	1,888	1,844	401	4,133
Residences, Catering and Conferences (Note 6)	2,441	2,141	988	5,570
Other	42	83	8	133
	4,371	4,068	1,397	9,836

8b) Analysis of 2012/13 Expenditure by Activity

	Staff Costs (Note 9) £000	Other Operating Expenses £000	Depreciation £000	Total 2013 £000
Education (Note 5)	1,810	1,861	354	4,025
Residences, Catering and Conferences (Note 6)	2,391	1,942	1,036	5,369
Other	71	80	4	155
	4,272	3,883	1,394	9,549

The above expenditure includes £366,971 as the direct cost of fundraising (2013: £351,964).
This expenditure includes the costs of alumni relations.

8c) Auditors' remuneration

	2014 £000	2013 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	17	17
Other fees payable to the College's external auditors	3	3
	20	20

NOTES TO THE ACCOUNTS CONTINUED

9. Staff Costs

	College Fellows £000	Other Academics £000	Non-Academics £000	Total 2014 £000	Total 2013 £000
Staff Costs					
Emoluments	887	—	2,971	3,858	3,769
Social Security Costs	49	—	178	227	220
Other Pension Costs	80	—	206	286	283
	1,016	—	3,355	4,371	4,272
Average Staff Numbers (Full-time Staff Equivalents)					
Academic	48	—	—	48	49
Non-Academic	3	—	115	118	118
Total	51	—	115	166	167

Of the 51 Fellows, 45 Fellows are stipendiary.

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

The trustees receive no emoluments in their capacity as trustees of the College.

NOTES TO THE ACCOUNTS CONTINUED

10. Tangible Fixed Assets

Group and College	Library Books £000	College Buildings & Site £000	Assets under construction £000	Information Technology £000	Furniture & Equipment £000	Catering Equipment £000	Total 2014 £000
<i>Cost or valuation</i>							
At beginning of year	758	106,417	—	942	4,398	284	112,799
Additions	31	2,752	372	41	320	21	3,537
Transfer	—	—	4,070	—	—	—	4,070
At end of year	789	109,169	4,442	983	4,718	305	120,406
<i>Depreciation</i>							
At beginning of year	276	1,863	—	854	3,346	232	6,571
Charge for the Year	29	1,016	—	71	259	21	1,396
At end of year	305	2,879	—	925	3,605	253	7,967
<i>Net Book value</i>							
At end of year	484	106,290	4,442	58	1,113	52	112,439
At beginning of year	482	104,554	—	88	1,052	52	106,228

The insured value of freehold Land and Buildings at 30 June 2014 was £112,922,188 (2013 £112,229,688).

NOTES TO THE ACCOUNTS CONTINUED

11. Investments

Group and College

	2014 £000	2013 £000
Balance at beginning of year	22,759	22,106
Additions	10	—
Disposals	(150)	(1)
Change in market value	(3,650)	629
Revaluation	147	25
Balance at end of year	19,116	22,759

Represented by:

	2014 £000	2013 £000
Works of art / silver	4,601	4,453
Investment in Cambridge Colleges Funding Plc	5	—
Investment in Cambridge Colleges Funding II Plc	5	—
Capital Expendable Investments (Note 12)	14,250	17,901
Loan to Joint College's Nursery Scheme	5	5
Land	250	400
Total	19,116	22,759

Investments held by the College also include an additional £5,002 (2013: £5,002) investment in the subsidiary undertakings at cost (see Note 24)

NOTES TO THE ACCOUNTS CONTINUED

12. Endowment Assets

Group and College

	2014 £000	2013 £000
Long term investments:		
Balance at beginning of year	20,106	17,632
Additions	8,067	3,354
Disposals	(3,867)	(3,168)
Transfer	(4,070)	—
Movement in over distribution of Market Value to Funds	(34)	(93)
Movement in due from Expendable Capital	70	64
Movement in amount included in Investment Assets	3,650	(629)
Change in market value	1,565	1,531
Change in cash held by fund managers	(837)	1,415
Total Long term investments	24,650	20,106

Represented by:

	2014 £000	2013 £000
Property	12,964	17,079
Securities – Equities / Hedge Funds	20,220	13,625
Securities – Fixed Interest	832	1,617
Cash with Agents	1,758	2,596
Over distribution of Market Value to Funds	1,504	1,538
Due from Expendable Capital	1,622	1,552
Total	38,900	38,007
Less amounts included as Investment assets (Note 11)	(14,250)	(17,901)
Total	24,650	20,106

NOTES TO THE ACCOUNTS CONTINUED

13. Debtors

	Group 2014 £000	College 2014 £000	Group 2013 £000	College 2013 £000
Members of the College	94	94	177	177
Rents	82	82	140	140
Conferences	94	27	203	47
Fees	11	11	1	1
Other debtors	401	1,021	401	439
Total	681	1,235	922	804

14. Cash and bank balances

	Group 2014 £000	College 2014 £000	Group 2013 £000	College 2013 £000
Short-term money market investments	—	—	560	560
Bank deposits	1,810	1,810	2,012	2,012
Current accounts	766	61	1,000	524
Cash in hand	2	2	1	1
Total	2,578	1,873	3,573	3,097

15. Creditors: amounts falling due within one year

	Group 2014 £000	College 2014 £000	Group 2013 £000	College 2013 £000
Due to tradesmen & others	756	756	787	787
Members of the College	178	178	167	167
University Fees	9	9	1	1
Other creditors	2,242	1,731	2,408	2,446
Due to permanent capital	1,622	1,622	1,552	1,552
Total	4,807	4,296	4,915	4,953

NOTES TO THE ACCOUNTS CONTINUED

16. Creditors: amount falling due after one year

Group and College	2014 £000	2013 £000
Bond funding	5,000	—
Bank loan due more than 5 years	5,500	5,500
Total	10,500	5,500

The loan is repayable in 2048 and interest payable is fixed at 4.64%.

During 2013-14, the College has borrowed from institutional investors, collectively with other Colleges, the College's share being £5 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

17. Pension liabilities

Group and College	2014 £000	2013 £000
Balance at beginning of year	1,825	1,463
Movement in year:		
Current service cost including life assurance	19	19
Contributions	(102)	(106)
Other finance cost	30	40
Actuarial loss recognised in statement of total recognised gains and losses	266	409
Balance at end of year	2,038	1,825

NOTES TO THE ACCOUNTS CONTINUED

18. Deferred capital grants

	2014 £000	2013 £000
<i>Balance at beginning of year</i>		
Buildings	18,782	17,873
Equipment	22	4
<i>Donations received</i>		
Buildings	919	1,105
Equipment	—	25
<i>Released to income and expenditure account</i>		
Buildings	(208)	(196)
Equipment	(7)	(7)
<i>Balances at end of year</i>		
Buildings	19,493	18,782
Equipment	15	22
Total balance at end of year	19,508	18,804

Deferred capital grants represent donations received towards major building projects which are released to the Income and Expenditure Account according to the accounting policy stated in these accounts.

NOTES TO THE ACCOUNTS CONTINUED

19. Endowments

Group and College

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Total 2014 £000	Total 2013 £000
Balance at beginning of year						
Capital	7,000	11,824	18,824	1,038	19,862	17,452
Unspent Income	—	85	85	159	244	180
	7,000	11,909	18,909	1,197	20,106	17,632
Income receivable from endowment asset investments	1,047	560	1,607	46	1,653	1,544
Expenditure	(1,047)	(491)	(1,538)	(28)	(1,566)	(1,473)
Net transfer from income and expenditure account	—	69	69	18	87	71
New endowments received	845	3,178	4,023	—	4,023	1,816
Increase in market value of investments	133	276	409	25	434	587
Balance at end of year	7,978	15,432	23,410	1,240	24,650	20,106
Comprising:						
Capital	7,978	15,296	23,274	1,063	24,337	19,862
Unspent Income	—	136	136	177	313	244
Balance at end of year	7,978	15,432	23,410	1,240	24,650	20,106

NOTES TO THE ACCOUNTS CONTINUED

19. Endowments continued

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Total 2014 £000	Total 2013 £000
Representing:						
Fellowship Funds	—	4,497	4,497	—	4,497	4,206
Scholarship Funds	439	5,532	5,971	155	6,126	3,681
Prize Funds	18	308	326	11	337	315
Hardship Funds	—	1,037	1,037	2	1,039	977
Travel Grant Funds	—	34	34	—	34	34
Grant Funds	8	2,709	2,717	666	3,383	3,079
Other Funds	7,513	1,315	8,828	406	9,234	7,814
	7,978	15,432	23,410	1,240	24,650	20,106

NOTES TO THE ACCOUNTS CONTINUED

20. Reserves

Group and College	General Reserves £000	Designated Buildings Reserve £000	Operational Property Revaluation Reserve £000	Fixed Asset Investment Revaluation Reserve £000	Pension Reserve £000	Total 2014 £000	Total 2013 £000
Balance at beginning of year	15,198	78,439	7,314	3,483	(1,825)	102,609	102,097
Surplus retained for the year	180	—	—	—	53	233	267
Actuarial loss	—	—	—	—	(266)	(266)	(409)
Transfer of depreciation on revalued operational properties	74	—	(74)	—	—	—	—
Revaluation of works of art	—	—	—	147	—	147	—
Increase in market value of investments	485	—	—	—	—	485	654
Transfer of designated building reserve	(5,548)	5,548	—	—	—	—	—
Balance at end of year	10,389	83,987	7,240	3,630	(2,038)	103,208	102,609

21. Capital Commitments

	2014 £000	2013 £000
Capital commitments at 30 June 2014 are as follows -		
Authorised and contracted	930	768
Authorised but not yet contracted for	8,777	399

NOTES TO THE ACCOUNTS CONTINUED

22. Financial Commitments

At 30 June 2014, the College had annual commitments under non-cancellable operating leases as follows

	2014 £000	2013 £000
Land & Buildings		
Expiring within one year	—	6
Expiring between two and five years	—	—
Expiring in over five years	7	7
Other		
Expiring within one year	—	—
Expiring between two and five years	5	5
Expiring in over five years	—	—

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions

The College operates an insured money purchase pension scheme for its staff. The assets of the scheme are held separately from those of the College.

The College's contributions to the scheme amounted to £25,137 (2013 Nil), with contributions of £17,773 (2013 Nil), outstanding at the balance sheet date.

The College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pensions Scheme (CCFPS). The assets of the schemes are held in separate trustee administered funds. The total pension cost for the year was £261,057 (2013: £282,132).

23a Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second 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. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2014 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the scheme was 93% funded; on a buy-out basis (i.e. assuming the scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

As part of this valuation, the trustee has determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. In 2011 the actuary estimated that if experience remained in line with the assumptions made, the shortfall at 31 March 2014 would be £2.2 billion, equivalent to a funding level of 95%.

However, changes in market conditions between March 2011 and March 2014 have had an impact on scheme funding. The next formal triennial actuarial valuation will take place as at 31 March 2014, and work is currently underway to update the actuarial assumptions and allow for any adjustments to the overall funding approach adopted by the trustee board in consultation with stakeholders.

As work on the 2014 valuation is not yet complete the trustee cannot provide the final figure however, an estimate has been provided using the assumptions used to deliver the 2011 actuarial valuation. On that basis, the actuary has estimated that the funding level under the scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions.

The funding level has decreased mainly due to a decrease in real gilt yields, reducing the implied net discount rate and therefore placing a higher value on the schemes liabilities. This increase has been partially offset by a higher than expected investment return.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

On the FRS17 basis, using an AA bond discount rate of 4.5% per annum based on spot yields, the actuary estimates that the funding level at 31 March 2014 was 75%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 61%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the valuation effective date there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

New entrants - other than in specific, limited circumstances, new entrants are now provided for on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

Normal pension age - the Normal pension age was increased for future service and new entrants, to age 65.

Flexible retirement - flexible retirement options were introduced.

Member contributions increased - contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

Cost sharing - if the total contribution level exceeds 23.5% of salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Pension increase cap - for service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

USS is a “last man standing” scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

At 31 March 2014, USS had over 162,000 active members and the institution had 76 active members participating in the scheme.

The total pension cost for the College was £261,057 (2013: £269,790). The contribution rate payable by the College was 16% of pensionable salaries.

23b Cambridge Colleges’ Federated Pension Scheme

The College is also a member of a multi-employer defined benefit scheme, the Cambridge Colleges’ Federated Pension Scheme (CCFPS), in the United Kingdom. The Scheme is a defined benefit final salary pension scheme that was originally set up, under an interim Trust Deed, on 19 July 1977 as a defined benefit scheme. The Scheme is deemed to be a registered pension scheme under the terms of Schedule 36 of the Finance Act 2004. The College’s employees covered by the Scheme are contracted into the State Second Pension (S2P).

A full valuation is being undertaken as at 31 March 2014 and updated to 30 June 2014 by a qualified Actuary.

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

	2014	2013
Discount rate	4.2%	4.6%
Expected long-term rate of return on Scheme assets	6.2%	6.2%
Rate of increase in salaries	2.8%	2.8%
Retail Price Index (RPI) assumption	3.3%	3.3%
Consumer Price Index assumption	2.3%	2.3%
Rate of increase in pensions (RPI linked)	3.3%	3.3%

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

The underlying mortality assumption is based upon the standard table known as Self-Administered Pension Schemes (SAPS) mortality tables for average normal pensioners projected in line with the CMI 2009 projection and a target long-term improvement rate of 1%. This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 22.3 years (previously 22 years)
- Female aged 65 now has a life expectancy of 24.3 years (previously 24.2 years)
- Male aged 45 now and retiring in 20 years would have a life expectancy then of 23.7 years (previously 22.9 years)
- Female aged 45 now and retiring in 20 years would have a life expectancy then of 25.8 years (previously 25.3 years)

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2014 (with comparative figures as at 30 June 2013) are as follows:

	2014 £000	2013 £000
Present values of Scheme liabilities	(5,674)	(5,304)
Market value of Scheme assets	3,636	3,479
Deficit in the Scheme	(2,038)	(1,825)

The amounts to be recognised in the profit and loss account for the year ended 30 June 2014 (with comparative figures for the year ended 30 June 2013) are as follows:

	2014 £000	2013 £000
Current service cost	20	19
Interest on Scheme liabilities	241	214
Expected return on Scheme assets	(211)	(174)
Total	50	59
Actual return on Scheme assets	212	370

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Changes in the present value of the Scheme liabilities for the year ending 30 June 2014 (with comparative figures for the year ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Present value of Scheme liabilities at the beginning of the period	5,304	4,603
Service cost (including Employee contributions)	21	22
Interest cost	241	214
Actuarial losses	267	605
Benefits paid	(159)	(140)
Present value of Scheme liabilities at the end of the period	5,674	5,304

Changes in the present value of the Scheme assets for the year ending 30 June 2014 (with comparative figures for the year ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Present value of Scheme assets at the beginning of the period	3,479	3,140
Expected return	211	174
Actuarial gains	1	196
Contributions paid by the College	102	106
Employee contributions	2	3
Benefits paid	(159)	(140)
Market value of Scheme assets at the end of the period	3,636	3,479

The agreed contributions to be paid by the College for the forthcoming year are 11.73% of Contribution Pay plus £9,620 p.a. to cover expenses plus £85,671p.a. subject to review at future actuarial valuations. These rates exclude PHI.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 30 June 2014 (with comparative figures for the year ended 30 June 2013) are as follows:

	2014	2013
Equities and Hedge Funds	70%	68%
Property	23%	8%
Bonds and cash	7%	24%
Total	100%	100%

The expected long-term rate of return on the Scheme assets has been calculated based upon the major asset categories in the above table and an expected rate of return on equities and hedge funds of 7.0% (2013: 7.0%), property 6.0% (2013: 6.0%) and an expected rate of return on bonds and cash of 4.0% (2013: 4.0%).

Analysis of amount recognisable in the Statement of Total Recognised Gains and Losses (STRGL) for the year ending 30 June 2014 (with comparable figures for the year ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Actual return less expected return on Scheme assets	1	196
Experience gains and losses arising on Scheme liabilities	81	(13)
Changes in assumptions underlying the present value of Scheme liabilities	(348)	(592)
Actuarial loss recognised in STRGL	(266)	(409)

Cumulative amount of actuarial gains and losses recognised in the STRGL for the year ending 30 June 2014 (with comparative figures for the year ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Cumulative actuarial loss at beginning of period	(1,943)	(1,534)
Recognised during the period	(266)	(409)
Cumulative actuarial loss at end of period	(2,209)	(1,943)

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Movement in deficit during the period ending 30 June 2014 (with comparative figures for the year ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Deficit in Scheme at beginning of year	(1,825)	(1,463)
Service cost (Employer Only)	(20)	(19)
Contributions paid by the College	101	106
Finance cost	(30)	(40)
Actuarial loss	(266)	(409)
Deficit in Scheme at the end of the year	(2,038)	(1,825)

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

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Present value of Scheme liabilities	(5,674)	(5,304)	(4,603)	(4,374)	(4,361)
Market value of Scheme assets	3,636	3,479	3,140	3,610	3,203
Deficit in the Scheme	(2,038)	(1,825)	(1,463)	(764)	(1,158)
Actual return less expected return on Scheme assets	1	196	(630)	240	206
Experience gain/(loss) arising on Scheme liabilities	81	(13)	(75)	8	192
Change in assumptions underlying present value of Scheme liabilities	(347)	(592)	(33)	127	(591)

24. Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Downing College Developments Limited	United Kingdom	1	Ordinary	100%
Downing Cambridge Conferences Limited	United Kingdom	1	Ordinary	100%
The May Ball Company Limited	United Kingdom	5000	Ordinary	100%

NOTES TO THE ACCOUNTS CONTINUED

24. Principal Subsidiary Undertakings continued

Downing College Developments Limited was incorporated on 29 September 2005. The principal activity of the company is development of student accommodation and other facilities. This company is included in these consolidated financial statements.

Downing Cambridge Conferences Limited was incorporated on 2 April 2007. The principal activity of the company is the provision of non educational conference facilities. This company is included in these consolidated financial statements.

The May Ball Company Limited was incorporated on 28 July 2010. The principal activity of the company is to administer the operation of the bi-annual College May Ball. This company is included in these consolidated financial statements.

25. Related Party Transactions

Owing to the nature of the College's operations and the composition of its Governing Body, it is possible that transactions will take place with organisations in which a member of the College Council 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.

26. Contingent liability

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers.

27. Sir Mortimer Singer Fund

Other Unrestricted Funds includes the Sir Mortimer Singer Fund which was funded from a bequest of Sir Mortimer Singer a Fellow Commoner of the College. The money was appointed to the College by Lady Singer upon the trusts declared by a deed dated 25 March 1952. The Pension Trust Fund was also set up from this bequest. Below are the movements on these Funds in the year.

	Singer Fund £000	Pension Trust £000
Opening Balance at 1 July 2013	5,103	206
Income	152	9
Expenditure	—	(9)
Change in Market Value of Investments	80	5
Closing Balance at 30 June 2014	5,335	211

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Permanent Funds</i>					
Alcan Prize Fund	9	—	—	—	9
Angharad John Fellowship	191	—	—	43	234
Alwyn W Heong Fund	235	—	—	6	241
Barry Moore Economics Prize Fund	1	—	—	11	12
Batley Fund	9	—	—	—	9
Benian Lu Fund	2	—	—	1	3
B J Everitt Prize Fund	14	—	—	—	14
Blankenship Book Fund	12	—	—	—	12
Blankenship Law Fund	37	—	—	2	39
Bradbrook Fund	11	—	—	—	11
Buchanan Fund	228	—	—	5	233
Charles Campbell Book Fund	3	—	—	—	3
S & M Haniff Physics Fund	6	—	—	7	13
Cockerell Fund	21	—	—	1	22
Collins Fund	179	—	—	5	184
Darley Fund	281	—	—	6	287
Downing Association Fund	36	—	—	1	37
Edward Collins Fund	106	—	—	3	109
Ernest William Denham Fund	25	—	—	1	26
Everitt Fund	1	—	—	—	1
Everitt Butterfield Fund	438	—	—	138	576
Fahrenwaldt Fund	12	—	—	—	12
Ferreras Willetts Fund	258	—	—	6	264
Florence & David Jacobs Memorial Prize	6	—	—	—	6
Carried forward	2,121	—	—	236	2,357

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Permanent Funds continued</i>					
Brought Forward	2,121	—	—	236	2,357
Fritsch Fund	361	—	—	20	381
Fu Fund	4	—	—	—	4
Gamlingay Fund	72	—	—	1	73
Geoffrey Grimmett Prize	5	—	—	—	5
Graystone Fund	162	—	—	3	165
Gulbenkian Fund	1	—	—	1	2
Hall Fund	10	—	—	—	10
Harold Hargreaves Fund	-	—	—	5	5
Harris Fund	410	—	—	10	420
Harrison Fund	-	—	—	—	—
Harrison Prize Fund	2	—	—	—	2
Hopkins Parry Fund	983	—	—	24	1,007
Hugh Brammer fund	20	—	—	14	34
Ivor Evans Fund	18	—	—	—	18
Jan Hruska Fund	131	—	—	3	134
Jean Ruhman Fund	9	—	—	—	9
John Maples America Fund	-	—	—	143	143
John Hawkins May Wild Fund	7	—	—	—	7
Johnston Fund	1	—	—	—	1
Judy Petty Book Prize & Scholarship	20	—	—	—	20
Lander Fund	219	—	—	8	227
Landrum & Brown Scholarship Fund	10	—	—	3	13
Lord Butterfield	143	—	—	10	153
Carried forward	4,709	—	—	481	5,190

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Permanent Funds continued</i>					
Brought Forward	4,709	—	—	481	5,190
Mays Wild Fund	488	—	—	14	502
Alfred Monk Fund	—	—	—	202	202
Moullin Fund	2	—	—	—	2
Oon Khye Beng Ch'hia Tsio Memorial Fund	318	—	—	11	329
Oon Khye Beng Ch'hia Tsio Memorial Prize Fund	105	—	—	8	113
Osler Fund	92	—	—	2	94
Owens Fund	347	—	—	8	355
Peter Mathias Economics Prize Fund	9	—	—	(8)	1
Pilley Fund	328	—	—	7	335
Platt Fund	27	—	—	—	27
Professor Audus Botanical Fund	15	—	—	—	15
Richards Fund	49	—	—	—	49
Robertson Research Fellowship Fund	568	—	—	32	600
Robson Physics Prize	6	—	—	—	6
Robson Postgraduate Fund	—	—	—	279	279
Saint Fund	38	—	—	2	40
Saunders Fund	39	—	—	1	40
Savile Fund	121	—	—	3	124
Schreiner Fund	58	—	—	2	60
Seton Fund	68	—	—	2	70
Seton Cavendish Fund	1,673	—	—	39	1,712
Sir Arthur Watts Choral Awards	11	—	—	1	12
Stevens Fund	4	—	—	—	4
Carried forward	9,075	—	—	1,086	10,161

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Permanent Funds continued</i>					
Brought Forward	9,075	—	—	1,086	10,161
Susan & Geoffrey Eggington Scholarship	—	—	—	15	15
TG Jones Fund	673	—	—	16	689
Thomas Fund	19	—	—	—	19
Thrower Fund	5	—	—	(1)	4
Treherne Fund	80	—	—	2	82
Unwin Fund	54	—	—	1	55
Verjee Fund	249	—	—	6	255
Verney Fund	2	—	—	—	2
Warner-Lambert Fund	192	—	—	13	205
Whitby Memorial Fund	349	—	—	8	357
White Fund	6	—	—	—	6
Whitelegg Fund	52	—	—	1	53
Whitworth Fund	—	—	—	1,900	1,900
Wicks Travel Fund	12	—	—	—	12
Wyatt Fund	1	—	—	1	2
Student Hardship Endowment	292	—	—	1	293
Student Support Endowment	129	—	—	54	183
1970's Grant Fund	68	—	—	1	69
Alumni Sport Fund	46	—	—	2	48
Fundraising - Teaching	159	—	—	4	163
Fundraising - Access	267	—	—	256	523
Catalysis – Teaching & Learning	62	—	—	56	118
Catalysis – Research & Discovery	9	—	—	6	15
Carried forward	11,801	—	—	3,428	15,229

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Permanent Funds continued</i>					
Brought Forward	11,801	—	—	3,428	15,229
Catalysis – Heritage & Environment	17	—	—	4	21
Catalysis – Support & Services	28	—	—	86	114
Catalysis – Culture & Community	6	—	—	1	7
Other	57	—	—	4	61
	11,909	—	—	3,523	15,432
<i>Restricted Expendable Funds</i>					
Bartram Fund	116	—	—	2	118
Colin Hill Fund	1	—	—	1	2
Colonel Anderson Trust Fund	94	—	—	2	96
Goodey Fund	151	—	—	4	155
Richens Fund	535	—	—	10	545
Treherne Prize Fund	11	—	—	(1)	10
Student Hardship Endowment	8	—	—	(6)	2
Catalysis Conference Fund	26	—	—	11	37
Catalysis Research Fund	100	—	—	2	102
Fundraising – Buildings	43	—	—	1	44
Other	112	—	—	16	128
	1,197	—	—	42	1,239
Total Restricted Funds	13,106	—	—	3,566	16,672

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Unrestricted Permanent Funds</i>					
Clark Fund	2	—	—	—	2
French Fund	30	—	—	1	31
Jarvis Fund	37	—	—	1	38
Library Endowment Fund	1,020	—	—	24	1,044
Richmond Fund	191	—	—	5	196
Stenning Fund	51	—	—	1	52
Stevenson Fund	1	—	—	—	1
Whalley-Tooker Fund	15	—	—	1	16
Yates Fund	8	—	—	—	8
Young Fund	171	—	—	4	175
Singer Fund (Pension Trust)	206	—	—	5	211
Smyth Bequest	459	—	—	11	470
Fleet Bequest	49	—	—	1	50
Deryk Prosser Fund	395	—	—	8	403
Corporate Capital Fund	844	—	—	19	863
General Capital	3,521	—	—	897	4,418
	7,000	—	—	978	7,978
Total Endowment funds	20,106	—	—	4,544	24,650

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>General Reserve Funds</i>					
Designated Buildings	78,439	-	5,548	-	83,987
Corporate Capital Fund	14,343	595	-	292	15,230
Singer Fund (Will Trust)	5,103	152	-	84	5,339
General Capital and Other	(4,246)	(567)	(5,474)	107	(10,180)
Revaluation Reserves	10,797	-	(74)	147	10,870
Pension Reserves	(1,825)	53	-	(266)	(2,038)
Total General Reserves	102,609	233	—	364	103,208
Deferred Capital Funds	18,804	—	—	704	19,508
Total Reserves	141,519	233	—	5,614	147,366



