



DOWNING COLLEGE CAMBRIDGE



DOWNING COLLEGE | CAMBRIDGE | CB2 1DQ

ANNUAL REPORT AND ACCOUNTS

for the financial year ending 30 June 2016



COVER PHOTOGRAPH

© Ioana Marinescu:

From the exhibition Ai Weiwei: Cubes and Trees.

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FINANCIAL HIGHLIGHTS



DOWNING COLLEGE

We believe in the transformative power of a world-class education.

Founded in 1800, Downing College takes its name from Sir George Downing, 3rd Baronet, who bequeathed his fortune to establish a new college in Cambridge. Built in an elegant neo-classical style, Downing was the first College designed with an open campus layout, at that time a striking departure from the tradition of enclosed courtyards in the older foundations.

With over 200 years of history, set amidst 20 acres of magnificent grounds in the heart of the city, Downing College is a community of committed scholars and students, current and future leaders in their fields.

FINANCIAL HIGHLIGHTS

	2016 £	2015 £ (restated see note)	2014 £
Income			
Income	12,262,702	10,668,551	10,155,889
Donations and Benefactions Received	2,807,498	1,393,825	5,292,916
Conference Services Income	2,255,479	2,218,516	2,042,832
Unrestricted Surplus/(Deficit) before other gains and losses	713,374	(387,147)	320,009
Cost of Space (£ per m2)	£151.19	£152.11	£150.87
College Fees:			
Publicly Funded Undergraduates	£4,308/£4,500	£4,185/£4,500	£4,068/£4,500
Privately Funded Undergraduates	£7,974	£7,719	£7,350
Graduates	£2,844	£2,474	£2,424
Loss on College Fee per Student	£2,843	£2,826	£2,436
Capital Expenditure			
Investment in Historical Buildings	1,192,622	1,299,886	1,751,811
Investment in Student Accommodation	5,021,529	4,592,605	1,499,507
Assets			
Free Reserves	5,859,524	4,445,182	8,349,966
Investment Portfolio	40,064,265	38,771,009	35,775,344
Spending Rule Amount	1,733,277	1,673,708	1,652,971
Total Return	5.3%	10.9%	7.6%
Total Return: 3 year average	7.9%	9.2%	7.7%
Return on Property	11.2%	8.8%	5.8%
Return on Property: 3 year average	8.6%	7.4%	8.3%
Return on Securities	2.1%	12.1%	8.9%
Return on Securities: 3 year average	7.6%	10.6%	6.5%
Net Assets	185,102,323	150,424,642	147,365,167

Note: Some of the figures for 2014-15 have been restated following the adoption of FRS102 for the first time.

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 2016

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, *Tutor*, R J Owens Fellow in English (1988)
Graham John Virgo, BCL (Oxon), MA, Professor of English Private Law, University Pro-Vice-Chancellor (Education) (1989)
John Stuart Landreth McCombie, MA, MA (McMaster), PhD, *Tutor*, Professor of Regional and Applied Economics (1989)
David John Wales, MA, PhD, ScD, FRS, FRSC, Professor of Chemical Physics (1989)
Trevor William Robbins, CBE, MA, PhD, FRS, Professor of Cognitive Neuroscience (1991)
Christopher Allim Haniff, 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),
Professor of Italian and Romance Linguistics (1996)
Ian Richard James, MA, MA (Warwick), PhD (Warwick), *Graduate Tutor*, Reader in French (1996)
Susan Elizabeth Lintott, MA, PhD (Kent), *Senior Bursar*, *Senior Treasurer of the Boat Club* (1997)
Zoe Helen Barber, MA, PhD, Professor of 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, *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 Information Processing,
Wolfson Brain Imaging Centre (2004)
Marcus Tomalin, MA, MPhil, PhD, *Fellow Librarian*, *Undergraduate Admissions Tutor*, *Graduate Admissions Tutor*,
Tutor, *Senior Treasurer of the Music Society*, Fellow in English, University Research Associate in Engineering (2004)
Jay Theodore Stock, BA (Trent), MSc (Guelph), PhD (Toronto), *Graduate Admissions Tutor*, *Graduate Tutor*,
Reader in Human Evolution and Development (2005)

Natalia Mora-Sitja, BSc (Barcelona), MA (Barcelona), MSc (Oxon), DPhil (Oxon), *Tutor*, University Senior 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*, University Lecturer in Land Law (2006)

Amy Louise Milton, MA, MSc, PhD, *Praelector*, Ferreras Willetts Fellow in Neuroscience, University Lecturer in Experimental Psychology (2007)

Brigitte Steger, MA, MPhil (Vienna), PhD (Vienna), Senior Lecturer in Modern Japanese Studies (2007)

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

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

Keith James Eyeons, MA, MA (Nottingham), PhD, *Chaplain*, *Praelector*, *Secretary to the Governing Body*, Fellow in Theology (2010)

Robert Keith Harle, MA, PhD, University Senior Lecturer 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, *Undergraduate Admissions Tutor*, Fellow in Biological Sciences, Senior Investigator Scientist at the MRC Cognition and Brain Sciences Unit (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 (2012)

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

John Richer, MA, PhD, Professor of Astrophysics (2013)

Sarah Kennedy, BA (Melbourne), LLB (Melbourne), 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, *Fellow Editor*, Hopkins Parry Fellow in Law (2014)

Harriet Groom, MSc, MA, PhD, Henslow Research Fellow in Natural Sciences (Biological) (2015)

Andrew Nicholas Holding, MChem (Oxon), PhD, *Senior Treasurer of the Amalgamation Club*, *Tutor*, Fellow in Biochemistry (2015)

Ruth Ellen Nisbet, BSc (UCL), PhD, Fellow in Biochemistry (2015)

Ewan Jones, BA, MPhil, PhD, *Graduate Tutor*, Fellow in English, University Lecturer in English (2015)

Edward Cavanagh, BA (Canberra), BA (Melbourne), MA (Witwatersrand), PhD (Ottawa), Isaac Newton Research Fellow (2016)

Priyanka Joshi, MSc (Pune), PhD, Everitt Butterfield Research Fellow (from 5 October 2016)

Retirements and Resignations 1 July 2014–30 September 2015

Richard Keith Taplin, MBE, BSc (LSE), MA, *Junior Bursar*, University Junior Proctor (2009) (retired 2016)

Adriana Irma Pesci, MS, PhD (Nacional de la Plata), Darley Fellow in Mathematics (2006) (resigned 2016)

OTHER FELLOWS

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, HonMusD,
HonLLD
Alan Norman Howard, MA, PhD, FRIC
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
Lord Lawrence Antony Collins, LLD, FBA
Sir David Anthony King, MA, PhD, ScD, FRS
Rt Revd Nicholas Thomas Wright, MA, DPhil, DD
Sir John Pendry, MA, PhD, FInstP, FRS
Sir Brian Vickers, PhD, DLitt, FBA
Aitzaz Ahsan, MA, LLM, Barrister at Law
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,
HonDTech, 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 (Hull), MA, PhD (Birmingham),
ScD, DSc, HonDSc (Hull), HonDSc (Birmingham),
FRS, FMedSci
Michael Apted, BA, CMG
Martin Baker, MA, FRCO
Stephen Chambers, MA, RA

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
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
Richard Keith Taplin, MBE, BSc (LSE), MA

Foundation Fellows

Humphrey Battcock, MA, MBA (London
Business School)
Tadayashi Tazaki (from 14 October 2016)

The Wilkins Fellows

Julian Robin Darley, MA, FEng
Richard Alexander Frischmann, MA
Christian Flemming Heilmann, MA
Joanna Maitland Robinson
Lord Rumi Verjee, CBE, MA
Tim Cadbury, MA
Janet Owens, MD (Decd. 10 December 2016)
Richard Williams, MA
Jonathan Howard, MA
Chris Bartram, MA, FRICS,
Maria Ferreras Willetts, MA (Oxon)
Robert John, MA, DLitt (Swansea)
Louise Arnell, MA
Robert Markwick, MA, MBA (Manchester)
James Simon Edward Arnell, MA
Gifford Combs, AB (Harvard), MPhil
Stephen Peel, MA (from 4 November 2016)

The Fellows Commoner

David Chambers, BA (Oxon), MSc (LBS), MSc (LSE),
PhD (LSE)

John Hicks, MA, FEng

Barrie Hunt, MA, M.Ed (Exeter)

Timothy Rawle, MA

Peter Thomson, MA

Morgan Fellows

Tobias Grosse-Puppenthal, MSc (Darmstadt),
PhD (Fraunhofer Institute)

Bye-Fellows

Annela Anger-Kraavi, MA, BSc (Tallinn), MPhil, PhD

Richard Berengarten, MA

Jimena Berni, MS (UBA), PhD (UBA)

Alexander Bleistein

Ian Bucklow, PhD

Daniel Brigham, MA (York), PhD

Emma Cahill, PhD

Matthew Carter, BA, BChir

Andrew Cockburn, MSc, PhD

Andrej Corovic, MA, MB, BChir

George Couch, BA, BChir

Justin Davies, MA, MChir, FRCS

Eloy De Lera Acedo, MEng (Madrid), PhD (Madrid)

Eoin Devlin, BA (Dublin),

MLitt (Dublin), MPhil (Cambridge), PhD (Cambridge)

Neda Farahi, BSc (Edinburgh), PhD

Vicky Jones, MA, MB, Bchir, MRCS

Lucia Li, MA, MB, BChir

Kathleen Liddell, LLB, (Melbourne), BSc, (Melbourne),

MBioeth, (Monash), DPhil (Oxon)

Deepti Marchment, BA, BChir

Catherine Maunder, MA

Alex Morris, PhD

Ameera Patel, MA, PhD

Jill Pearson, BA, VETMC, MRCVS Ian Sabir, MA, MB,
BChir, PhD, MRCP

Adriana Irma Pesci, MS, PhD (Nacional de la Plata)
(2006)

William Schafer, PhD

Rachel Rose Smith, BA, MA (Courtauld), PhD (York)

Sarah Smith, MSci, PhD

Gareth Taylor, BA, PhD

Michael Wakelam, BSc (Birmingham),
PhD (Birmingham)

Corine Wood-Donnelly, PhD

Haixi Yan, BA, BChir

Xin-She Yang, DPhil (Oxon)

OFFICERS AND PRINCIPAL PROFESSIONAL ADVISERS

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

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

Caruso St John
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

PEM
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

Solicitors

Birketts LLP
22 Station Road
Cambridge CB1 2JD

Hewitsons LLP
Shakespeare House
42 Newmarket Road
Cambridge CB5 8EP

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

Inland Revenue Charity No: X2938

Charity Registration No: 1137455



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 fourth in the QS World University Rankings¹, fourth in The Times Higher Education rankings², and top in the Complete University Guide to UK Universities³.

Founded in 1800 with a Master, two Professors and three Fellows, 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 seventeenth 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 Cambridge women’s College. Each College is autonomous, self-governing, and distinctive. For the academic year 2015–16, the community consisted of 50 Fellows, 443 undergraduates (including six visiting students), and 248 graduates, including 55 students who are ‘writing up’ and 29 part-time students. The work of the College is supported by 165 staff (FTE 127.3).

The College occupies a twenty-acre site in the heart of Cambridge. The new website celebrates the luxury of space on its opening page: “Room to think, space to breathe”. First Court, recently created by the architects Caruso St John, winners of the 2016 Stirling Prize, has transformed the entrance to the College. It acts as the point of entry to the newly-opened Battcock Lodge and the Heong Gallery, which opened to the public in February 2016. Taken together with the Howard Theatre and the new organ in its refurbished chapel, each designed by leading experts in their fields, the Gallery gives Downing a special place in the cultural activities of Cambridge. The distinctive early-nineteenth-century, neo-classical buildings and the modern additions were the subject of a recent book on the College, *A Classical Adventure*, written and illustrated by the architectural historian Tim Rawle and made possible by the Howard Foundation. The College is currently engaged in implementing a landscape masterplan to create a sequence of study gardens and walks.

The Undergraduates

Of the 443 undergraduates in residence, 58% were men and 42% women; of the 382 home and EU students, 31 were from the EU. There were a further 61 overseas students. Of the 351 home students, 61% were from state-maintained schools and 39% 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 128 new entrants in each year. Over the last five years, the total number of undergraduates (excluding visiting students) has ranged from 436 to 455, with an average of 443. 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 historically popular Colleges in terms of admissions, 699 applied for these places, 492 were interviewed, and 149 were offered places, including six candidates who had deferred entry until 2016. The College

¹ <http://www.topuniversities.com/university-rankings/world-university-rankings/2016>

² <http://www.timeshighereducation.co.uk/world-university-rankings/2017>

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

wishes to encourage applications, but stresses the high level of academic attainment required for success. In 2015–16, overall undergraduate 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 mathematics, which had comparatively fewer students. In October 2015, the number of applicants dipped by 18% to 570, but for the admissions round in October 2016, it returned to a more typical level with 793 applicants.

Admission to the University is highly competitive, with some 17,000 applicants each year. Applicant numbers have grown by 13% over the last ten years, while the numbers admitted have remained relatively constant at about 3,600. 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) encouraging students from financially or socially disadvantaged backgrounds to aspire to higher education and consider applying to the University. Very few 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 143 offers made, 128 achieved their grades. For entry in 2016, all Colleges required at least A*A*A for science subjects and A*AA for arts and humanities, which more closely reflects the grades achieved by successful candidates.

The Colleges adhere to the five principles set out in the 2004 independent review ‘Fair admissions to higher education: recommendations for good practice’. These include the commitment to select students based both on their achievements and their potential, to use reliable and valid assessments, and to seek to minimise barriers for applicants. Statistical evidence has borne out the correlation in most subjects between high UMS scores at AS Level and results in the Tripos examinations. However, the Government’s decision partially to abolish AS results in the grade awarded at A level means that this objective criterion will no longer be available for those students who entered sixth forms in September 2015. As a result, for admission in the majority of subjects for entry in October 2017, students are required to sit the new Cambridge Admissions Assessments. For some Triposes, this takes the form of a common-format test taken at the time of the interview – for others it is a pre-interview assessment, usually taken in the applicant’s school.

Under its agreement with the Office for Fair Access (OFFA) for the year in review, the University committed (1) to increase the proportion of UK-resident students admitted from UK state-sector schools and colleges to 61–63% by 2016–17, and (2) to increase the proportion of UK-resident students admitted from low-participation neighbourhoods to approximately 4.0%. This commitment was repeated in the OFFA Agreement governing fee arrangements for those students entering in October 2015. The OFFA Agreement for 2016–17 includes a more ambitious target, which commits the University to increasing the percentage of UK-resident students to 62–64%, reaching the top of that range by 2019–20. The second admissions target is now based on the classification of areas according to the proportion of 18-year-olds likely to enter Higher Education, known as POLAR, ‘Participation of Local Areas’. The University has committed to admitting 10–13% of UK students resident in POLAR quintiles 1 and 2, reaching 13% by 2019. The former test was found to be too sensitive to small changes. Additionally, the University has a commitment to an admission target based on Output Area Classification (OAC), a categorisation based on socio-economic and occupational variables. For a subset of underrepresented categories (‘constrained city dwellers’, ‘hard-pressed living’, ‘ethnic family life’, ‘endeavouring ethnic mix’, ‘ethnic dynamics’ and ‘challenged Asian terraces’), the University aspiration is to take 8.2% by 2019–20 (from a 2015 baseline of 7.3%).

As academic standards cannot be compromised, an increasing emphasis has been placed on recruitment and raising aspirations, a responsibility to which Downing has shown its commitment. The website, ‘Discover Downing’ (<http://www.discoverdowning.com>), funded by a substantial donation, is part of the College’s outreach programme, focussing on providing resources for 14- to 17-year-olds. Through blogs by the School and College Liaison Officer, the JCR

Access Officer, and other students, the website offers insights into life at a Cambridge College and practical advice on the process of applying. There is, however, much work to be done. The targets are University targets, measured across the Colleges, but each College takes responsibility for contributing to the University target. The University admission statistics show that in the 2014 Admissions Round for entry in October 2015, 62.3% home students from the Maintained sector and 37.7% from the Independent sector were accepted by the Colleges. For Downing, the proportions were 62.5% Maintained and 37.5% Independent. In October 2016, the College's own figures anticipate that 64.9% UK-resident students from state schools will be admitted.⁴

Examination Results

For the third consecutive year, more than 110 individuals gained first class results, and, for only the second time, more than 25% of Tripos results were Firsts or Distinctions. Of the graduands, twenty individuals were elected as Foundation Scholars, meaning that they achieved a first class result for all three years of their Bachelors degree. For those at or near the top of their Triposes, the Governing Body awarded fourteen special prizes, while five students were at the very top of their class lists: Ella Belfield (Natural Science IB), Alex Jones (Economics Part IIA), Justus Bieber (History Part II), Joe Young (Geography Part II), and Leor Zmigrod (Psychological and Behavioural Sciences Part IIB).

The Graduates

For graduate students, the primary admissions decision lies with the University, but each graduate student must also be admitted by a College. The College provides a tutorial service through its Graduate Tutors, who help with pastoral and welfare matters, but also provide the wisdom of experience on general academic matters. 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, the College presents the student to the University for the awarding of the degree. With the expansion of graduate education, Colleges have struggled to provide sufficient accommodation, particularly on site. For some students, and particularly for those working in distant laboratories, the College has had limited relevance. Steps have been taken to change this perception. In building on-site graduate accommodation, the College aims to integrate the graduate community more fully. Membership of the Middle Common Room encourages the contact across disciplines that is not available in the Faculties and Departments and is one of the strengths of a collegiate university. In addition, from October 2015, an MCR Liaison Fellow has worked with the MCR Executive to host both social and academic events. Students are also able to take advantage of the College's educational and sporting facilities, e.g. the Library, the Computer Room, the Sports Ground, the Gym and the Boat House. Graduate representatives attend meetings of the Governing Body and the committees that are relevant to the graduate experience.

In 2010, the Colleges agreed to support the University's objective of increasing graduate numbers by no more than 2% per year for the period 2011–2017, while undergraduate numbers remained static. Whereas the undergraduate community largely consists of Home students (80%), the graduate community is more international (37% Home students). Over the last fifteen years, the number of MPhil students has grown from 2,160 to 2,657 (by 23.0%) and the number of PhD students has risen from 2,905 to 3,829 (by 31.8%); however, the distribution between MPhil and PhD has stayed largely the same. The Admissions Tutors endeavour to manage the balance by setting targets across types of graduate degree and disciplines. A graduate community that reflects in microcosm the characteristics of the University's graduate student body, in terms of subjects, gender and nationality, is, however, an ideal that is unlikely to be achieved. Applications, and therefore offers, are skewed by the availability of studentships, the international

⁴ The baseline target for admission in 2015–16 is 61.3%.

Access Agreement with the Office for Fair Access (OFFA) 2016–17, Table 7, p.12.

profile of a College, and location. Downing's proximity to the Judge Business School and to Engineering is reflected in the relatively high proportion (30.2%) of Downing graduate students in the Schools of Technology, compared with the University average (20.7%). 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. The current graduate community in Downing includes two in the Faculty of Architecture and History of Art, two in Asian and Middle Eastern Studies, three in Theoretical and Applied Linguistics, six in English, and one in Music, which amounts to 14 or 7% of the total, whereas the University average is 11%. Besides the 109 funded students, there are 61 self-paying graduate students. Of those students registered for an MPhil, 25 of 38 are self-funded. The Spending Review last year included an announcement that Home/EU graduate students would have access to a Student Loan of up to £10,000; of those admitted in October 2016, only eight have taken out a loan. The College recently participated in the inaugural University Open Day for graduates, which it hopes will encourage applications to the College.

The Fellows

At the start of the academic year, the Fellowship welcomed four additional senior members: Dr Harriet Groom in Biological Sciences, Dr Andrew Holding and Dr Ellen Nisbet in Biochemistry, and Dr Ewan Jones, a University Lecturer in English who joined the College under the Trinity Joint Lectureship scheme. Dr Groom works at the Department of Medicine, researching the role of a newly-discovered cellular protein, SAMHD1, both as part of the intracellular defence system and in cell metabolism. She has a keen interest in the molecular interactions between retroviruses and human cells. Dr Holding's research focusses on a combination of proteomics and genomics to elucidate the dynamics process that govern the oestrogen receptor, a molecule that drives approximately 70% of all breast cancer cases in the USA and Europe. His public engagement and promotion of science led the Royal Society of Chemistry to name him one of the 175 Faces of Chemistry, and in 2015 he was awarded the inaugural Rising Star in Research Engagement Prize from Cancer Research UK. Dr Nisbet's research interests include the evolution of the malaria parasite and whether its gene-processing events can offer new targets for novel anti-malarial drugs. She also works on conventional photosynthetic organisms that are important symbionts of coral reefs and collaborates with archaeologists in examining the origins of the horse. Dr Jones lectures in nineteenth-century literature and seeks to trace the historical development of the notion of rhythm across the nineteenth century. He is a member of the Concept Lab within the Centre for Digital Knowledge, which seeks to develop new computational resources to uncover and account for the structure and change of concepts over long historical periods. He is working on a project to digitise manuscripts relating to Alfred, Lord Tennyson, in order to make them available to the wider public, in the hope of demonstrating overlooked relations between poetry, visual culture, and music. Dr Grosse-Puppenthal, a research scientist in the Sensors and Devices Group at Microsoft Cambridge, has also joined the College as a Morgan Fellow, a category of Fellowship named after Sir Morien Morgan, a former Master who is sometimes known as the 'Father of Concorde'.

The achievements of members of the Fellowship have been recognised within the University, their professional societies, and beyond. From October 2016, Zoe Barber was promoted to a Professorship in Materials Science, bringing the number of Fellows who are University Professors to fifteen, almost one-third of the total. David Wales, Professor of Chemical Physics, was elected as a Fellow of the Royal Society; Trevor Robbins was awarded the Robert Sommer Medal by the Robert Sommer Research Society; Robert Harle received a Pilkington Prize for teaching excellence; and Adam Ledgeway was awarded an honorary doctorate by the University of Bucharest.

The College has reciprocal arrangements for visiting academics from Keio University, Pomona College and the University of Virginia. This year's visitors were Philip Choi, an Associate Professor of Physics and Astronomy at Pomona, and Harsha Chelliah, a Professor of Mechanical and Aerospace Engineering at Virginia. In addition, Dr McNamara visited Pomona, and Professor Coleman visited Keio.

For the sixth year, the College organised the Catalysis Conference, which had as its theme The Grand Tour. This academic conference is designed to bring donors and supporters of the College and the University together with leading academics for a weekend residential colloquium. This year's conference included talks on the arts, performances of drama and music, a visit to the Art Gallery, interspersed with a tour of the College estate, and a talk on its architecture. Tim Knox, Director of the Fitzwilliam Museum spoke on 'The Rise and Fall of the Country House Museum' and Professor Martin Kemp (Downing 1960), Emeritus Professor of the History of Art, Oxford University and world-renowned authority on Leonardo da Vinci, gave a talk on 'The Grand Tour without Touring'. Andrew Millington (Downing 1971), former Director of Music at Exeter Cathedral, gave an organ recital entitled 'The King of Instruments' and Frank Salmon (Downing 1981) gave an architectural tour of the College and talk on 'Wilkins and the Grand Tour', which was followed by an archive exhibition on the same theme. Rachel Rose Smith, curator of 'Generation Painting 1955-65: Sir Alan Bowness and British Art', walked attendees through the inaugural exhibition in the new art gallery; Johnson Leung, a current undergraduate, gave a piano performance entitled 'Journey to the East' and the Downing Dramatic Society performed 'Postcards from the Grand Tour'.

Next year, the Catalysis Conference, 'Catalysed: the Outcomes of Catalysis', on 24–26 March 2017, will focus on what has been achieved through the support and generosity of donors to the Catalysis Campaign.

Academic Societies

Subject-based societies, run by the students, provide occasions for Fellows, graduates and undergraduates from all years to meet, typically to hear talks by leading academics. There are eight academic societies: The Blake Society, for the promotion of arts subjects; the Brammer Geographical Society; the Cranworth Society, the largest student-run college law society in Cambridge; The Danby Society, the science society; the Lord Guildford Society (Classics); the Mair Society (Engineering); the Maitland Society (History); the Mathias Society (Economics); and The Whitby Society, which brings together Downing's medical and veterinary students and supervisors.

Downing Arts

The Heong Gallery, which opened in February 2016, began as a novel means of fulfilling a planning condition requiring a contribution to public art. The interest of alumni and donors in the project, however, overtook the College's more modest ambitions for the space, transforming the Gallery into a venue for internationally significant art. Sir Alan Bowness (MML, 1950), an Honorary Fellow, art historian, and former curator of the Tate, opened the Gallery with an exhibition of part of his own collection of St Ives (Frost, Heron, Lanyon, and Scott) and London-based (Hockney and Kitaj) painters. Generation Painting was followed by Ai Weiwei's Cubes and Trees, with the latter stationed in a circle on the lawn outside the Chapel, thus forming an unusual backdrop to the summer wedding photographs and attracting countless visitors. Ai Weiwei stayed in College for the opening and his talk at the Cambridge Union, recording his impressions of Cambridge on Instagram and willingly submitting to selfies.

Colleges like to differentiate themselves and focus on what makes them special. Although other Colleges have spaces in which art is hung for public view, Downing is the first (though surely not the last) to have a purpose-built Gallery, and one designed by Caruso St John, winners of the 2016 Stirling Prize and renowned for beautiful galleries (for example, the remake of the Tate Britain). The Gallery and the Howard Theatre (designed by Quinlan Terry and Theatre Projects) have given the College a presence in the cultural life of the University and the town. The Theatre draws on the talents of students across the University and with the exception of the Freshers' Play, which is an all-Downing production, all parts and back stage roles are open to students from all Colleges. The Festival of New Writing, now in its third year, features nine original one act plays, chosen through competition, written by students from Downing and other Colleges. In supporting drama and making the Gallery free to the public, the College shares its good fortune while building a reputation as a centre for the arts.

Sports



© Reuters

In March 2015, Downing participated in rowing history: for the first time, the University Women's Boat, which included Holly Hill (HSPS, 2013), rowed against Oxford on the Tideway on the day of the traditional Boat Race. In 2016, two Downing members rowed in the Women's Boat, Zara Goozee (NatSci, 2009, PhD Psychology, 2012) and Thea Zabel (Natural Sciences, 2014). The Cambridge crew lost the race but stole the publicity as Zara refused to give into waves that were in danger of sinking the boat. A PhD student who came top of the neuroscience paper in her final year as an undergraduate, Zara has won eight Headships and was part of the Women's crew which ended the May Bumps at the Head of the River for the third year running. Other notable successes include Men's and Women's Hockey First XI (League A Champions) and the Ladies and Mixed VII Netball teams (League 1 Champions and Cuppers Winners).

The Development of the College

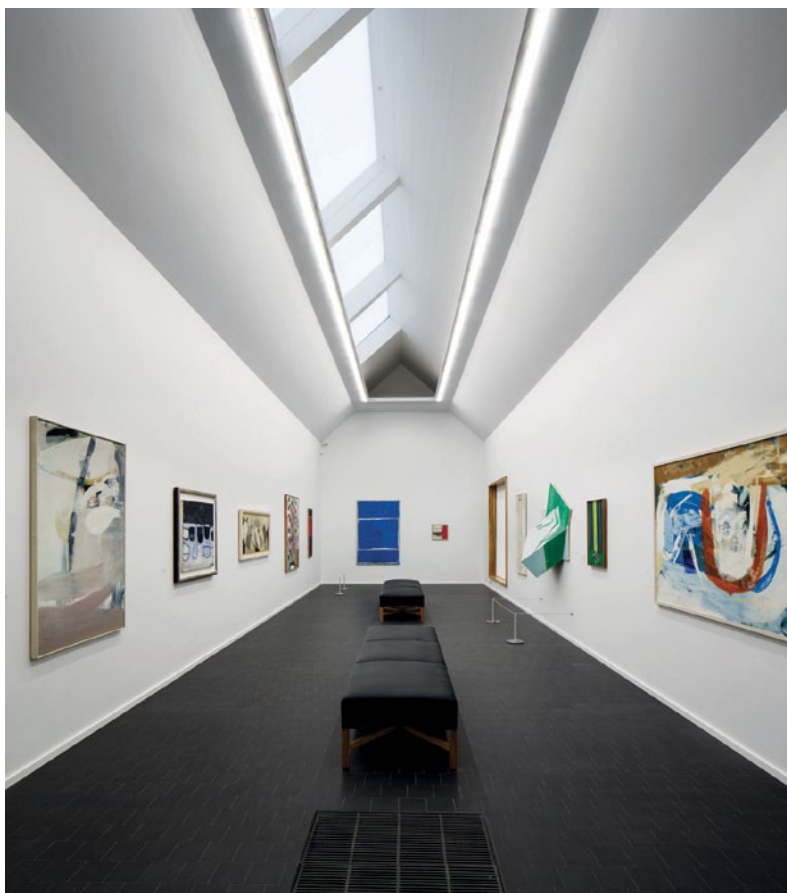
Much of the past two years has been taken up with Development in the true sense of the word: that is with the raising of funds to make possible the development of the College. The new court, First Court, the addition of 80 rooms in Battcock Lodge, the creation of a space for art exhibitions, the Heong Gallery, and the new organ would simply not have been possible without the substantial help, in the form of funding and advice, from donors. Given its financially unstable start in life, Downing has often had to run in order to stand still, seeking donations to compensate for the withdrawal by the Government from the funding of higher education, whereas the richer Colleges have been able to use their endowments to repair the holes both in their finances and in their fabric. In order to protect the student experience, the College has had to rely on the contributions of alumni and friends, and to depart from convention: the College's early willingness to share its space and facilities with guests has made possible the creation of one of the premier conference businesses in Cambridge. These two sources of income, taken together with the not-always-popular policy of charging realistic prices for domestic services, have helped to compensate for a pronounced shortfall in fee income: the average cost of education in 2015-16 at Downing was £8,725 for an undergraduate and £4,450 for a postgraduate, but the fees received were of £4,942 and £2,844, respectively, causing an overall loss of £1.7 million (£2,843 per student). If fees continue to remain frozen, as they have since the introduction of the £9,000 tuition fee in 2012, fundraising will need, once again, to focus on the means of supporting the core provision of undergraduate teaching.

Although the upkeep and development of the estate is funded by a combination of internal resources and donations, the conversion of the offices into student rooms required an element of bridge financing, as the business case depended on the sale of outlying graduate housing. The long-term private placement at historically low rates provided that funding. On receipt of the proceeds from the sale of 25 Parkside and four houses on Devonshire Road, those funds were re-deployed to help to pay for the overdue modernisation of four houses on Lensfield Road (numbers 44, 46, 56 and 58) during the summer and for future work to the estate in general. The legal obligation to repair and maintain buildings on the Heritage List means that other areas may suffer, as work must be confined to problems that create a risk to health and safety.⁵

In the summer of 2015, *A Classical Adventure: The Architectural History of Downing College, Cambridge*, by Tim Rawle and generously sponsored by the Howard Foundation, was launched. His forensic examination of the site, together with the observations of the landscape architect Alice Foxley, suggested that the time had come to focus on the landscape in which the buildings sit and the community lives and studies. The entrance to the new court has changed the entrance to the College, and this in turn suggested further improvements that have now been incorporated into a masterplan, to be implemented as resources permit.

⁵ Details of the listing can be found at: <http://historicengland.org.uk/listing/the-list/results?q=Downing+College>

The Heong Gallery at Downing College



© Tim Rawle

Visitors to the Gallery from
February to June 2016:
8,630

Total visitors to the Gallery from
February to November 2016:
24,579

Generation Painting 1955-65:

British Art from the Collection of Sir Alan Bowness, 6 February – 22 May 2016

Ai Weiwei:

Cubes and Trees, 15 June 2016 – 9 October 2016

Portraits of Place:

Works from Kettle's Yard & Richard Long, 5 November 2016–15 January 2017

Advisory Board:

Frank Salmon, Downing College alumnus and Senior University Lecturer, Department of History of Art, Cambridge University

John Tancock, Downing College alumnus, former Sotheby's Vice President, currently Chambers Fine Art, New York and Beijing

Andrew Nairne, Director of Kettle's Yard

Tim Knox, Director of the Fitzwilliam Museum

George Bailey, Downing College alumnus, former Sotheby's Commercial Director

Louise Arnell, Trustee of the Pebble Trust

Hamish Dewar, Downing College alumnus, conservator and restorer of art

Sir David King, Former Master of Downing College, former chairman of Kettle's Yard

Gifford Combs, Cambridge University alumnus, Wilkins Fellow, art collector

Martin Kemp, Downing College alumnus and Honorary Fellow, Emeritus Professor of Art History, Oxford University, art historian

Chris Bartram, Downing College alumnus, Wilkins Fellow, art collector

Sophie Bowness, Trustee of the Hepworth Estate, art historian

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, social background, or nationality.

The goal is to attract the best applicants from the widest range of schools and colleges, while actively supporting the University's widening participation targets, as agreed with the Office for Fair Access (OFFA).

(1) increasing the proportion of UK-resident students admitted from UK state-sector schools and colleges so that it falls within the range of 62–64% of the total intake, reaching the top of that range by 2019–20;

(2) admitting UK-resident students from quintiles 1 and 2 of the Participation of Local Areas (POLAR3) classification so that they fall within the range 10–13.0% of the total intake, reaching the top of that range by 2019–20;

(3) admitting UK resident students from supergroups 7 and 8 and groups 3a, 3b, 3c and 4b of the Output Area Classification so that they comprise 8.2% of the total intake by 2019–20.

Of those home undergraduates who matriculated in October 2016, 64.9% were from UK state-sector schools, 5.2% were from Low Participation Neighbourhoods (LPNs, i.e. POLAR quintiles 1 and 2), and 4.5% from supergroups 7 and 8. Success in reaching these targets is dependent on the applicants' prior attainment: most students at the University have achieved A*A*A in A Levels and, according to UCAS data, only 7.8% of A-level students nationally who applied to HE attained at this level.

Increasingly, the College's outreach activities focus on raising the aspirations of younger students. The College aims to develop further provision to ensure that all key stages of a student's educational progression are supported. Downing recognises the importance of encouraging students to be enthusiastic about learning from an early age, raising these young people's aspirations and supporting their academic exploration so that they have the confidence to apply to highly selective institutions in the knowledge that they are capable of achieving the required grades and gaining a place.

Widening participation

As part of the University's Area Links Scheme, Downing engages particularly, but not exclusively, with non-selective maintained-sector 11–16 and 11–18 schools, Further Education and Sixth Form Colleges in Cornwall, Devon, and Dorset. Other colleges concentrate on different parts of the Country. The programme, organised by the School and College Liaison Officer, encourages students who may otherwise not consider higher education to look at all of the university options available to them through visits to schools, residential courses, Open Days, and Admissions Fairs.

To supplement the College's programme of activities, the School and College Liaison Officer manages a number of online platforms that support potential university applicants nationwide. Downing is the only Cambridge College with a dedicated outreach website. 'Discover Downing' is an online space where students, teachers and supporters can find out about the College's widening participation initiatives and outreach events, see blogs from current undergraduates

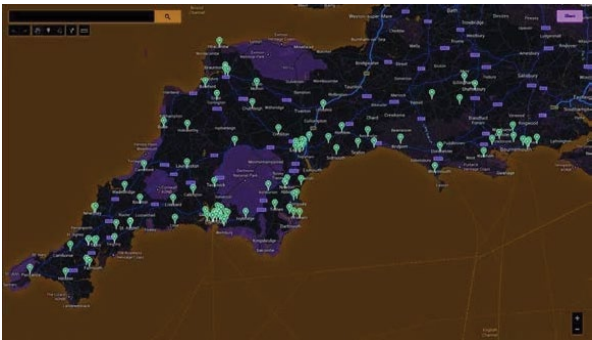
and staff, and search the bank of super-curricular resources. This bank of websites, podcasts, online courses, radio shows and other sources empowers students to explore their subjects beyond their curricula, engage with new ideas and practice responding to new information – key skills for any potential undergraduate to develop. The College’s online presence encompasses a breadth of social media channels, including the most successful outreach-dedicated College Twitter account in the University, as well as Facebook and Pinterest pages. These online platforms allow the dissemination of information to a wide audience and connect with the linked schools in the South West, and with many more individuals and third parties on national and international levels.

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, collaborating with the JCR Access Officer, Admissions Tutors and Fellows. The current School and College Liaison Officer is Lauren Payne, a recent Emmanuel College graduate in English, who has just started her second year in the role.

Since 1999, when the programme began, 69 students from target schools in the South West have taken up places at Downing. Many others have applied to other Colleges. This year, the applicant-to-offer success rate for South West applicants to Downing was 28%, which is above the applicant-to-offer success rate for Downing applicants as a whole (20% in 2014–15; 19% in 2013–14).⁶

	2015–16	2014–15
Applications	25	30
Offers	8	6
Acceptances	6	5

VISITS BY THE SCHOOL AND COLLEGE LIAISON OFFICER



The South West applicants came from 20 schools, of which we have had interactions with 18 over the last two years. Three of the 25 applications were from the independent sector and seven of the eight offer holders were from the state-maintained sector.

⁶ Undergraduate Application Statistics <http://www.undergraduate.study.cam.ac.uk/apply/statistics>

Four students who applied to Downing attended the 2015 South West Open Day and one attended the Charterhouse Careers Event. The majority of these applicants are at schools that have visited Downing through residential open days or have attended the Oxford and Cambridge Information Day. Many more have benefitted from an individual visit to their school from the School and College Liaison Officer.

Type of Activity	Number of events/ activities	Number of Students	No of Teachers	No of supporters (parents)	Total
Activities in Cambridge	3	93	8	0	101
Activities outside Cambridge	20	614	50	19	683
Staff development events	2	0	50	0	50
Summer Schools, Easter schools, and other Residential Events	7	149	16	0	165
Total	32	856	124	19	999

Attendance at College events

In 2015–16, the School and College Liaison Officer made 10 individual visits to speak with students and staff in the region and organised six Oxford and Cambridge Information Days for 364 students and staff in hub locations throughout the South West; this is the first year that these events have been hosted in new, external venues, such as the Eden Project and National Maritime Museum.

The College hosted six visits (one day and five residential) from link-area school groups, and the School and College Liaison Officer interacted with thousands of South-West students at two regional UCAS Higher Education Fairs. Downing also engaged with students on a national level and welcomed 60 Year 7 and 8 students from various schools to the College for a graduation celebration by The Brilliant Club, a charity that runs academic extension projects in schools.

Downing also held its first BME (Black and Minority-Ethnic) Student Conference, the second of its kind in the collegiate University, which was an undergraduate-led event that gave students from these backgrounds an opportunity to experience academic taster sessions and to find out in a Question and Answer session with current undergraduates, about life as a BME student at the University.

Thirty-eight students from 14 different schools and colleges attended the annual South West Open Day in 2016. This event was expanded into a three-day residential programme at which attendees were given the opportunity to engage with more-academically focussed content in this more-intensive residential experience. The students visited Faculties and Departments, engaged in taster lectures, seminars and supervisions, and were able to gain a feel for life as a Cambridge undergraduate through evening social activities.

Financial aid

Once here, students have access to several sources of financial support. This year, the College paid out 476 grants totalling £419,203 (2014–15: £421,517) for the purchase of books and equipment; attendance at conferences; travel; studentships; and bursaries in cases of financial hardship. Trust and other restricted funds provided £166,083, £67,054 was met from general funds, and £186,066 was paid through the Cambridge Bursary Scheme (2014–15: £202,982). Undergraduates received £330,641 of the total payments made, which amounted to 15.5% of the Tuition Fee. The remainder, £88,562, was paid to graduates, which amounted to 17.8% of the Graduate Fee.

Out of a Home and EU undergraduate population of 375, 87 home and EU undergraduates received on average £2,870 through the Cambridge Bursary Scheme, which is operated in common with the University and other Colleges. 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 support. Those with incomes of up to £42,620 receive amounts that taper to £50. Fifty-three students (2014–15: 46) received the maximum award under this Scheme. For students who matriculated in October 2016, the Cambridge Bursary Scheme will provide the same level of support, but the government grants are no longer available, now taking the form of an additional loan.

TUITION FEES AT THE UNIVERSITY AND ITS COLLEGES

Tuition fees for Home and EU undergraduates have been charged at the maximum permitted rate of £9,000 for students matriculating from 2012. Approval for this level of fees was conditional on the signing of an Access Agreement with OFFA.⁷ This financial year was the third 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. Since 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, and there is a redistribution of funds between Colleges 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 and financial circumstances. The University is committed under the OFFA Agreement for 2016–17 to increasing the proportion of UK-resident students admitted from UK state-sector schools and colleges progressively to be 64% by 2019–20 and the proportion of UK-resident students admitted from low-participation neighbourhoods to approximately 13%. 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.

⁷ <https://www.offa.org.uk/agreements/University%20of%20Cambridge%201718.pdf>

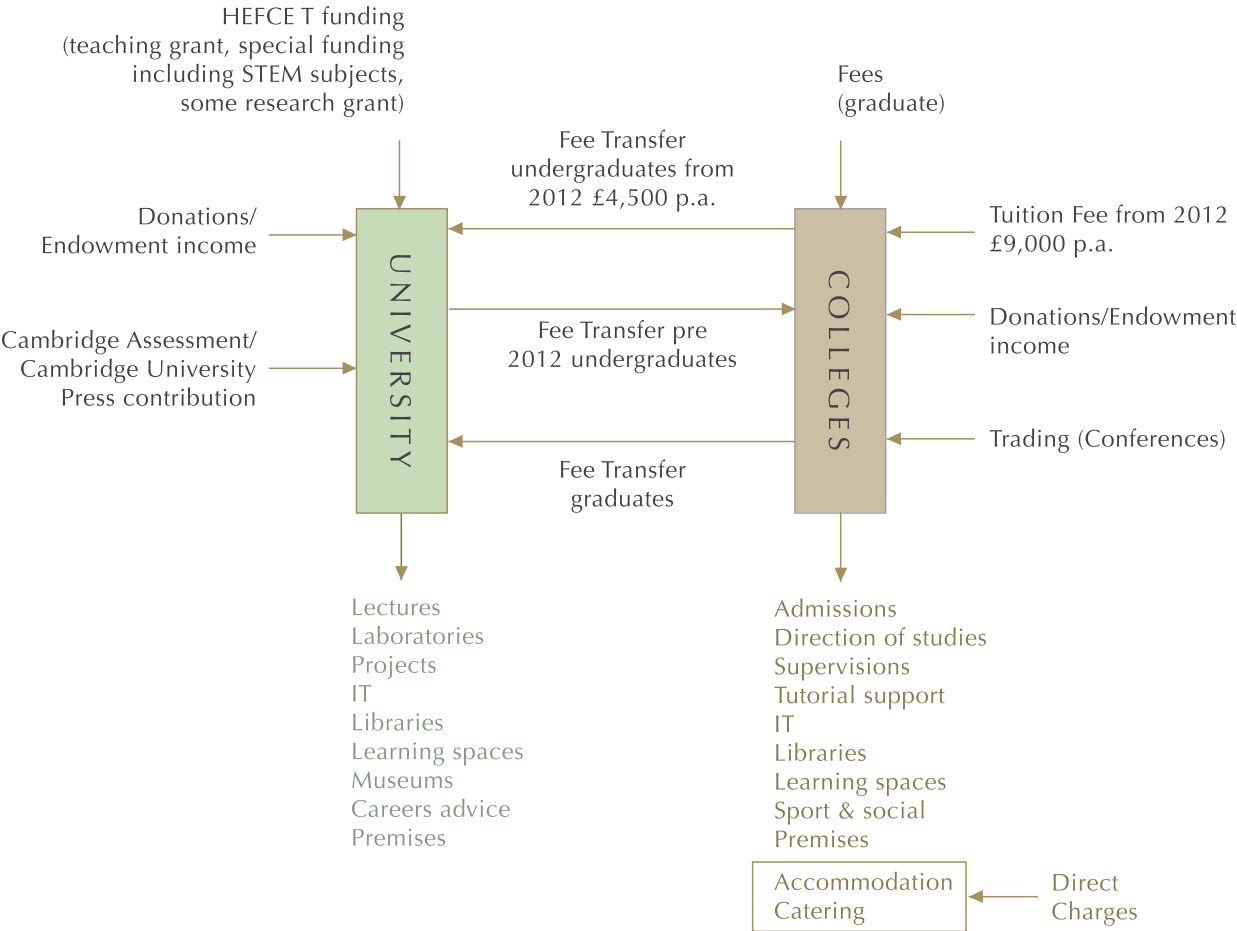
An internal study recently concluded that, taking arts, humanities and sciences together, it cost £17,100 per annum in 2009–10 to educate an undergraduate. This figure was calculated by applying to College costs the methodology used in the University financial reporting to HEFCE to arrive at a combined 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 undergraduate 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 13% of which involve just one student, but most (29%) involve groups of two. The basic rate is from £28.12 for supervision of one student up to £42.78 for supervising in groups of six or more. Colleges augment remuneration in different ways and have different contractual arrangements. For instance, Downing enhances 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, 22 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 2015–16 was £8,725 (2014–15: £8,270) per year, almost double the amount received in fees.

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 are adopted to meeting the shortfall between tuition fees and the cost of education. An intercollegiate taxation system redistributed £4.3 million in 2016, but of this, £2.6 million went in support of predominantly graduate Colleges. Historically, Colleges at Cambridge, more so than at other Universities, have been supported by philanthropic gifts from founders and alumni who appreciate the benefits of the costly education that they have received.

In 2015–16, Downing spent £4.5 million on Education, of which £3.8 million, or £8,725 per capita, was for undergraduates. Of the total amount, 49% was spent on Teaching, 14% on Tutorial, 12% on Admissions, 3% on Research, 11% on Scholarships and Awards, and 11% on other Educational Facilities.

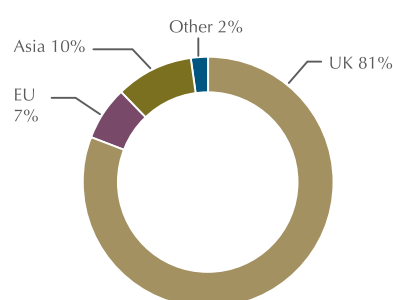
UNIVERSITY AND COLLEGES: A SYMBIOTIC RELATIONSHIP



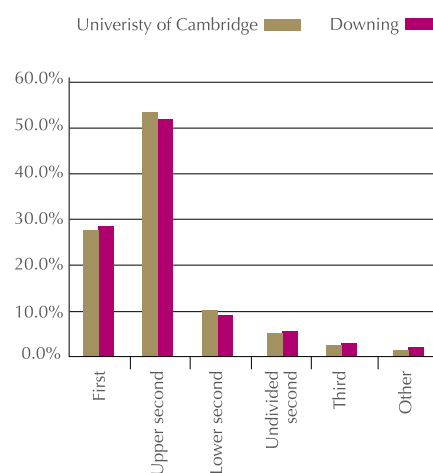
UNDERGRADUATE NUMBERS 2015–16 AS OF 1 OCTOBER 2015

<i>Subject</i>	Year 1	Year 2	Year 3	Year 4	Years 5–7	Total 2015–16	Total 2014–15
Anglo-Saxon	0	0	1	0	0	1	1
Archaeology & Anthropology	0	0	0	0	0	0	2
Architecture	1	1	2	0	0	4	5
Asian & Middle Eastern Studies	1	2	2	0	0	5	5
Chemical Engineering	0	0	2	1	0	3	4
Chemical Engineering via Engineering	1	0	1	0	0	2	2
Chemical Engineering via Natural Science	2	2	1	0	0	5	3
Classics	4	2	2	0	0	8	8
Classics – 4yr	2	0	1	0	0	3	1
Computer Science	2	4	2	0	0	8	6
Economics	7	8	6	0	0	21	21
Education	2	0	2	5	0	9	7
Engineering	11	8	11	7	0	37	36
English	8	5	2	0	0	15	12
Geography	7	4	4	0	0	15	13
History	6	5	6	0	0	17	17
History of Art	2	0	0	0	0	2	1
Human, Social and Political Science	4	6	7	0	0	17	12
Land Economy	1	2	3	0	0	6	7
Law	15	15	16	5	1	52	58
Linguistics	2	2	1	0	0	5	3
Management Studies	0	0	1	1	0	2	0
Manufacturing Engineering	0	0	0	1	0	1	3
Mathematics	8	9	3	0	0	20	19
Medical Sciences	18	17	14	12	18	79	72
Modern Languages	2	6	6	5	0	19	23
Music	1	1	0	0	0	2	2
Natural Sciences (Biological)	14	8	11	5	0	38	35
Natural Sciences (Physical)	9	10	9	9	1	38	42
Philosophy	1	2	1	0	0	4	6
Politics, Psychology and Sociology	0	0	0	0	0	0	3
Psychological and Behavioural Sciences	2	3	3	0	0	8	6
Theology	1	1	2	0	0	4	5
Theology BTh	1	0	0	0	0	1	2
Veterinary Medicine	0	1	1	0	1	3	9
Total	128	126	123	53	21	454	451

UNGRADUATES BY REGION



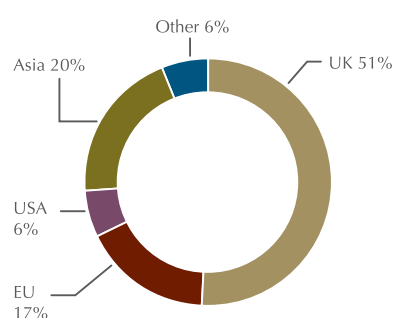
UNDERGRADUATE DEGREE CLASSIFICATIONS



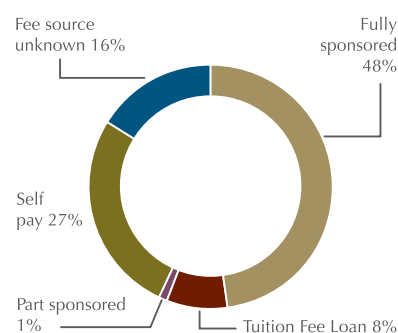
PHD THESES SUCCESSFULLY DEFENDED BY DOWNING GRADUATE STUDENTS 2015–16

Ali, Z	PhD	Engineering (Optimal block topology generation for CFD meshing)
Anjum, H J	PhD	Applied Maths and Theoretical Physics (Numerical modelling of compositional and particle-driven turbulent gravity currents)
Barany, A PhD	PhD	Theoretical and Applied Linguistics (Differential object marking in Hungarian and the morphosyntax of case and agreement)
Bowe, M K	PhD	Archaeology (Reconstructing cultural heritage in post-war northern Germany: along-term process of negotiating place and memory)
d'Angelo, L-S C	PhD	Psychology (The neural substrates of observing response task performance in rats)
Dimond, A M	PhD	Biological Science at the Babraham Institute (Regulation of transcription by noncoding sequences and nuclear organisation)
Haar, C P	PhD	History (Household, community and power in the sixteenth-and seventeenth-century Jesuit thought)
Ioannou, J C	PhD	Physics (Structure and evolution of high density protein systems)
Iurlaro, M	PhD	Biological Science at the Babraham Institute (Mechanistic insights into the role of active and passive demethylation in pluripotency)
Ku, C-A	PhD	Geography (An integrated framework for evaluating the effectiveness of land-use based flood management strategy in urban areas - a case study in Taipei City, Taiwan)
Lawson, J C	PhD	Law (The influence of civilian and canonist learning on the English Royal Law, 1152-1189)
Mistry, D	PhD	Engineering (Entrainment at the turbulent/non-turbulent interface in a turbulent jet)
Ng, K T	PhD	Biotechnology (Novel synthetic affinity ligands based on an Ugi multicomponent reaction for the purification of human antibodies)
Parker, M L	PhD	Astronomy (The spectral variability of black holes)
Patel, A	PhD	Psychiatry (Computational approaches for functional analysis of neurons and brain networks)
Peirce, V J	PhD	Clinical Biochemistry (Regulation of adipose tissue function by bone morphogenic protein 8b)
Petrini, E	PhD	Biological Science at the Babraham Institute (Myosin I is required for the response to Low phosphate stress in fission yeast)
Romero, JP	PhD	Land Economy (Technical progress and structural change: the roles of demand and supply in economic growth)
Schoefert, A K	PhD	History and Philosophy of Science (The view from the psychiatric laboratory: the research of Ernst Grünthal and his mid-twentieth-century peers)
Sive, J I	PhD	Haematology (Dysregulation of PU.1 in acute myeloid leukaemia)
Sugden, K	PhD	History (An occupational analysis of the worsted industry, circa 1700-1851. A study of de-industrialization in Norfolk and the rise of the West Riding of Yorkshire)
Tanna, H	PhD	Medical Science at CRUKCI (StemC) (DNA replication timing and stem cell potential of the intestinal epithelium)
Tardelli Terry, C	PhD	Italian (Francesco da Buti's commentary on Dante's Commedia New critical edition, based on MS Nap XIII C1 Purgatorio, Paradiso)
Ward, J R M	PhD	Biological Science at the Babraham Institute (Characterising a role for phospholipase D3 In autophagy and endocytic trafficking)
Wu, Y	PhD	Psychology (On the psychology of near-misses: psychophysiological and neuroendocrinological approaches)
Yang, G	PhD	Archaeology (The concept of 'Patriotic Education' and its influence on China's World Heritage Practice)
Yu, T-C	PhD	Biochemistry (Characterisation of the membrane protein complex formed by natronomonas pharaonis sensory rhodopsin pSRII and its cognate transducer pHtrII)
Zhai, W	PhD	Engineering (The processing and properties of bulk Y-Ba-Cu-O superconductors fabricated by TSMG from precursor pellets containing graded composition)

GRADUATES BY REGION



GRADUATES BY FEE TYPE



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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).

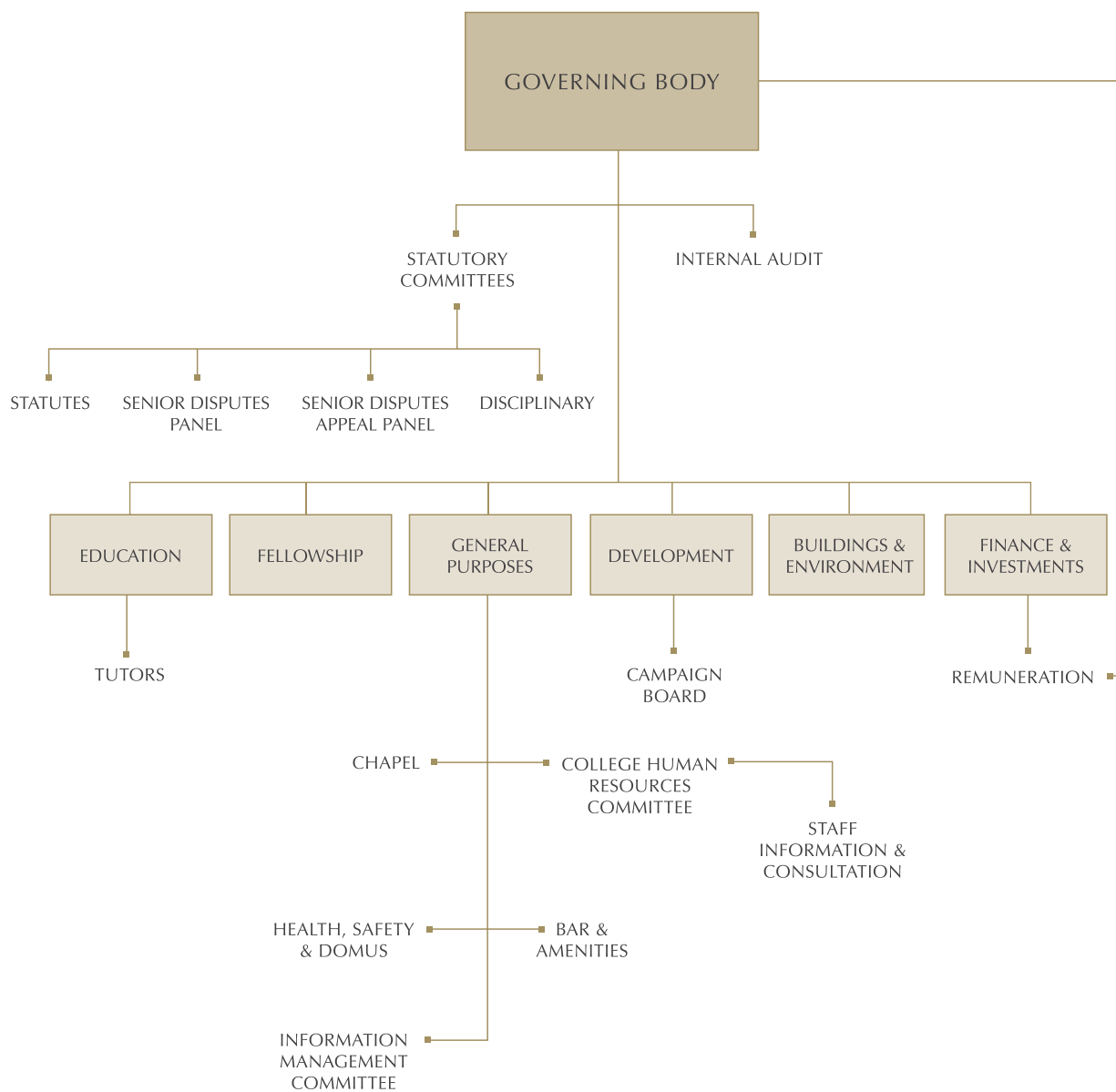
The Statutes that set out the arrangements for governance of the College were last completely revised during 2005 and approved by Her Majesty, with the advice of Her Privy Council on 9 May 2006, with approval given to amendments on 18 March 2009. The Master is Chairman of the Governing Body; the Senior 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 5 and 6. 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 eight 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 (6), 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 2015–16 was £43,952 (2014–15: £39,587).

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. Since October 2012, the tuition fee for Home/EU students has been set at £9,000, despite significant inflation in costs. Half of the amount was passed on to the University (see separate section on pp.11–12) and the College retained the other half of £1,679,667. The total fees that the College received for educating undergraduates, including the private fees payable by overseas students, was £2,136,843, which amounted to 22.4% of unrestricted income before donations and endowments (2014–15: £2,095,742 and 23.0%). The fee for Home/EU students has remained unchanged since 2012 at £4,500. Privately funded undergraduates paid a tuition fee of £7,974. Since 2014–15, the fee due from graduates is a proportion of the new single fee charged by the University. The fee received from each full-time graduate student was £2,844.

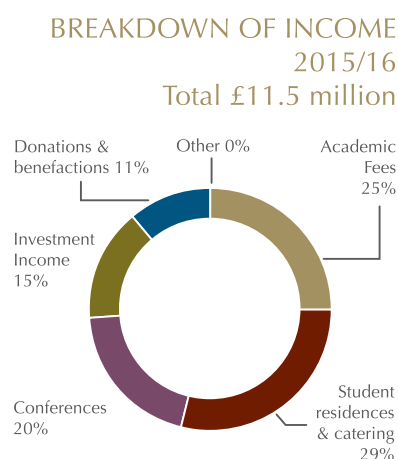
A slight increase in costs, coupled with an increase in student numbers, resulted in a small increase of 0.6% in the shortfall per student, from £2,826 to £2,843 (on a fully allocated basis). Using a methodology consistent with that used by the University, the College has calculated that it costs £8,725 to educate an undergraduate. (2014–15: £8,270). The model, which allocates costs between undergraduates and graduates, calculated that the shortfall on each graduate student was £4,450 (2014–15: £4,271). 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. As the University intends to participate in the first year of the Teaching Excellence Framework ('TEF'), the fee charged to Home and EU undergraduate and PGCE students admitted from 1 September 2017 will rise in line with the inflation-adjusted fee cap announced by the Government. We anticipate that the fee will be £9,250 in 2017–18.

The Colleges Fund

The Colleges Fund, which is funded through the intercollegiate taxation system, makes grants to Colleges with insufficient endowments. In the past, the College has received grants, totaling £642,900 over the last ten years but for the third consecutive year, the College was not awarded a grant.

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. Fellows are given rooms, including residential flats if single, and other benefits. The intercollegiate rate for 2015–16 for an hour's supervision of two students was £34.46. 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 8. In 2015–16, the cost per square metre of providing space was £151.19, compared with £152.11 in 2014–15, a decrease of 0.6%. 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. At present, three full-time (English, History, and Law) and one quarter-time (Human, Social and Political Science) College Teaching Officers are funded by the College. Approximately £5.0 million of the College's £40 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 £22.1 million. From the introduction of the £9,000 Tuition Fee in October 2012, the shortfall has been £6.4 million.

Development

In order to boost the charitable funds necessary to support its educational mission, in 2009 the College launched its Catalysis Campaign, which successfully raised its target of £20 million during this year. The funds raised support Fellowships in Neuroscience, Mental Health and Neuropsychiatry, Biomedical and Biological Sciences, and Engineering. Substantial donations have contributed to the integration of the graduate community by creating accommodation on the Domus and the development of the College's cultural programme with the establishment of an Art Gallery. Most recently, the College has received substantial support from the Howard Foundation, Christopher Bartram, Humphrey Battcock, Gary Blankenship, Gifford Combs, Alwyn Heong, Tadayoshi Tazaki, and Stephen Peel.

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 continues to benefit from the generosity of Trinity College through the discounted rent payable on the sports ground lease and from the support provided by The Isaac Newton Trust. The Trust has over the past three years contributed half the cost of the Isaac Newton Trust Mays Wild Research Fellow and, from October 2016, will support another Research Fellowship and two graduate studentships. In the past ten years, the College has benefited from £570,000 in funding from Trinity and the Isaac Newton Trust, both of which ensure that the less well-endowed Colleges are able to provide resources and facilities equivalent to those of the other Colleges.

SIGNIFICANT POLICIES

1. RESERVES

1. Total Funds stood at £185.1 million at 30 June 2016. Of this amount, £111.5 million is designated as operational assets, representing the net book value of the buildings that are not supported by the Revaluation Reserve. 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 USS and CCFPS final salary pension scheme for staff under FRS 17 (2016: £2,057,928; 2015: £2,206,559).
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 2016, free reserves (General Reserve less pension liability) stood at £5.9 million (2015: £4.4 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 education inflation rate of 3.5%) 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. Following a review in 2014, the College decided to retain Partners Capital, but adjust the risk levels within the portfolio. The portfolio managed by Partners Capital is designed to generate a nominal, unleveraged return of 7.5% after all management charges over the long term, to maintain the real value of the portfolio, while funding 4% of spending per annum.

4. For the period 1 July 2015 to 31 December 2015, for performance measurement purposes, the benchmark consisted of Equities: 45%, MSCI World Index (in local currency); Fixed Income: 13%, FTSE A British Government All Stocks; Hedged Funds: 20%, HFRI Fund of Funds Composite; Cash: 1%, UK three-month LIBOR Index; Inflation Linked Bonds: 3%, FTSE A (Index Linked) British Government All Stocks; Commodities: 3%, S&P Goldman Sachs Commodity Index; and Private Equity: 15%, State Street All PE Index (lagged 3 months). Tactical Allocation ranges were cash: 0–5%; Fixed Income: 0–18%; Hedge Funds: 5–35%; Equities: 20–65%; Private Equity: 10–25%; Commodities: 0–6%; and Inflation Linked Bonds: 0–10%.

For the period 1 January 2016 to 30 June 2016, for performance measurement purposes, the benchmark consisted of Equities: 44%, MSCI World Index (in local currency); Fixed Income: 12%, FTSE A British Government All Stocks; Hedged Funds: 18%, HFRI Fund of Funds Composite; Cash: 1%, UK three-month LIBOR Index; Inflation Linked Bonds: 3%, FTSE A (Index Linked) British Government All Stocks; Commodities: 3%, S&P Goldman Sachs Commodity Index; and Private Equity: 19%, State Street All PE Index (lagged 3 months). Tactical Allocation ranges were cash: 0–5%; Fixed Income: 0–18%; Hedge Funds: 5–35%; Equities: 20–65%; Private Equity: 10–30%; Commodities: 0–6%; and Inflation Linked Bonds: 0–10%. From February 2013, the custodian for the majority of the securities has been HSBC Private Bank (Luxembourg) S.A.

5. 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 the 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.
6. 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.
7. The unapplied total return stands at £10,718,645 for the securities portfolio and includes returns from commercial property since 1 July 2007.
8. 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.
9. 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 three members of the Finance Committee, but augmented by six 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.

10. The Investment Committee is required to meet three times a year in order to review investment performance, but meets more frequently in response to 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.

11. This Statement has been reviewed in November 2016 and will be reviewed at least every three years.

3. RISK

Given the relatively small size of its investment portfolio, the College must adopt a balance between providing stability of value and long-term investment returns. The College 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. The College has adopted a diversified asset allocation and embraced some illiquidity in the portfolio in order to provide a suitable trade off between risk and return. The asset allocation, liquidity, and the expected risk/return profile of the portfolio are regularly reviewed by the Investment Committee. 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 through the use of third party specialising in multi-asset class investing. During more-recent financial turbulence, 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 60% 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. 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

Downing was the first College to sign the Cambridge Climate Change Charter on 19 February 2008, and has remained in the forefront of environmental improvement. In 2010, Quentin Blake (English: 1953), 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.

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
- participating in local and national energy conservation programmes, such as Green Impact, Student Switch-Off, and Green Tourism.

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 (e.g. under the WEEE regulations)
- reducing the per capita consumption of water
- 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:

- operating to Carbon Trust Standards; Downing is the only Oxbridge College to have achieved certification in 2009
- to reduce carbon consumption by at least 34% by 2020 (baseline 2005)
- to reduce carbon consumption by at least 80% 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 within the College
- working with the City Council and other waste disposal agencies to recycle more effectively
- creating new recycling channels where possible, and publicising these to staff, students, Fellows and guests.

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, including regular feedback on College performance
- managing College initiatives through the Health, Safety & Domus Committee, the Buildings and Environment Committee, and the General Purposes Committee

- involving JCR and MCR Green Officers in all appropriate initiatives, such as the ‘Student Switch-Off’ Campaign
- 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 of achievements via Green Tourism
- 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
- 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
- the College will work with the City Council on congestion-reducing initiatives.

Actions and Targets

The College will:

- maintain levels of Carbon Trust Standard
- assess buildings for energy efficiency and undertake a programme of remedial action to improve their performance (insulation, etc.) led by an impairment review
- achieve 20% renewable content in electricity procurement in conjunction with the Cambridge Colleges Energy Consortium by 2018
- support the efforts of Green Officers by providing past annual and current monthly energy consumption data
- participate in intra-College, University and national energy conservation competition
- seek additional renewable energy opportunities.

Progress on Green Initiatives

- In 2013, the College signed up to the ‘Student Switch-Off’ Campaign, designed to emphasise energy and water saving initiatives; Downing had been top, or joint top for the three years of its operation
- In 2014, Downing College achieved Gold Standard in the National Green Tourism awards and has retained that standard each year since, including 2016
- The College has participated in the University-wide Green Impact awards since their inception in 2014, and has achieved the Gold Standard for each of the past 3 years – the only College to do so.



RESULTS IN THE FORMAT REPORTED TO THE CHARITY COMMISSION

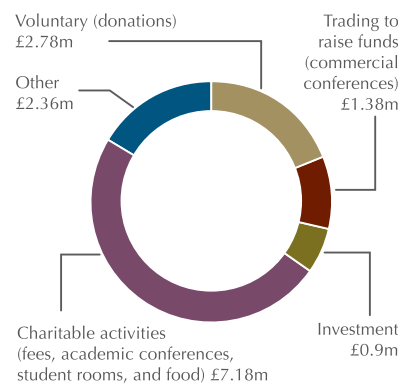
The *Summary Information Return* ('SIR') that is made annually to The Charity Commission is based on *The Charities Statement of Recommended Practice*, which has a different emphasis from that of the standard profit and loss model of accounts that informs *The Statement of Recommended Practice: Accounting 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 (19% of income) to support its £9.15 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.

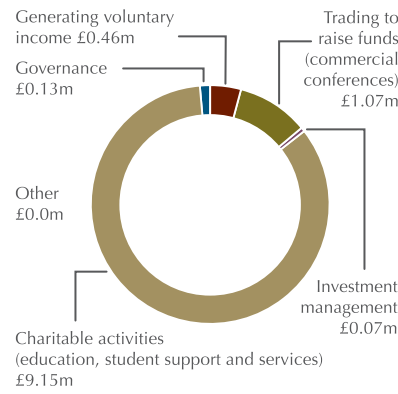
A further chart shows the extent to which funds have been used to support the current year's activities and the extent to which they have been retained for future use, although in many cases that division reflects the terms of the donations.

Compared with 2014–15, income for 2015–16 increased by 29.7% to £14.62 million, principally as a result of increased donations and the profit on sale of the outlying houses. Income from charitable activities increased by 5.1%, with the most significant rise being from student charges and fees. Income from commercial conferences was £1.38 million, up 2.7% from last year's £1.35 million; charitable (i.e. academic) conferences remained the same at £0.87 million. Spending on charitable activities increased by 8.5% to £9.15 million. Of the £14.6 million in income received during 2015–16, £3.73 million was retained for future use.

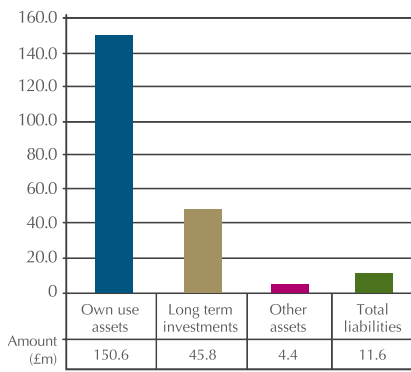
INCOME £14.6 million



SPENDING £10.9 million

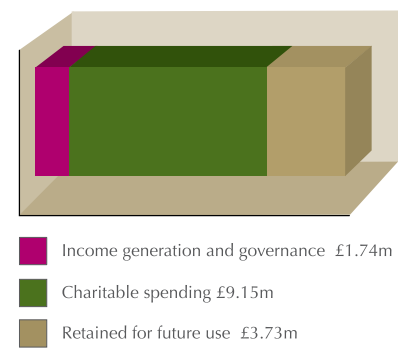


ASSETS, LIABILITIES & PEOPLE



Employees 177

CHARITABLE SPENDING



FINANCIAL REVIEW

Income and expenditure

- Surplus for the year: £5.0 million
- Unrestricted surplus before other gains and losses: £0.7 million
- Total income up by 15.0%
- Costs up 3.3%

The Total Surplus for the year of £5 million showed an improvement of almost £2 million on last year's results. This result was helped by a gain of £2.4 million on the sale of two graduate houses in support of the strategy of housing on the Domus as many students as wish to do so. The Unrestricted Surplus before gains and losses of £713,000 measures the efficiency of operations, which this year was helped by an unrestricted gift of £1 million. The financial health of the College depends on such gifts, but the College aims to manage its affairs so as not to rely on them. As the College has no ability to set prices on its principal activity, the tuition of Home/EU undergraduates, that goal is difficult to achieve. The tuition fee of £9,000 has not increased since it was set in 2012; however, the College's half-share in real terms has declined to £4,111.

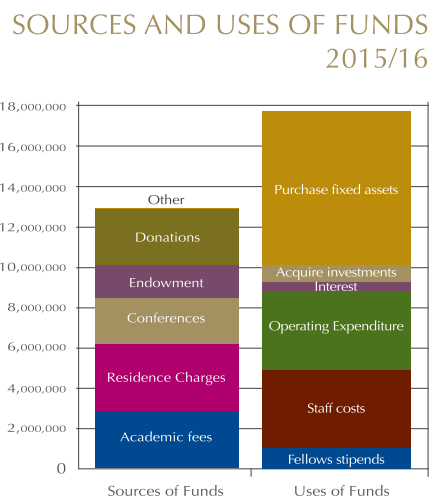
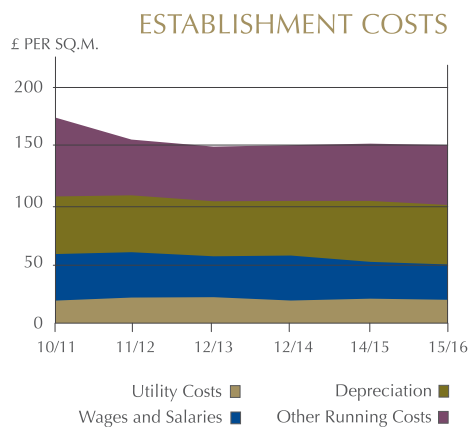
Staff Costs

The main driver of expenditure is staff costs, both academic and non-academic. The salary component of costs, without pension and national insurance costs, increased by 7.3% from £4 million to £4.3 million, reflecting an increase in headcount of three additional Fellows and seven full-time equivalent staff posts required to service the extra accommodation. The total cost was £4.9 million, up from £4.8 million, a narrower increase that reflects the higher provision for the USS pension scheme made last year. Overall pension costs amounted to £0.3 million vs £0.6 million for 2015-16. As a percentage of total expenditure of £10.9 million, total salary costs amounted to 45.1%. Of total income before donations and endowments, total salary costs accounted for 51.8%.

At these levels, staff costs must be contained and yet it is increasingly difficult to do so: the number of both permanent and casual staff has grown in response to increases in activity and the higher expectations of students and guests. The tight market in Cambridge for both skilled and unskilled labour has put pressure on salaries, which together with the additional pension costs resulting from auto-enrolment, the consequent greater take-up of the pension benefit, and the aspiration to match the level of the 'living wage' for permanent employees, continues to add to the wage bill. 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 non-academic staff pay was £18,348 (£17,120).

Student Rents

The rent roll, another major component of income and in principle in the College's control, amounted to £2.6 million. Rents are set in negotiation with the JCR and MCR using a cost attribution model which is intended to cover costs, but not make any profit. The model uses budget figures in order to set the rent for the following year. In order to make



the cost of living clear to potential applicants, the College moved away from the traditional 'kitchen fixed charge' and implemented a 'no hidden charges' Residence Charge from 1 October 2016. Student meals are charged at a mark-up on food alone to allow for wastage, with no charge levied for the cost of labour, utilities, insurance, or facilities. The resulting average Residence Charge for undergraduates is £157.50 per week and for graduates is £166.23, with the difference reflecting the distribution of differently banded rooms. The median undergraduate residence charge per week is £155 and for graduates is £165. There is a range of contract options at 29, 30, 38–39 (charged at 36–37), and 51 weeks. All undergraduates with 38 (charged at 36) week contracts, are eligible for an automatic bursary, depending on their financial circumstances. Contract lengths are shorter than at other Russell Group universities, many of which are only able to accommodate first-year students, whereas the College can accommodate undergraduates for the duration of their course. Of the 535 rooms, 417 are occupied by undergraduates and 118 (including 9 flats), are occupied by graduates. The College anticipates adding to its room stock through the conversion of offices on the boundary and the purchase of further houses on Lensfield Road, with the aim of providing accommodation to all students who wish to live on the Domus.

The College compensates for its relatively small endowment and the shortfall in rental income to cover 52 weeks of costs through its conference business, which returned £2.3 million in income for 2015–16.

DEVELOPMENT: ALUMNI RELATIONS AND FUNDRAISING

- Pledges made and cash received: £2.6 million
- Total Gifts recorded in the accounts: £2.8 million
- Telephone Fundraising Campaign: £0.2 million
- Legacies: £0.1 million
- Participation rate: 21%
- Number of Gifts received: 1,073

The Catalysis Campaign exceeded its goal and came to a successful conclusion on 30 June 2016. A special garden party was held and an end-of-campaign booklet was distributed to thank as many donors as possible. It is important to remember what was achieved by this campaign.

We asked for support to bring our students within the Domus: we were able, thanks to gifts of £7.3 million, to convert Grifphon House and create First Court with Battcock Lodge. With £5.3 million raised for teaching and research, we can now support two Fellows in neuroscience, one Fellow in laser manufacturing, and one Research Fellow in biomedical sciences. The need for hardship grants in a world of high tuition fees and inadequate student loans was well understood by our members, many of whom benefitted from free tuition and generous grants. The income from an additional £6.7 million will support students in need and enable graduates to take their studies further through studentships. Our buildings – even our car park – have been restored because members are generous.

But the goal is more than simply preserving our heritage: we aim to respond to and foster the interests of our community, for which we received £1.3 million. Alumni loyally support our Boat Club, sponsoring professional coaching. And, unusually for a Cambridge college, we have a state-of-the-art theatre, a perfect organ and Britain's newest art gallery.

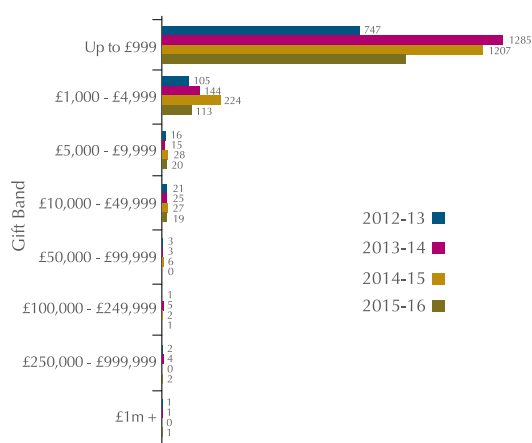
These gifts bear witness to the impact of our members and friends on the College that they help to create. The Catalysis Campaign has substantially increased the College's financial stability, which was its mission. Two centuries of serious under-endowment cannot be corrected in several years or even decades, but Catalysis has been a significant step towards a more secure future for Downing. This work will continue.

The tables below show the total funds recognised for the years 2015–16, 2014–15 and 2013–14; the Status of Donors and Members out of Residence in 2015–16, 2014–15 and 2013–14; and attendance at Alumni and Donor events in 2016–17, 2015–16, 2014–15 and 2013–14.

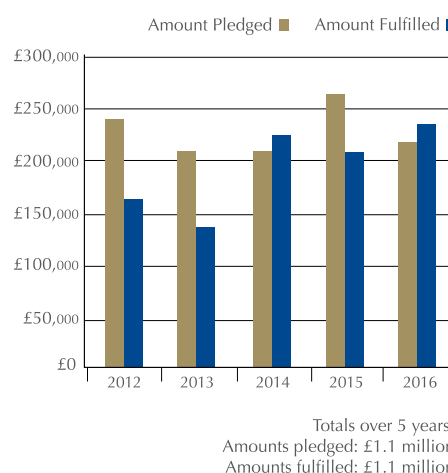
CATALYSIS CAMPAIGN

	Cash Received	Further Pledges	Committed Funds
Teaching & Learning	£6.3m	–	£6.3m
Research & Discovery	£0.8m	–	£0.8m
Heritage & Environment	£4.5m	£0.6m	£5.1m
Support & Services	£1.0m	£0.1m	£1.1m
Culture & Community	£0.7m	–	£0.7m
General Endowment	£4.5m	£0.2m	£4.6m
Annual Fund	£1.8m	£0.1m	£1.9m
TOTAL	£19.6m	£1.0m	£20.6m

NUMBER OF GIFTS RECEIVED



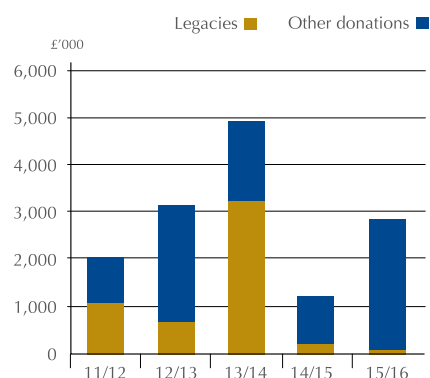
TELEPHONE FUNDRAISING DONATIONS



STATUS OF MEMBERS OUT OF RESIDENCE AND DONORS

	2015–16	2014–15	2013–14
MEMBERSHIP DATABASE			
Number of members (living and deceased)	11,555	11,338	11,138
including former undergraduates	9,554	9,432	9,361
including former graduates	2,001	1,906	1,777
Deceased	2,327	2,273	2,211
Living members	9,228	9,065	8,919
Address known (members in contact)	7,960	7,732	7,529
including former undergraduates	6,404	6,282	6,206
including former graduates	1,556	1,450	1,323
% Address known	86%	85%	84%
email address known	6,840	6,544	6,155
% email address known (of those whose address is known)	86%	85%	82%
Address unknown	1,225	1,333	1,390
Request not to be mailed	72	86	80
PARTICIPATION RATES			
Living donors this financial year	1,481	1,244	1,270
including former undergraduates	1,336	1,117	1,134
including former graduates	99	90	95
including others	46	37	41
Members who have ever contributed to the College	3,859	3,847	3,757
Living members in contact who have contributed	3,212	3,220	3,175
% of total living members	35%	36%	36%
% of members in contact	40%	42%	42%
Participation Rate this financial year of living members	16%	14%	14%
Participation Rate this financial year of living members in contact	19%	16%	17%
% former undergraduates	21%	18%	18%
% former graduates	6%	6%	7%

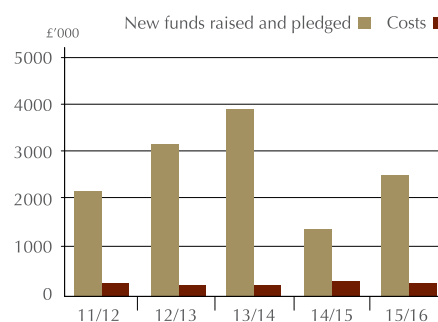
DONATIONS & LEGACIES



Totals over 5 years:
Legacies: £6.4 million
Other Donations: £7.9 million

Note: Excludes Howard Theatre Donation

NEW FUNDS RAISED & PLEDGED AND FUNDRAISING COSTS



Note: Excludes Howard Theatre Donation

EVENTS AND OTHER FORMS OF CONTACT

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

	2016–17		2015–16		2014–15		2013–14	
	Total	Alumni	Total	Alumni	Total	Alumni	Total	Alumni
1749 Reception: July	67	26	94	37	77	33	103	45
Year Reps Meeting: September	32	27	34	30	31	27	26	19
Alumni Day: September	140	80	156	94	201	122	232	143
Association Dinner: September	133	77	171	111	144	96	170	110
Parents Lunch: November	164	-	155	-	159	1	149	1
London Event: November	95	80	120	89	132	105	147	121
Griffins' Dinner: February			14	11	56	21	21	14
Catalysis Conference			95	32	90	36	108	38
Reunion Dinner: July/March/April			160	156	169	162	167	156
Segreants Dinner: April			78	60	88	46	102	56
MA Awards Dinner: May			125	89	127	97	99	83
Donors Garden Party: June			308	126	136	60	162	68
Graduands Reception: June			280	75	324	93	348	97
Other events			643	261	260	113	159	109
Total			2,273	1,105	1,994	1,012	1,993	1,060



www.twitter.com/downingcollege

Followers: 3,490

Tweets: 1,503



www.flickr.com/photos/downingcollege

Photos: 1,978

Views: 15,452



www.facebook.com/downingcollege

Fans: 5,321



Downing College LinkedIn Group

Members: 1,182

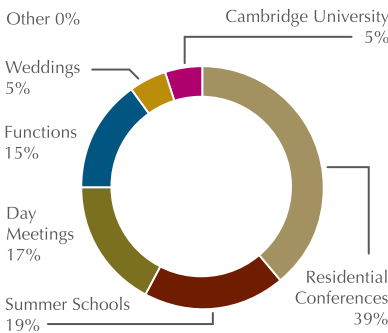
CONFERENCE SERVICES

- Conference Services income: £2.3 million – up 1.7%
- Charitable Conferences: £0.9 million – no change
- Received top award in University for B&B business

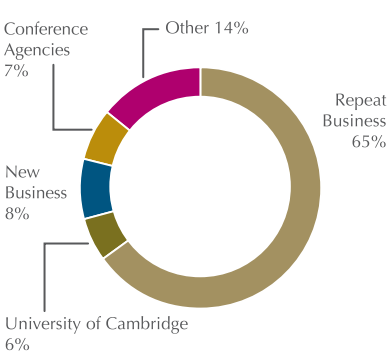
Conference services income remained steady at £2.3 million, an increase of 1.7%. Inevitably, there is a tension between student use of facilities and commercial bookings. With the renaissance of the Downing Dramatic Society, student use of the Theatre occupied 34 days during term. Five well-received plays and the Festival of Writing, which attracts University-wide interest, meant that term-time conference availability was decreased by six weeks. Although the income from accommodation increased by 3.8% to £0.9 million, total room nights decreased, indicating that a higher proportion of higher-value superior en-suite rooms were let. Spare capacity is offered as bed and breakfast through universityrooms.com, but, as this is labour-intensive, capacity is only released when Conference Services are absolutely sure that it will not be sold to corporate conferences, which are less likely to occupy space at weekends. The College continues to be a popular venue for weddings, including nine alumni weddings in the summer of 2015, which is captured in the 2015–16 results.

The College’s facilities and service continues to be acknowledged through awards: this year, the College received the top award in the University for its B & B business, judged by a secret shopper, and retained the Gold Award for Green Tourism from June 2014. 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. The Heong Gallery, which opened in February 2016 to critical acclaim, helped to publicise the College’s facilities in the national press and further increased the attractiveness of the College as a conference destination. These public facilities, in conjunction with its distinctive architecture and superior en-suite rooms, have helped the College to 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.

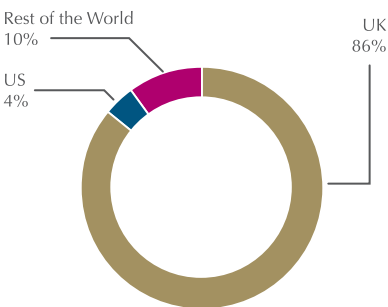
INCOME BY BUSINESS SECTOR



INCOME BY BUSINESS SOURCE



INCOME BY REGION



DOWNING DRAMATIC SOCIETY



2015	
30–31 July	Paintings and Cake, DDS at the Edinburgh Fringe
19–24 October	1415 and All That
15–18 November	As You Like It
2016	
5–10 February	Lulu
22–27 February	Hay Fever
7–12 March	Festival of New Writing
3–8 June	Lady Windermere's Fan
27–29 October	The Art of Coarse Acting
29 November–1 December	A Doll's House
2017	
23–25 February	The Importance of Being Earnest
9–11 March	Festival of New Writing

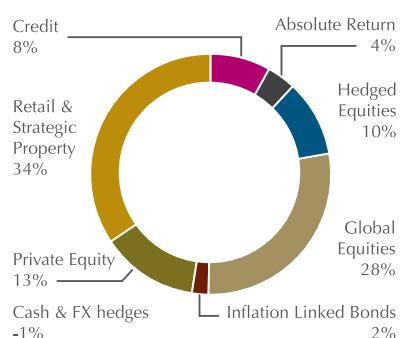
INVESTMENTS

- Total Return: 5.3%
- £26.2 million in securities: 2.1% total return
- £13.9 million in property: 11.2% total return
- Endowment Drawdown: £1.7 million
- Additions to the securities portfolio: £0.8 million

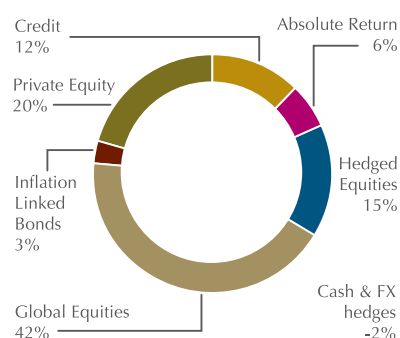
The combined securities and property portfolios, after deducting all costs, including fees, returned 5.3% compared with last year's 10.9%, with the 35% of the portfolio consisting of property providing 3.9% of the return. The performance of the securities portfolio for the financial year was supported by the +18.5% appreciation of US Dollars, although due to the hedging of 60% of non-sterling exposure, the portfolio only benefited from part of USD rise. After hedging, 58% of the portfolio is in sterling, with 32% US Dollars and 10% other currencies. Post-Brexit, the unhedged dollar exposure has continued to contribute, accounting for 4.2% of the 9.3% return for the calendar year to 30 September.

The decision taken in 2012 to introduce further risk-assets into the portfolio has led to an increase in allocations to private equity, public equity and private debt, resulting in a corresponding rise from 55% to 75% Equivalent Net Equity Beta ('ENEB'). The calculation reflects the correlation with equity markets within all investments in the portfolio on a look-through basis. As a very long-term investor with increasingly resilient alternative sources of cash and a predictable rental stream from the property portfolio, the College can withstand high levels of volatility in market valuations and currency movements and significant illiquidity.

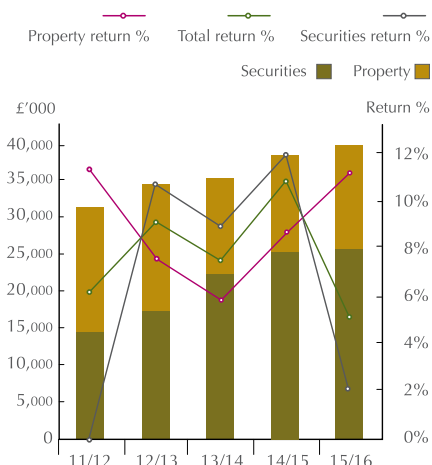
ASSET ALLOCATION AT
30 JUNE 2016 (Inc. property)



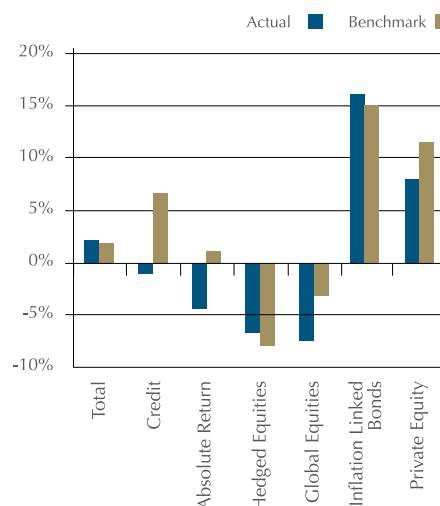
ASSET ALLOCATION AT
30 JUNE 2016 (Exc. property)



ENDOWMENT & TOTAL RETURN



SECURITIES RETURN AGAINST
BENCHMARKS

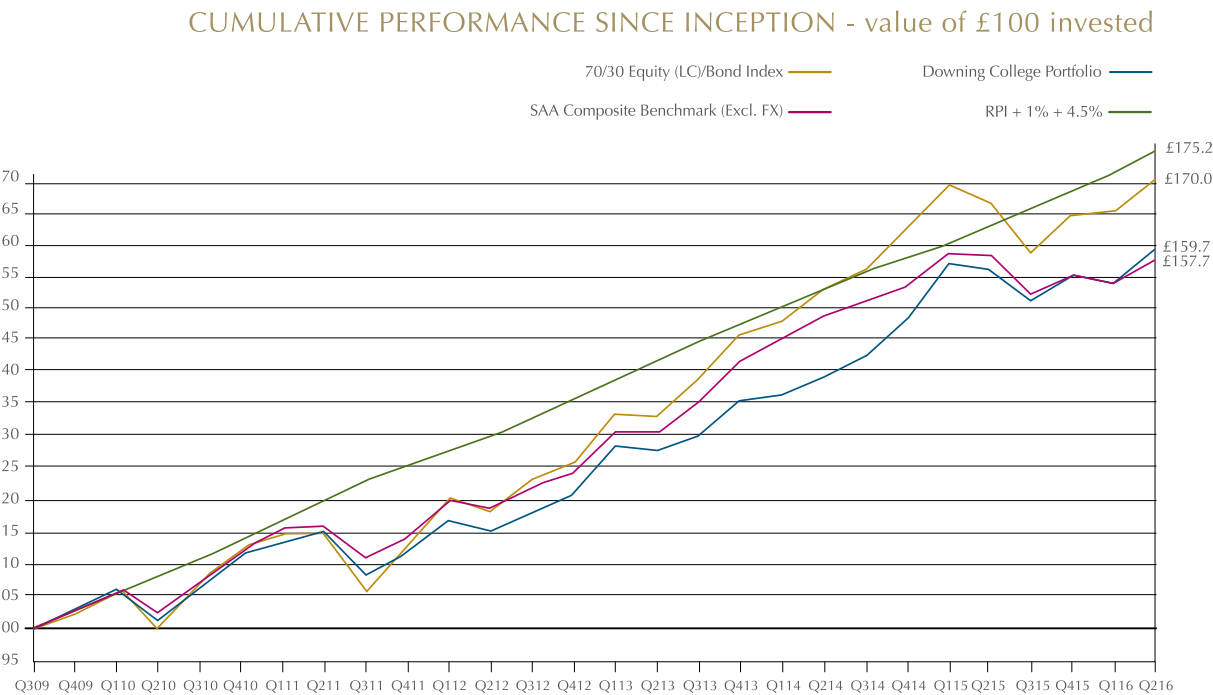


While the spending rule reflects a notional withdrawal from the portfolio, investments nevertheless typically remain untouched, as the spending rate attributed to the securities component is netted against additions to the portfolio from fundraising activity or met from other sources of income. The Committee therefore determined that the portfolio could take advantage of the illiquidity premium estimated to be between 3% and 5% by investing in private markets, particularly in private debt through the Phoenix Fund II, which is 9% of the portfolio, excluding investment property. The long-term target for investments in private equity is 26% of the asset allocation, excluding investment property. Investment in new funds, however, detracts from overall performance in the near term, as commitment fees are paid while investments are being made. Illiquidity (private equity and private debt) during the financial year increased from 23% to 30%, but 45% of the securities portfolio can be accessed within a quarter, and 21% immediately.

The securities portfolio's return of 2.1% compared favourably with the 1.9% return of the '70/30' (70% MSCI AC World NR LC/30% FTSE A British Government All Stocks Total Return). The portfolio has performed in line with the Strategic Asset Allocation Composite Benchmark, returning an annualised 7.2% since inception with an average risk profile of 72% equity risk measured over a three-year period and 75% risk during the last year. The expected return for the three-year period was 24.2%, while the portfolio achieved a 24.8% 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 portfolio size as a shorthand, however, can be misleading. The property portfolio consists almost exclusively of the shops and offices on the Regent Street border. Owned for opportunistic and defensive purposes, these properties are classified as part of the Investment Portfolio, yet only share some of the characteristics of financial investments. Despite being the main route between the station, the Ring Road, and the City Centre, Regent Street remains a tertiary location for shops: it is, therefore, difficult to attract tenants with strong covenants. Of the 23 units, by year end 19 were occupied, leaving 3 without tenants and one subject to contract. The property portfolio stood at £13.9 million (some 35% of the total portfolio of £40.1 million), an increase of only 5.3%, but excluding the 6.1% of income yield. In the previous five years, the property holdings have been as high as £17.1 million, with a £4.1 million reduction in value reflecting a change of use of Parker's House from an investment property to an operational property, Battcock Lodge, in which students are housed. A drop in value, which might seem as a weakening of financial health, is in fact a positive investment in the student experience.



Distributions for Spending

During 2015–16, the spending rule delivered £1.7 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, which progressively incorporates investment performance, 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 2016–17 increased modestly from £1.04 per unit for 2015–16 (on a unit value of £23.90) to £1.06 per unit on a unit value of £24.10. The distribution for 2016–17 represents a yield of 4.50% on the three-year average fund unit value and 4.40% on the closing fund unit value as at 30 June 2016. 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 below 4.5%, the portfolio is in effect retaining 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, measured by RPI + 1% after distributions and this has proved difficult, given the rate of educational inflation versus returns. Since the inception of this portfolio in the fourth quarter of 2009, educational inflation has run at 30.5%, while the total return on the portfolio has been 59.6%. In order to preserve the purchasing power of the portfolio over this period, a spend rate of only 3.2% would have been required – a rate that has fallen slightly from last year when, in order to preserve the purchasing power, a rate of 3.8% would have been required.

Composition of Investment Portfolio

	30 June 2016 £	30 June 2015 £	30 June 2014 £
1. Securities			
Core Portfolio Cash*	379,316	2,006,113	1,758,792
Forward Foreign Exchange Hedges	(878,316)	158,640	108,791
Fixed Income	—	—	—
Credit	3,267,673	3,017,928	1,828,812
Absolute Return	1,615,736	1,985,780	2,165,428
Hedged Equities	4,169,060	3,474,524	2,552,546
Global Equities	11,403,731	9,943,995	10,652,959
Private Equity	5,507,627	3,648,075	2,416,374
Inflation Linked Bonds	695,428	1,331,694	1,327,382
Commodity Fund	—	—	—
Total	26,160,255	25,566,749	22,811,084
Other Private Equity**	—	—	—
TOTAL SECURITIES	26,160,255	25,566,749	22,811,084
2. Property			
Office	5,336,412	5,450,660	5,345,660
Retail	8,567,600	7,753,600	7,618,600
TOTAL PROPERTY***	13,904,012	13,204,260	12,964,260
TOTAL PORTFOLIO	40,064,267	38,771,009	35,775,344

* 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: 96A Regent Street, 76 Regent Street and 70 Regent Street. These have a combined value of £2,145,000, 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

- £185.1 million in capital and reserves (including buildings) – up 23.1%
- £148.1 million in buildings – up 38.4%
- £40.1 million in investment assets – up 3.3%
- £0.8 million in benefactions and donations transferred to Partners Capital
- £5.9 million in general reserves – up 31.8% (£1.4 million)

By year-end, the College's capital base had increased by 23.1%. This improvement was the result of (i) a surplus on operations of £0.7 million, (ii) a gain on the sale of outlying houses of £2.4 million, (iii) a gain of £29.6 million from the quinquennial revaluation of the College's operational buildings and (iv) unspent returns and donations on the investment portfolio of £0.9 million. These additions to reserves were bolstered by an actuarial gain on the closed staff pension scheme, Cambridge Colleges Federated Pension Scheme ('CCFPS') of £0.2 million. Benefactions of £0.8 million added to the endowment were in addition to contributions of £0.8 million to building projects and of £1.2 million to annual costs. The capital donations, combined with a return of 2.1% in the Securities Portfolio and 11.2% in the Property Portfolio, led to an overall increase of £1.3 million in Investment Assets. At the end of the year, Investment Assets stood at £40.1 million, an increase of 3.3%.

The value of investments held by general reserves increased by 2.9% (£0.1 million). However, there was a decrease of 45.6% (£2.1 million) due to the transfer to the designated buildings reserve following the value of building works undertaken during the year, including the costs of First Court and Battcock Lodge. This was offset by the gain of £2.4 million on the sale of the outlying houses. General reserves, therefore, have increased by 31.8% (£1.4 million), and at year end stood at £5.9 million.

Taken together, these transactions accounted for an addition of £34.7 million for an ending balance on capital and reserves of £185.1 million.

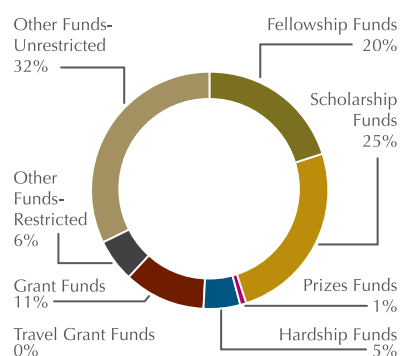
Cash Flow

- Cash flow from earnings before depreciation, interest expense, and changes in working capital: £2.0 million
- Change in cash balances in year: £2.4 million increase
- Total capital expenditure: £7.8 million
- Total capital expenditure excluding donor-funded and special projects: £4.2 million

Cash consumed by all activities resulted in an increase of £2.4 million in cash balances, with cash held at year end of £3.4 million. Cash generation from operating activities before the effects of working capital amounted to £1.1 million, an increase on last year's figure of £0.1 million, reflecting the unusually high level of unrestricted donations. Endowment income, less interest payable, contributed a further £1.1 million of cash.

The Battcock Lodge project was completed during the year and contributed towards an unusually high level of capital expenditure of £7.8 million, partly funded by the sale of the houses at Parkside and Devonshire Road for £5.0 million. Excluding the Battcock Lodge project costs and other works funded by donations from the total, £4.2 million was invested in capital expenditure. This included £1.6 million for the refurbishment of four houses in Lensfield Road,

ENDOWMENT RESERVES

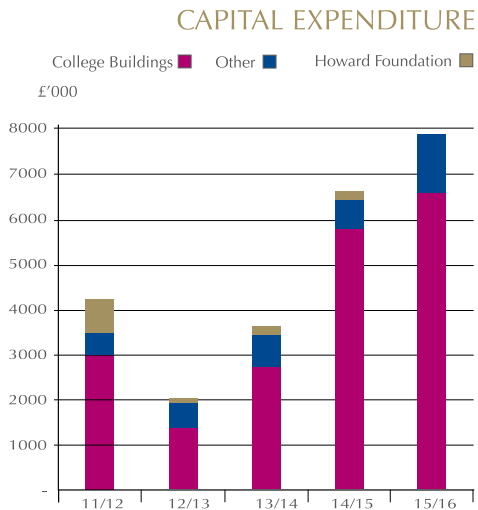


which was approximately halfway complete at year end. The earnings before depreciation of £1.5 million does not cover this level of capital expenditure or the recommended allowance of 1.5% (£1.8 million) of the insured value of the buildings (£122 million).

The significant contribution by donors, which this year came to £2.8 million in cash, demonstrates the College’s reliance on the generosity of alumni both to develop and to sustain its activities. Of this, £0.8 million was received for the First Court, Battcock Lodge and the Art Gallery project, bringing the donations received and pledged for this project to £4.4 million. A further £0.8 million in donations to a variety of funds was passed over to Partners Capital for investment, compared with £0.6 million last year.

Investment For The Future

The completion of the Battcock Lodge project, which incorporated the creation of First Court and an Art Gallery, was cause for celebration – not least because the massive crane ceased to dominate the skyline on the eastern perimeter. Providing these facilities is not without its cost to current students, both aesthetically and in inconvenience, but the result of this extraordinary level of activity is a further step towards the integration of the graduate community within the Domus. The exhibitions in the Heong Gallery, a requirement of the Section 106 Agreement tied to the consent for the conversion of Battcock Lodge, have been well-reviewed in the national and international press and drawn positive attention to the College. The space has given the opportunity to the College of contributing in a major way to the visual arts in Cambridge. While the present students are the beneficiaries of past efforts, the last few years have been particularly busy. Communal spaces, such as the Dining Hall, the Howard Building, the Butterfield Bar and Cafe, and the MCR have been renovated; offices have been modernised and extended; a Theatre built, and two large office blocks on the Regent Street boundary converted into student rooms, all in addition to the rolling programme of upgrading staircases (D, S, and M) and rooms and introducing energy-efficiency measures. On completion of the Battcock Lodge project, building activity moved to the southern boundary and the complete renovation of four houses on Lensfield Road. But College life is not all about infrastructure: additional resources have been invested in student attainment, graduate integration, and communication, including the refreshing of the College website.



Ten Year Capital Programme

At 1 October 2016

Net current rooms refurbished or acquired in last ten years (2007–2016): 101 (19%)	Total Student Rooms: 535
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Restoration and Major Refurbishment

Year	Building	Number of Student Rooms if Applicable
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	
	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	
	Howard Building Refurbishment	
	MCR and Offices	
2015	S staircase	5
2016	Battcock Lodge	78
Total		173

New and Acquired Buildings, Land, and Leases

Year	Location	Number of Student Rooms if Applicable
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	Battcock Lodge	
2015	New Maintenance Building	
Total (excluding sold houses)		6

Sale of Operational Property and Termination of Leases

Year	Property	Number of Student Rooms if Applicable
2007	55 Warkworth Terrace	7
2012	65 Lensfield Road (and 1 Downing Archway)	12
2013	1, 2 and 3 Gonville Place (leases terminated)	26
2016	25 Parkside, 65 Devonshire Road	33
Total		78

Financial Outlook

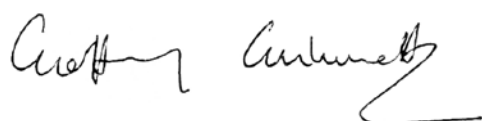
With the introduction of the Teaching Excellence Framework ('TEF'), the maximum tuition fee for Home/EU students will be permitted to rise by inflation, which will bring some relief. The impact of inflation on the value of the £9,000 fee introduced in October 2012 has resulted in a cumulative loss in purchasing power of £300,000. Had the fee increased by inflation, half of this year's operating deficit (£286,626, being the unrestricted surplus before other gains and losses less the one-off donation of £1 million received during the year) would have been covered and the loss per undergraduate would have been reduced by £426. One third of the incremental fee above the base of £6,000 must be spent on widening participation, which means that only £4,035 is available to support the education of the current cohort. The losses are supported by the endowment. As these funds must also support the costs of operating a twenty-acre Grade I listed site in central Cambridge that are not covered by student charges and commercial income, the College focuses on fundraising. The Catalysis Campaign's case for support resulted in nearly £21 million of donations. These enabled the College to sustain its core activities and keep pace with the better-endowed Colleges, as well as responding to new demands. Fundraising will continue, but the pause between campaigns will enable the College to reflect on how it might shape a campaign to meet future needs. Competition for conference business continues to be intense among the Colleges, which squeezes margins. Downing has always been, as it were, at the forefront in this sideline, made necessary by the inadequate funding of undergraduate education. However, despite a modest increase in conference income, in real terms it is equivalent to that received in 2012–13.

Plans For The Future

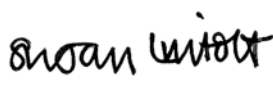
The Catalysis Campaign, begun in 2009, reached then exceeded its target during the financial year. The University Campaign 'Dear World . . . Yours Cambridge', launched in October 2015, is predicated on the full participation of Colleges. General fundraising continues, but it will soon be time to plan new projects, new goals – and given the Campaign's branding, new tag lines – in order to implement the College's aspirations for the next five years.

With Battcock Lodge, the College has been able to provide an additional 45 rooms, but the College aspires to house all students who wish to live on site. Funding permitting, there are further opportunities to convert office space on Regent Street and purchase houses on Lensfield Road. For graduates, on-site accommodation will mean greater opportunities to participate in the life of the College and to benefit from the interdisciplinary nature of the community.

On behalf of the Governing Body:



Prof G R Grimmett, Master



Dr Susan Lintott, Senior Bursar

Date: 20 December 2016

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2016	2015	2014	2013	2012
1. Education					
Tompkins Tables *	12	9	11	12	20
Undergraduate classification of degrees					
1st	111	119	116	87	82
2:1	195	222	213	228	219
2	20	16	13	17	34
2:2	34	34	54	50	60
3	11	7	9	8	14
Pass	21	17	13	14	13
DDH (Deemed to have deserved honours)	2	6	1	5	4
Ordinary	0	0	0	0	0
Fail	3	0	5	2	1
Number of Special Prizes ⁸	14	21	19	14	13
Graduate degrees awarded:					
PhD (including MB PhD)	30	39	39	35	38
MPhil, LLM, MBA et al	46	51	64	47	65
MB BChir	7 (inc 1xVetMB)	10 (inc 2xVetMB)	7 (inc 2xVetMB)	9 (inc 2xVetMB)	12 (inc 2x VetMB)
2. Admissions					
Number of Open Days					
College Open Days	3	3	5	5	3
University Open Days	2	2	2	2	2
South-West Open Days	2	1	1	1	1
Numbers visiting Open Days	697	834	1,046	1,022	1,041
% subsequently applying to Downing (in October following)	13%	17%	19%	12%	19%
Applicants from South-West initiative (October following)	25	27	30	38	40
Applicants from South-West non-selective schools (included above)	22	25	22	25	27
Admissions from South-West non-selective schools	5	2	4	2	4
Applicants from low participation neighbourhoods	28	31	16	22	30
Admissions from low participation neighbourhoods	4	4	2	6	

* The table ranks the results of the undergraduates in 29 of the Colleges, expressing the results as a proportion 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.

⁸ Special Prizes are awarded to those in the top 2.5% of their University Class List

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2016	2015	2014	2013	2012
Total Number of Applicants for Undergraduate Courses (in October following)	570	699	733	879	818
% Women: % Men	48:52	48:52	48:52	47:53	44:56
Applicants from Maintained Schools	351	322	341	391	383
% Maintained: % Independent	65:35	64:36	62:38	59:41	61:39
Admissions (Including Summer Pool)	128	126	124	120	125
% Women: % Men	49:51	38:62	44:56	43:57	45:55
Admissions from Maintained Schools	65	67	62	63	61
% Maintained: % Independent	59:41	60:40	61:39	59:41	56:44
Applications by subject					
Asian & Middle Eastern Studies	4	6	4	6	6
ASN&C	1	1	-	1	2
Archaeology & Anthropology	—	—	—	—	4
Architecture	17	21	25	28	24
Chemical Engineering via Engineering	4	12	9	16	11
Chemical Engineering via Natural Sciences	11	13	14	20	18
Classics	4	10	5	12	13
Computer Science	11	12	10	17	15
Economics	45	55	69	77	70
Education	4	3	2	5	1
Engineering	70	113	73	111	105
English	13	20	22	21	27
Geography	25	21	30	42	26
History	11	20	14	21	19
History of Art	8	2	2	2	4
Human, Social & Political Sciences	36	48	30	35	—
Land Economy	10	12	15	17	13
Law	72	75	84	81	77
Linguistics	3	2	3	1	3
Mathematics	24	32	43	35	38
Medicine	59	75	76	91	102
Modern & Medieval Languages	10	15	19	17	25
Music	1	1	1	4	3
Natural Sciences (Biological)	52	37	67	77	75
Natural Sciences (Physical)	41	51	54	84	88
Philosophy	5	5	5	5	6
Politics, Psychology & Sociology	—	—	—	—	30
Psychological & Behavioural Sciences	19	29	47	24	—
Theology	3	2	2	9	5
Veterinary Medicine	7	6	8	20	8

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2016	2015	2014	2013	2012
Ratio of Applications to Offers	3.8:1	4.6:1	5.0:1	6.0:1	5.7:1
% Applicants who are admitted	22.5%	18.0%	16.8%	14.1%	14.7%
% South-West Applicants who are admitted	24.0%	22.7%	16.0%	7.4%	17.4%
Total University Full-Time Undergraduates ⁹	11,820	11,786	11,781	11,820	11,948
% Female: % Male	46:54	46:54	46:54	47:53	47:53
Total Full-Time Downing Undergraduates	437	441	446	436	455
% Female: % Male	42:58	40:60	41:59	41:59	41:59
Numbers of Undergraduates leaving before graduating	2	1	4	4	2
Total University Full-Time Postgraduates ⁹	6,486	6,444	6,579	6,451	6,295
% Female: % Male	44:56	44:56	44:56	44:56	45:55
Total Downing Full-Time Postgraduates ⁹	164	148	163	154	170
% Female: % Male	49:51	43:57	44:56	39:61	42:58
Total University numbers admitted to current course in the previous twelve months which attract undergraduate fees ⁹	3,634	3,651	3,617	3,536	3,663
% Female: % Male	48:52	48:52	47:53	48:52	47:53
Downing numbers admitted to current course in the previous twelve months which attract undergraduate fees ⁹	140	131	137	130	133
% Female: % Male	48:52	37:63	42:58	40:60	41:59
Total University numbers admitted to full-time postgraduate courses in the previous twelve months ⁹	3,812	3,853	4,015	3,930	3,794
% Female: % Male	46:54	45:55	46:54	46:54	47:53
Downing numbers admitted to full-time postgraduate courses in the previous twelve months ⁹	98	77	88	76	94
% Female: % Male	50:50	48:52	48:52	33:67	45:55
3. Composition of Full-time Students⁹					
Undergraduates					
Home	351	363	370	370	397
EU	31	27	31	26	24
Overseas	55	51	45	40	34
Total	437	441	446	436	455

⁹ Cambridge Student Statistics Office figures (excluding incoming exchange and visiting students).

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2016	2015	2014	2013	2012
Postgraduates					
Home	61	56	58	61	59
EU	34	39	41	40	42
Overseas	69	53	64	53	69
Total	164	148	163	154	170

4. Financial Support

Financial Support for Students: Number of Students Receiving Grants

Cambridge Bursary Scheme (formerly Isaac Newton Grants)	87	99	106	111	111
Cambridge Commonwealth Trust	2	2	8	4	12
Cambridge European Trust	8	7	8	1	5
Cambridge Overseas Trust	-	-	16	12	24
Gates Cambridge Trust	1	1	2	-	3
Average value of Cambridge Bursary Scheme Grants	£2,870	£2,737	£2,644	£2,508	£2,585

5. Accommodation

Average Weekly Rent Undergraduate Study Bedroom	£143.26	£134.06	£130.43	£119.92	£109.14
Average Weekly Rent Graduate Study Bedroom	£142.77	£135.26	£131.72	£115.46	£112.29
Undergraduates Housed in College Accommodation	379	375	374	378	384
Graduates Housed in College Accommodation	115	96	108	120	117
Total Units of Student Accommodation	494	489	488	515	505

6. Student Catering Income

Lunch	£76,659	£80,581	£86,013	£79,144	£88,728
Dinner	£77,540	£78,311	£88,769	£90,412	£90,584
Café	£148,567	£144,740	£130,068	£74,890	£41,502
Formal Hall	£54,123	£57,970	£50,204	£52,362	£53,520

7. Conference & Functions

Conference and Function Income	£2,255,479	£2,218,512	£2,042,832	£2,130,084	£1,875,620
Total Room nights	14,507	16,767	15,337	16,849	14,696
Capacity Utilisation Total Conference Rooms	34.0%	34.2%	31.6%	35.0%	32.6%
En-suite Rooms	32.5%	30.5%	32.0%	33.2%	33.0%
Average Price Achieved per Room Used	£63.69	£53.07	£55.68	£52.46	£50.65

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2016	2015	2014	2013	2012
8. Development and Fundraising					
Development Campaign Cash Recognised (including by The Segreants Trust)	£2,838,613	£1,382,303	£4,904,293	£3,150,706	£2,325,775
Living donors as a % of members in contact	40%	42%	42%	42%	43%
Participation Rate this Financial Year of Living Members in Contact	19%	16%	17%	19%	18%
Direct Fundraising Costs:					
Donations Raised excluding Legacies and the Howard Gift	7:1	3:1	5:1	7:1	3:1
Donations Raised including Legacies but excluding the Howard Gift	7:1	4:1	13:1	9:1	6:1
Donations Raised including Legacies but excluding the Howard Gift (5-year average)	8:1	8:1	9:1	7:1	6:1
9. Income and Expenditure¹⁰					
% Unrestricted Surplus (Deficit) before other gains and losses / Unrestricted Income	6.7%	(4.2%)	-	-	-
% Unrestricted Surplus (Deficit) before other gains and losses / Free Reserves	12.2%	(8.7)%	-	-	-
Staff costs as a % of Income before Donations and Endowments	51.8%	52.4%	-	-	-
£ per sq.metre cost of upkeep of Buildings	£151.19	£152.11	£150.87	£150.20	£156.65
10. Charitable Funds					
Charitable Funds Invested (including Works of Art, etc.)	£45,787,011	£44,773,846	£43,751,076	£42,860,536	£39,732,187
Endowment Assets less loans per Full-Time Students	£58,086	£58,032	£54,599	£63,323	£54,771
Capital Value per Unit	£24.10	£23.90	£22.69	£22.17	£21.39
Spending Rule Amount ¹¹	£1,733,277	£1,673,712	£1,617,819	£1,543,197	£1,505,631
Spending Rule Amount as % Income before Donations and Endowments	18.3%	18.1%	-	-	-
Spending Rule Amount as % Investment Portfolio	4.3%	4.3%	4.5%	4.4%	4.7%
Performance of Core Securities Portfolio (net of fees)	2.1%	12.1%	8.9%	10.8%	0.0%
Annual Three-year Cumulative	7.6%	10.6%	6.5%	8.1%	6.9%
Annual Five-year Cumulative	6.7%	9.1%	8.1%	1.2%	(1.6%)
Performance of Property Portfolio	11.2%	8.8%	5.8%	7.6%	11.4%
Annual Three-year Cumulative	8.6%	7.4%	8.3%	12.1%	14.3%
Annual Five-year Cumulative	9.0%	10.1%	11.2%	10.2%	7.0%

¹⁰ Due to the change to FRS102 some of the figures prior to the 2014–15 year are not available.

¹¹ 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

Financial Year End:	2016	2015	2014	2013	2012
11. Inflation Measurements					
RPI	1.6%	1.0%	2.6%	3.3%	2.8%
RPIX	1.7%	1.1%	2.7%	3.3%	2.8%
Tender Price Inflation (October – October)	4.9%	6.8%	4.9%	2.0%	0.5%
Davis Langdon Tender Price Index					
12. The Fellowship					
Fellowship (as of 1 October 2016)	50	50	47	50	52
University Principal Employer	38	37	33	36	38
Professors	15	14	13	14	14
Readers	2	3	3	4	2
Senior Lecturers	7	7	6	7	6
Lecturers	7	7	8	8	11
Other	7	6	3	3	5
College Teaching Officers	3	3	3	2	2
Research Fellowships	4	3	2	3	3
Stipendiary	3	2	1	2	3
Non-stipendiary	1	1	1	1	-
Administrative + Chaplain	3	4	4	4	4
Female	16	16	14	14	14
Male	34	34	33	36	38
Resident (including the Master)	4	3	3	5	7
Non-Resident	46	47	44	45	45
13. Support Staff					
Support Staff Headcount	165	147	155	144	139
Female	98	88	90	82	82
Male	67	59	65	62	57
Turnover					
Appointments	49	32	36	23	30
Retirements	3	5	5	2	3
Resignations	35	33	19	13	18
Deceased	-	-	-	1	1
Dismissal/Redundancy	8	2	1	2	4
Days Sickness	766	952	618	944	895
Reports under RIDDOR	-	-	-	-	1

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2016	2015	2014	2013	2012
14. Pensions					
Members in the USS Pension Scheme	73	74	76	74	78
Members in Money Purchase Scheme	89	74	72	7	5
Members in the CCFPS Pension Scheme	1	1	2	2	4
Members of Previous College Staff Scheme (Retired)	4	5	5	5	5
15. Environmental Measures					
Water Use	£91,428	£86,832	£74,713	£84,706	£78,662
Gas Use	£142,429	£137,732	£167,491	£180,292	£163,061
Electricity Use	£204,516	£208,470	£178,146	£192,065	£157,110
Gas unit price (p/kWh)	1.76p	1.78p	2.32p	2.32p	2.548p
Electricity unit price (p/kWh)	10.33p	10.06p	9.236p	9.236p	7.905p
16. Governance					
Freedom of Information requests	42	56	61	25	14

FINANCIAL STATEMENTS



RESPONSIBILITIES OF THE GOVERNING BODY

The Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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

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

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 2016 which comprise the consolidated statement of comprehensive income and expenditure, the consolidated statement of changes in reserves, the consolidated and College balance sheets, the consolidated cash flow statement and 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 Governing Body, as a body, in accordance with the College's Statutes and 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 Council and Governing Body those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College 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 COLLEGE'S GOVERNING BODY AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement set out on page 64, 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 Financial Reporting Council's Ethical Standard for Auditors.

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's 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 information and non-financial information in the Trustee's 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 2016 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 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
CAMBRIDGE

A handwritten signature in black ink, appearing to read 'Peter', followed by a long, horizontal, slightly wavy line that extends across the width of the signature area.

Date: 21 December 2016

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

STATEMENT
OF PRINCIPAL
ACCOUNTING
POLICIES



BASIS OF PREPARATION

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 8.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and operational properties which are included at valuation.

BASIS OF CONSOLIDATION

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 11. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

RECOGNITION OF INCOME

Academic fees

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

Grant income

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

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

Donations and endowments

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

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

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

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

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

Investment income and change in value of investment assets

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

Total return

The College 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 2016 when measured against the previous year's market value was 4.3%.

Other income

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

Cambridge Bursary Scheme

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

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

The net payment of £67,054 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£186,066
Expenditure	£253,120

FOREIGN CURRENCY TRANSLATION

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are forward foreign exchange contract, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

FIXED ASSETS

Land and Buildings

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

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

Freehold land is not depreciated as it is considered to have an indefinite useful life. A full asset valuation of the operational estate for accounts purposes was carried out by Gerald Eve LLP, Surveyors, as at 30 June 2016. Freehold buildings are depreciated on a straight line basis over their expected useful economic lives of 100, 50, or 20 years. The earliest buildings, designed by William Wilkins, form a significant part of the Domus and are listed as Grade I¹. 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. 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 £134.5 million.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a 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. They are not depreciated until they are brought into use.

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

The cost of additions to operational property shown in the balance sheet includes the cost of land. All other assets are capitalised and depreciated over their expected useful life as follows:

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

¹ Details of the listing can be found at: <http://historicengland.org.uk/listing/the-list/results?q=Downing+College>

Leased assets

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

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Heritage assets

The College does not hold any assets that should be classed as heritage assets.

INVESTMENTS

Fixed asset investments are included in the balance sheet as follows:-

a) Securities

Securities are included at their open market value.

b) Works of Art

Works of art are shown in the accounts at their insured value.

c) Subsidiary Undertakings

Investments in subsidiary undertakings are recorded at costs less any provision for impairment in value, and eliminated on consolidation.

d) Unlisted investments

Unlisted investments are carried at costs less any provision for permanent diminution in value, unless they are listed as a recognised stock exchange in which case their open market value is used, or there has been a more recent funding round in which case this value is used to value all investments made to the fund.

e) Property

Investment properties are included at open market valuation. An annual assessment was carried out by Carter Jonas as at 30 June 2016.

STOCKS

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

PROVISIONS

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

CONTINGENT LIABILITIES AND ASSETS

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

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

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

TAXATION

The College is a registered charity (number 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. 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 2015-16, the College received £317,443 in refunds on purchases of £9.9 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.

CONTRIBUTION UNDER STATUTE G,II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

PENSION COSTS

The College participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

The College also operates defined contribution pension schemes and the pension charge represents the amounts payable by the College to the funds in respect of the year.

CRITICAL ACCOUNTING JUDGEMENTS

FRS102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The Governing Body is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

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

EMPLOYMENT BENEFITS

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

TRANSITION TO THE 2015 RCCA

The College is preparing its financial statements in accordance with 2015 RCCA for the first time, amended for the adoption of FRS 102, and consequently has applied the first time adoption requirements. An explanation of how the transition to the 2015 RCCA has affected the reported financial position, financial performance and cash flows of the consolidated results of the College is provided in note 21.

RESERVES

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

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

PRINCIPAL
ACCOUNTING
STATEMENTS



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2016

	Note	Unrestricted £000	Restricted £000	Endowment £000	2016 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2015 Total £000
Income									
Academic fees and charges	1	2,899	—	—	2,899	2,738	—	—	2,738
Residences, catering and conferences	2	5,616	—	—	5,616	5,404	—	—	5,404
Investment income	3	5	—	910	915	13	—	1,058	1,071
Endowment return transferred	3	964	769	(1,733)	—	940	734	(1,674)	—
Other income		50	—	—	50	38	—	—	38
Total income before donations and endowments		9,534	769	(823)	9,480	9,133	734	(616)	9,251
Donations		1,191	49	—	1,240	171	167	—	338
New endowments		—	15	716	731	—	—	498	498
Capital grant from Colleges Fund		—	—	—	—	—	—	—	—
Other capital grants for assets		—	812	—	812	—	581	—	581
Total income		10,725	1,645	(107)	12,263	9,304	1,482	(118)	10,668
Expenditure									
Education	4	3,752	795	—	4,547	3,631	720	—	4,351
Residences, catering and conferences	5	6,050	8	—	6,058	5,912	5	—	5,917
Other expenditure		209	3	72	284	147	2	125	274
Total expenditure	6	10,011	806	72	10,889	9,690	727	125	10,543
Surplus/(deficit) before other gains and losses		713	839	(179)	1,373	(387)	755	(243)	125
Gain on investments		2,488	11	1,093	3,592	1,000	57	1,909	2,966
Surplus for the year		3,201	850	914	4,965	613	812	1,666	3,091
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		29,538	—	—	29,538	—	—	—	—
Actuarial gain in respect of pension schemes	15	175	—	—	175	320	—	—	320
Total comprehensive income for the year		32,914	850	914	34,678	933	812	1,666	3,411

The notes on pages 84 to 110 form part of these accounts

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 JUNE 2016

		Income and expenditure reserve				
	Note	Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2015		116,713	1,606	24,940	7,165	150,424
Surplus from income and expenditure statement		3,201	850	914	—	4,965
Other comprehensive income		175	—	—	29,538	29,713
Release of restricted capital funds spent in year		812	(812)	—	—	—
Transfers between reserves		75	(2)	2	(75)	—
Balance at 30 June 2016		120,976	1,642	25,856	36,628	185,102

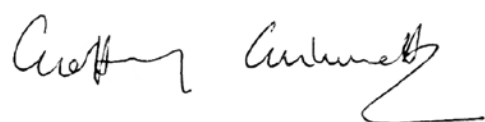
		Income and expenditure reserve				
	Note	Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2014		94,276	1,376	24,966	7,240	127,858
Prior Year Adjustment internal loan		1,692	—	(1,692)	—	—
Prior Year Adjustment deferred capital opening balance	21	19,508	—	—	—	19,508
Prior Year Adjustment: USS pension provision	21	(278)	—	—	—	(278)
Prior Year Adjustment: Holiday pay accrual	21	(75)	—	—	—	(75)
		115,123	1,376	23,274	7,240	147,013
Surplus from income and expenditure statement		613	812	1,666	—	3,091
Other comprehensive income		320	—	—	—	320
Release of restricted capital funds spent in the year		582	(582)	—	—	—
Transfers between reserves		75	—	—	(75)	—
Balance at 30 June 2015		116,713	1,606	24,940	7,165	150,424

The notes on pages 84 to 110 form part of these accounts

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2016

	Note	2016 £000	2015 £000
Non-current assets			
Fixed Assets	9	150,570	117,518
Investments	10	45,787	44,774
		196,357	162,292
Current Assets			
Investments		—	3,057
Stocks		163	160
Trade and other receivables	11	840	841
Cash and cash equivalents	12	3,436	1,005
		4,439	5,063
Creditors: amounts falling due within one year	13	(3,136)	(4,225)
Net current assets		1,303	838
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	14	(10,500)	(10,500)
Provisions			
Pension provisions	15	(2,058)	(2,207)
Total net assets		185,102	150,424
Restricted reserves			
Income and expenditure reserve – endowment reserve	16	25,856	24,940
Income and expenditure reserve – restricted reserve	17	1,642	1,606
		27,498	26,546
Unrestricted reserves			
Income and expenditure reserve – unrestricted		120,976	116,713
Revaluation reserve		36,628	7,165
		157,604	123,878
Total reserves		185,102	150,424

The financial statements were approved by the Governing Body on 25 November 2016 and signed on its behalf by:



Prof G R Grimmett, Master

The notes on pages 84 to 110 form part of these accounts

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 £000	2015 £000
Surplus for the year		4,965	3,091
Adjustment for non-cash items			
Depreciation		1,614	1,434
Gain on Endowments, Donations and Investment Property		(1,162)	(2,841)
(Increase)/decrease in stocks		(3)	2
Decrease/(increase) in trade and other receivables		1	(159)
(Decrease)/increase in creditors		(812)	1,120
Pension costs less contributions payable		26	211
Adjustment for investing or financing activities			
Investment income		(915)	(1,071)
Interest payable		492	489
Loan fees paid		(2,357)	—
Net cash inflow from operating activities		1,847	2,276
Proceeds from sales of non-current fixed assets		5,028	—
Non-current investment disposal		1	2
Investment income		1,539	1,495
Endowment funds invested		(752)	(608)
Withdrawal of deposits		3,052	2,251
Payments made to acquire non-current assets		(7,798)	(6,513)
Cash flows from investing activities		1,071	(3,373)
Interest received		5	13
Interest paid		(492)	(489)
Cash flows from financing activities		(487)	(476)
Increase/(Decrease) in cash and cash equivalents in the year		2,431	(1,573)
Cash and cash equivalents at beginning of the year		1,005	2,578
Cash and cash equivalents at end of the year	12	3,436	1,005

The notes on pages 84 to 110 form part of these accounts



NOTES TO THE ACCOUNTS



NOTES TO THE ACCOUNTS

1. Academic Fees and Charges

	2016 £000	2015 £000
College fees:		
Fee income received at the regulated undergraduate rate	1,680	1,698
Fee income received at the unregulated undergraduate rate	457	398
Fee income received at the graduate rate	498	384
	2,635	2,480
Cambridge Bursaries Income	186	203
Research/Teaching Grants	67	45
Other income	11	10
Total	2,899	2,738

2. Income from residences, catering and conferences

	2016 £000	2015 £000
Accommodation		
College Members	2,681	2,516
Conferences	1,133	1,112
International programmes	137	114
Catering		
College Members	679	669
Conferences	913	921
International programmes	72	72
Total	5,616	5,404

3. Endowment return and Investment Income

	2016 £000	2015 £000
3a. Analysis		
Total return contribution (see note 3b)	1,733	1,674
Other interest receivable	5	9
	1,738	1,687

NOTES TO THE ACCOUNTS CONTINUED

3b. Summary of Total Return

	2016 £000	2015 £000
Income from:		
Land and buildings	840	926
Quoted and other securities and cash	69	132
Gains on investment assets:		
Land & Buildings	700	240
Quoted and other securities and cash	530	2,483
Investment management costs (see note 3c)	(72)	(125)
Total return for year	2,067	3,656
Total return transferred to income and expenditure reserve	(1,733)	(1,674)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 18)	334	1,982

3c. Investment Management Costs

	2016 £000	2015 £000
Land and buildings	18	18
Quoted and other securities and cash	54	107
Total	72	125

4. Education expenditure

	2016 £000	2015 £000
Teaching	2,232	2,167
Tutorial	623	595
Admissions	530	468
Research	158	130
Scholarships and awards	501	496
Other educational facilities	504	496
Total	4,548	4,352

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £253,120 (2015 - £270,998).

NOTES TO THE ACCOUNTS CONTINUED

5. Residences, catering and conferences expenditure

		2016 £000	2015 £000
Residential Accommodation	College Members	2,678	2,537
	Conferences	1,446	1,343
Catering	College Members	905	969
	Conferences	1,029	1,068
Total		6,058	5,917

Conferences expenditure above is on a fully costed basis, which includes a significant contribution to the absorption of overheads. However, on a direct cost basis the conferences profit would be £879,305 (2015 - £885,704).

6. Analysis of Expenditure by Activity

6a) Analysis of 2015/2016 expenditure by activity	Staff Costs (Note 8) £000	Other Operating Expenses £000	Depreciation £000	Total 2015 £000
Education	2,062	2,071	414	4,547
Residences, Catering and Conferences (Note 6)	2,758	2,122	1,178	6,058
Other	88	181	15	284
	4,908	4,375	1,607	10,889

6b) Analysis of 2014/2015 expenditure by activity	Staff Costs (Note 8) £000	Other Operating Expenses £000	Depreciation £000	Total 2014 £000
Education	2,031	1,918	403	4,352
Residences, catering and conferences	2,768	2,126	1,023	5,917
Other	49	218	8	275
	4,847	4,262	1,434	10,544

The above expenditure includes £405,053 as the direct cost of fundraising (2015 - £403,145). This expenditure includes the costs of alumni relations.

NOTES TO THE ACCOUNTS CONTINUED

7. Auditors' remuneration

	2016 £000	2015 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	18	18
Other fees payable to the College's external auditors	3	3

8. Staff Costs

	College Fellows £000	Non-Academics £000	Total 2016 £000	Total 2015 £000
Staff Costs				
Emoluments	947	3,359	4,306	4,011
Social Security Costs	52	233	285	25
Other Pension Costs	90	227	317	584
	1,089	3,819	4,908	4,847
Average Staff Numbers (Full-time Staff Equivalents)				
Academic	47	—	47	44
Non-Academic	3	127	130	123
Total	50	127	177	167

The Governing Body comprises 50 Fellows, of which 47 are stipendiary.

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Therefore the Trustees who include the Master, Senior Tutor, Senior Bursar, Junior Bursar and Development Director are the key management personnel.

	2016 £000	2015 £000
Aggregate Emoluments	266	263

Trustees received no emoluments in their capacity as Trustees of the Charity.

NOTES TO THE ACCOUNTS CONTINUED

9. Tangible Fixed Assets

Group and College	College Buildings and Site £000	Assets under construction £000	Furniture fittings and equipment £000	Library Books £000	Total £000
Cost					
As at 1 July 2015	110,965	8,760	6,368	828	126,921
Additions at cost	2,728	3,861	1,175	35	7,799
Transfers	12,621	(12,621)	—	—	—
Disposals	(2,800)	—	—	—	(2,800)
Revaluation	24,594	—	—	—	24,594
As at 30 June 2016	148,108	—	7,543	863	156,514
Depreciation					
As at 1 July 2015	3,943	—	5,124	336	9,403
Charge for the year	1,155	—	429	31	1,615
Disposals	(130)	—	—	—	(130)
Revaluation	(4,944)	—	—	—	(4,944)
As at 30 June 2016	24	—	5,553	367	5,944
Net Book value					
As at 30 June 2016	148,084	—	1,990	496	150,570
As at 1 July 2015	107,022	8,760	1,244	492	117,518

The insured value of freehold land and buildings as at 30 June 2016 was £122,017,230 (2015 - £118,737,680).

The value of the land, included in College Buildings and Site, as at 30 June 2016 was £52,538,000 (2015 - £31,936,471).

NOTES TO THE ACCOUNTS CONTINUED

10. Investments Consolidated and College

	2016 £000	2015 £000
As at 1 July	44,774	42,144
Additions	10,328	8,176
Disposals	(9,219)	(8,644)
Gains	1,822	3,242
(Decrease)/Increase in cash balances held at fund managers	(1,918)	145
As at 30 June	45,787	44,774

Represented by:

Property	13,904	13,204
Securities	25,757	23,561
Cash with agents	404	2,006
Works of art	4,635	4,609
Over distribution of market value of funds	796	1,112
Investment in Cambridge Colleges Funding Plc	5	5
Investment in Cambridge Colleges Funding II Plc	5	5
Loan to Joint Colleges' Nursery Scheme	1	3
Land	280	270
Total	45,787	44,774

Subsidiary Company

At 30 June 2016 Downing College held an investment in the following companies:

Subsidiary Undertaking	Holding	Proportion of voting rights	Country of Incorporation
Downing College Developments Limited	Ordinary	100%	United Kingdom
Downing Cambridge Conferences Limited	Ordinary	100%	United Kingdom
The May Ball Company Limited	Ordinary	100%	United Kingdom

Downing College Developments Limited was incorporated on 20 January 1999. 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.

NOTES TO THE ACCOUNTS CONTINUED

11. Trade and other receivables

	Consolidated 2016 £000	College 2016 £000	Consolidated 2015 £000	College 2015 £000
Members of the College	114	114	101	101
Other receivables	589	1,101	642	570
Prepayments	137	137	98	98
Total	840	1,352	841	769

12. Cash and cash equivalents

	Consolidated 2016 £000	College 2016 £000	Consolidated 2015 £000	College 2015 £000
Bank deposits	2,753	2,753	1	1
Current accounts	682	(31)	1,003	249
Cash in hand	2	2	1	1
Total	3,436	2,724	1,005	251

13. Creditors: amounts falling due within one year

	Consolidated 2016 £000	College 2016 £000	Consolidated 2015 £000	College 2015 £000
Trade creditors	1,038	990	1,663	969
Members of the College	182	182	174	174
Amounts due to subsidiary companies	—	35	—	55
University fees	5	5	7	7
Other creditors	1,911	1,725	2,381	2,198
Total	3,136	2,937	4,225	3,403

NOTES TO THE ACCOUNTS CONTINUED

14. Creditors: amounts falling due after more than one year

	Consolidated 2016 £000	College 2016 £000	Consolidated 2015 £000	College 2015 £000
Long term bank loan	5,500	5,500	5,500	5,500
Other loans	5,000	5,000	5,000	5,000
Total	10,500	10,500	10,500	10,500

The long term bank loan is due for repayment in 2048 at a fixed interest rate of 4.64%.

During 2014 the College borrowed £5m from institutional investors in a private placement done collectively with other Colleges, although the College's loan is separate from those of the others. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of borrowings to net assets, and has been in compliance with the covenant at all times since incurring the debt.

15. Pension provisions

Group and College	CCFPS £000	USS £000	2016 £000	2015 £000
Balance at beginning of year	1,723	484	2,207	2,316
Movement in year:				
Current service cost	16	(15)	1	219
Contributions	(52)		(52)	(102)
Other finance cost	64	13	77	94
Actuarial gain	(175)	—	(175)	(320)
Total	1,576	482	2,058	2,207

NOTES TO THE ACCOUNTS CONTINUED

16. Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated and College	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2016 Total £000	2015 Total £000
Balance at beginning of year				
Capital	16,446	8,494	24,940	23,274
New donations and endowments	565	151	716	498
Increase/(decrease) in market value of investments	138	60	198	1,168
Transfer	2	—	2	—
Balance at end of year	17,151	8,705	25,856	24,940
Analysis by type of purpose:				
Fellowship Funds	5,231	—	5,231	4,840
Scholarship Funds	5,890	467	6,357	6,265
Prize Funds	379	20	399	373
Hardship Funds	1,239	—	1,239	1,145
Bursary Funds	37	—	37	37
Other Funds	2,862	—	2,870	2,834
General endowments	1,513	8,218	9,723	9,446
	17,151	8,705	25,856	24,940
Analysis by asset				
Property	5,836	2,962	8,798	7,925
Investments	11,145	5,657	16,803	15,811
Cash	169	86	255	1,204
	17,151	8,705	25,856	24,940

NOTES TO THE ACCOUNTS CONTINUED

17. Restricted funds

Consolidated and College	Capital grants unspent £000	Permanent unspent and other restricted income £000	2016 Total £000	2015 Total £000
Balance at beginning of year				
Capital	—	1,244	1,244	1,063
Accumulated income	—	362	362	313
	—	1,606	1,606	1,376
New grants	812	—	812	581
New donations	—	64	64	102
Investment income	—	769	769	734
Increase in market value of investments	—	11	11	56
Expenditure	—	(806)	(806)	(662)
Capital grants utilised	(812)	—	(812)	(581)
Transfer	—	(2)	(2)	—
Balance at end of year	—	1,642	1,642	1,606
Comprising Capital	—	1,180	1,180	1,244
Accumulated income	—	462	462	362
	—	1,642	1,642	1,606
Analysis of other restricted funds/donations by type of purpose				
Fellowship Funds	—	121	121	78
Scholarship Funds	—	240	240	221
Prize Funds	—	19	19	12
Hardship Funds	—	-	-	4
Bursary Funds	—	876	876	862
Other Funds	—	386	386	429
	—	1,642	1,642	1,606

NOTES TO THE ACCOUNTS CONTINUED

18. Memorandum of Unapplied Total Return

	2016 £000	2015 £000
Unapplied total return at beginning of year	10,384	8,402
Unapplied total return for the year	334	1,982
Unapplied total return at end of year	10,718	10,384

19. Capital commitments

	2016 £000	2015 £000
Capital commitments at 30 June 2016 are as follows -		
Authorised and contracted	1,083	2,737
Authorised but not yet contracted for	723	2,123

20. Financial Commitments

	2016 £000	2015 £000
At 30 June 2016, the College had annual commitments under non-cancellable operating leases as follows		
Land and buildings:		
Expiring within one year	7	7
Expiring between two and five years	28	28
Other:		
Expiring within one year	8	12
Expiring between two and five years	12	3

NOTES TO THE ACCOUNTS CONTINUED

21. Transition to FRS102 and 2015 RCCA

As explained in the accounting policies, these are the College's first financial statements prepared in accordance with FRS 102 and the 2015 RCCA. The accounting policies have been applied in preparing the comparative information for the year ended 30 June 2015 and the opening financial position at 1 July 2014 resulting in a restatement of these figures.

In accordance with FRS 102 a reconciliation of opening balances is provided here

		30 June 2015 £000
Surplus for the year as previously stated		184
Revised treatment of deferred capital		(221)
Adjustment for movement in pension deficit funding provision of USS		(207)
		<u>170</u>
Adjustment for gains/(losses) previously recognised in the Statement of Recognised Gains and Losses:		
Increase in market value of investments	2,966	
Unapplied total return transferred to endowment	(741)	
New endowments	600	
Other capital grants for fixed assets	581	
Actuarial profit in respect of pension schemes	250	
		<u>3,656</u>
Total Comprehensive Income as restated		3,411

Reconciliation of reserves and balances	01 July 2014 £000	30 June 2015 £000
Reserve balances as previously stated	127,858	131,116
Revised treatment of deferred capital	19,508	19,868
Accrual of employee holiday compensation	(75)	(75)
Pension deficit funding provision	(278)	(484)
Reserve balances restated	147,013	150,425

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes

In addition to the defined contribution scheme for assistant staff the College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS), and the Cambridge Colleges Federation Pension Scheme (CCFPS). The total pension cost for the year ended 30 June was as follows:

	2016 £000	2015 £000
USS: Contributions	270	266
CCFPS: Charged to income and expenditure account	80	106
Other pension schemes: Contributions	49	48
	399	420

Universities Superannuation Scheme

The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method.

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

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

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

	2016	2015
Discount rate	3.6%	3.3%
Pensionable salary growth	n.a	3.5% in the first year and 4.0% thereafter
Price inflation (CPI)	2.2%	2.2%

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

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

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

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

	2016	2015
Males currently aged 65 (years)	24.3	24.2
Females currently aged 65 (years)	26.5	26.4
Males currently aged 45 (years)	26.4	26.3
Females currently aged 45 (years)	28.8	28.7
	2016	2015
Scheme assets	£49.8bn	£49.1bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

Cambridge Colleges' Federated Pension Scheme

The College is also a member of a multi-employer defined benefits scheme, the Cambridge Colleges Federated Pension Scheme (CCFPS). The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, at 31 March 2014 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2016	2015
Discount rate	2.8	3.7
Increase in salaries	2.4*	2.75**
Retail Price Index (RPI) assumption	2.9	3.25
Consumer Price Index (CPI) assumption	1.9	2.25
Pension increases in payment (RPI max 5% p.a.)	2.7	3.05
Pension increases in payment (CPI max 2.5%)	1.7	n/a

* 1.5% in 2016; 2.4% thereafter

** 1.5% in 2015 and 2016; 2.75% thereafter

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

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

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

Employee Benefit Obligations

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

	2016 £000	2015 £000
Market value of scheme assets	(6,084)	(5,712)
Present value of scheme liabilities	4,508	3,990
Net defined benefit (liability)	(1,576)	(1,722)

The amounts recognised in the income and expenditure account for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	2016 £000	2015 £000
Current service cost	16	20
Interest on net defined benefit liability	64	86
Total	80	106

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

	2016 £000	2015 £000
Present value of scheme liabilities at beginning of period	5,712	5,675
Current service cost (including employee contributions)	17	22
Benefits paid	(236)	(248)
Interest on scheme liabilities	208	233
Actuarial losses	384	30
Present value of Scheme liabilities at end of period	6,085	5,712

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

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

	2016 £000	2015 £000
Market value of scheme assets at beginning of period	3,990	3,636
Contributions paid by the College	52	102
Employee contributions	1	2
Benefits paid	(236)	(248)
Interest on scheme assets	144	147
Return on assets, less interest included in profit and loss	558	351
Market value of Scheme assets at end of period	4,509	3,990
Actual return on scheme assets	702	499

The major categories of scheme assets as a percentage of total Scheme assets at 30 June 2016 (with comparative figures at 30 June 2015) are as follows:

	2016	2015
Equities	59%	69%
Bonds & Cash	35%	25%
Properties	6%	6%
Total	100%	100%

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

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	2016 £000	2015 £000
Actuarial return less expected return on scheme assets	558	351
Experience gains and losses arising on scheme liabilities	95	158
Changes in assumptions underlying the present value of scheme liabilities	(478)	(189)
Actuarial gain recognised in OCI	175	320

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

	2016 £000	2015 £000
Deficit in scheme at beginning of year	(1,722)	(2,038)
Recognised in Profit and Loss	(81)	(106)
Contributions paid by the College	52	102
Actuarial gain recognised in SOCIE	175	320
Deficit in scheme at the end of the year	(1,576)	(1,722)

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

Funding Policy

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

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

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

- Annual contributions of not less than £39,105 p.a. payable for the period from 1 July 2015 to 31 March 2034.

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

Defined Contribution Pension Schemes

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £48,987 (2015 - £48,235) of which £22,470 (2015 - £22,297) was outstanding at the year end.

NOTES TO THE ACCOUNTS CONTINUED

23. Contingent Liabilities

As disclosed in note 25, with effect from 16 March 2007, the Universities Superannuation Scheme (USS) positioned itself as a “last man standing” scheme so that in the event of an insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers.

24. Related Party Transactions

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

25. 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 2015	5,682	222
Income	161	10
Expenditure	—	(10)
Change in Market Value of Investments	31	2
Closing Balance at 30 June 2016	5,874	224

NOTES TO THE ACCOUNTS CONTINUED

26. Analysis of Movement in Total Funds

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Alcan Prize Fund	—	9
Angharad John Fellowship	—	300
Alwyn W Heong Fund	—	256
Barry Moore Economics Prize Fund	10	23
Bathey Fund	—	9
Benian Lu Fund	—	3
B J Everitt Prize Fund	—	16
Blankenship Book Fund	1	12
Blankenship Law Fund	—	24
Bradbrook Fund	—	12
Buchanan Fund	—	248
Charles Campbell Book Fund	—	3
S & M Haniff Physics Prize	6	27
Cockerell Fund	—	23
Collins Fund	—	196
Darley Fund	—	305
Downing Association Fund	—	39
Edward Collins Fund	—	115
Ernest William Denham Fund	—	27
Everitt Fund	—	1
Everitt Butterfield Fund	20	759
Fahrenwaldt Fund	—	13
Ferreras Willetts Fund	—	280
Florence & David Jacobs Memorial Prize	—	7
Fritsch Fund	—	395
Carried forward	37	3,102

NOTES TO THE ACCOUNTS CONTINUED

26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	37	3,102
Fu Fund	—	4
Gamlingay Fund	—	78
Geoffrey Grimmett Prize	—	6
Graystone Fund	—	177
Gulbenkian Fund	—	2
Hall Fund	—	11
Harold Hargreaves Prize	—	5
Harris Fund	—	446
Harrison Fund	—	—
Harrison Prize Fund	—	3
Hopkins Parry Fund	2	1,070
Hugh Brammer fund	1	48
Ivor Evans Fund	—	20
Jan Hruska Fund	—	143
Jean Ruhman Fund	—	10
John Maples America Fund	—	7
John Hawkins Mays Wild Fund	—	152
Johnston Fund	—	1
Joseph Tcheng Prize	6	6
Judy Petty Book Prize & Scholarship	—	22
Lander Fund	—	257
Landrum & Brown Scholarship Fund	—	14
Lord Butterfield Fund	—	161
Mays Wild Fund	—	538
Carried forward	46	6,281

NOTES TO THE ACCOUNTS CONTINUED

26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	46	6,281
Alfred Monk Fund	—	219
John H Morrison Prize in Law	—	17
Moullin Fund	—	2
Oon Khye Beng Ch'hia Tsio Memorial Fund	—	361
Oon Khye Beng Ch'hia Tsio Memorial Prize Fund	—	121
Osler Fund	—	100
Owens Fund	—	377
Peter Mathias Economics Prize Fund	—	2
Pilley Fund	—	357
Platt Fund	—	29
Professor Audus Botanical Fund	—	16
Professor Gabriel Oon Prize	—	6
Richards Fund	—	52
Graham Robertson Research Fellowship Fund	—	687
Robson Physics Prize	—	7
Robson Postgraduate Fund	—	296
Saint Fund	—	42
Saunders Fund	—	43
Savile Fund	—	132
Schreiner Fund	—	64
Seton Fund	—	75
Seton Cavendish Fund	—	1,819
Sir Arthur Watts Choral Awards	—	13
Stephen Peel Fellowship Fund	300	300
Carried forward	346	11,418

NOTES TO THE ACCOUNTS CONTINUED

26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	346	11,418
Stevens Fund	—	4
Susan & Geoffrey Eggington Scholarship	—	16
TG Jones Fund	—	732
Thomas Fund	—	19
Thrower Fund	—	14
Treherne Fund	—	91
Unwin Fund	—	58
Verjee Fund	—	271
Verney Fund	—	1
Warner-Lambert Fund	—	233
Whitby Memorial Fund	—	395
White Fund	—	7
Whitelegg Fund	—	56
Whitworth Fund	38	2,059
Wicks Travel Fund	—	14
Wilsey & Lerch Scholarship in Economics	—	20
Wyatt Fund	—	2
Student Hardship Endowment	7	308
Student Support Endowment	79	335
1970's Grant Fund	—	73
Alumni Sport Fund	—	52
Fundraising - Teaching	—	173
Fundraising - Access	25	582
Catalysis – Teaching & Learning	5	154
Carried forward	501	17,086

NOTES TO THE ACCOUNTS CONTINUED

26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	501	17,086
Catalysis – Research & Discovery	—	13
Catalysis – Heritage & Environment	3	25
Catalysis – Support & Services	22	189
Catalysis – Culture & Community	2	10
Other	1	56
<i>Restricted expendable</i>		
Bartram Fund	—	126
Colin Hill Fund	—	1
Colonel Anderson Trust Fund	—	102
Goodey Fund	—	165
Richens Fund	—	580
Treherne Prize Fund	10	19
Student Hardship Endowment	1	—
The Great Tradition	51	147
Catalysis Conference Fund	—	(15)
Catalysis Research Fund	—	109
Fundraising – Buildings	—	46
Other	38	135
	100	1,414
Total Restricted Funds	629	18,793

NOTES TO THE ACCOUNTS CONTINUED

26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Unrestricted Permanent Funds</i>		
Clark Fund	—	2
Deryk Prosser Fund	—	428
Fleet Bequest	—	53
French Fund	—	33
Jarvis Fund	—	40
Library Endowment Fund	—	1,108
Richmond Fund	—	208
Stenning Fund	—	56
Stevenson Fund	—	1
Whalley-Tooker Fund	—	16
Yates Fund	—	9
Young Fund	—	185
Singer Fund (Pension Trust)	—	224
Smyth Bequest	—	498
Corporate Capital Fund	—	916
General Capital	—	4,928
	—	8,705
Total Restricted Funds	629	27,498

NOTES TO THE ACCOUNTS CONTINUED

26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Unrestricted</i>		
Designated Buildings	812	111,456
Corporate Capital Fund	—	16,650
Singer Fund (Will Trust)	—	5,874
General Capital and Other	1,321	(14,607)
Revaluation Reserves	—	40,289
Pension Reserves	—	(2,058)
Total Unrestricted Funds	2,133	157,604
Total Reserves	2,762	185,102