



DOWNING COLLEGE CAMBRIDGE

ANNUAL REPORT AND ACCOUNTS

for the financial year ending 30 June 2017



DOWNING COLLEGE | CAMBRIDGE | CB2 1DQ

DESIGN Nicholas Hawksworth 01223 693 082



COVER PHOTOGRAPH

© Ioana Marinescu

From the exhibition Dame Elisabeth Frink: Larger than Life

CONTENTS



3.	Financial Highlights
5.	Members of the Governing Body
9.	Officers and Principal Professional Advisors
11.	Report of the Governing Body
65.	Financial Statements
81.	Principal Accounting Statements
82.	Consolidated Statement of Comprehensive Income and Expenditure
83.	Statement of Changes in Reserves
84.	Consolidated Balance Sheet
85.	Consolidated Cashflow Statement
87.	Notes to the Accounts



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

	2017 £	2016 £	2015 £ (restated see note)
Income			
Income	12,287,853	12,262,702	10,668,551
Donations and Benefactions Received	2,154,807	2,807,498	1,393,825
Conference Services Income	2,353,233	2,255,479	2,218,516
Unrestricted Surplus/(Deficit) before other gains and losses	(292,040)	713,374	(387,147)
Cost of Space (£ per m2)	154.08	151.19	152.11
College Fees:			
Publicly Funded Undergraduates	4,392/4,500	4,308/4,500	4,185/4,500
Privately Funded Undergraduates	8,475	7,974	7,719
Graduates	3,283	2,844	2,474
Loss on College Fee per Student	2,619	2,843	2,826
Capital Expenditure			
Investment in Historical Buildings	1,000,127	1,192,622	1,299,886
Investment in Student Accommodation	4,167,296	5,021,529	4,592,605
Assets			
Free Reserves	3,781,064	5,859,524	4,445,182
Investment Portfolio	45,572,131	40,064,265	38,771,009
Spending Rule Amount	1,796,342	1,733,277	1,673,708
Total Return	14.5%	5.3%	10.9%
Total Return: 3-year average	10.2%	7.9%	9.2%
Return on Property	11.1%	11.2%	8.8%
Return on Property: 3-year average	10.4%	8.6%	7.4%
Return on Securities	16.2%	2.1%	12.1%
Return on Securities: 3-year average	10.0%	7.6%	10.6%
Net Assets	191,647,922	185,102,323	150,424,642

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 2017

Paul Christopher Millett MA PhD, *Vice-Master*, Octavius Augustus Glasier Collins Fellow in Classics,
University Senior Lecturer in Classics (1983)
William Mark Adams MA MSc (London) PhD, Fellow in Geography,
Moran Professor of Conservation and Development (1984)
Trevor William Clyne MA PhD FEng, Fellow in the Mechanics of Materials,
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 MA BCL (Oxon) QC (Hon), Fellow in Law, Professor of English Private Law,
University Pro-Vice-Chancellor (Education) (1989)
David John Wales MA PhD ScD FRS FRSC, Fellow in Chemistry, Professor of Chemical Physics (1989)
Christopher Allim Haniff MA PhD, *Fellows' Steward*, Fellow in Physics,
Professor of Physics and Deputy Head of Department (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), Fellow in Italian,
Professor of Italian and Romance Linguistics (1996)
Ian Richard James MA MA (Warwick) PhD (Warwick), *Graduate Tutor*, *Fellow Librarian*,
Fellow in Modern and Medieval Languages, Reader in Modern French Literature and Thought (1996)
Susan Elizabeth Lintott MA PhD (Kent), *Senior Bursar*, *Senior Treasurer of the Boat Club*,
Senior Treasurer of Downing Dramatic Society (1997)
Zoe Helen Barber MA PhD, Fellow in Materials Science and Metallurgy, Professor of Materials Science (2000)
Sophia Demoulini BA (Wooster) MSc (Minnesota) PhD (Minnesota), Fellow in Pure Mathematics (2000)
Ian Gareth Roberts BA (Wales, Bangor) MA (Salford) PhD (Southern California) LittD FBA,
Fellow in Linguistics, Professor of Linguistics (2000)
Michael Trevor Bravo BEng (Carleton) MPhil PhD, Fellow in Geography,
University Senior Lecturer at the Scott Polar Research Institute (2001)
David Robert Pratt MA PhD FRHistS, *Fellow Archivist*, *Keeper of Art and Artefacts*, Fellow in History (2001)
David John Feldman MA DCL (Oxon) LLD (Hon Bristol) FBA FRSA QC (Hon), Fellow in Law,
Rouse Ball Professor of English Law (2003)
Liping Xu, BSc (Beijing) PhD, Fellow in Engineering, University Lecturer in Turbomachinery (2004)
Paul Derek Barker BSc (Imperial College London) DPhil (Oxon), Fellow in Chemistry,
University Senior Lecturer in Chemistry (2004)
Guy Barnett Williams MA PhD, *Senior Tutor*, *President of the Downing Boat Club*, Fellow in Clinical Neurosciences,
Assistant Director of Information Processing at the Wolfson Brain Imaging Centre (2004)
Marcus Tomalin MPhil MA PhD, *Undergraduate Admissions Tutor*, *Graduate Admissions Tutor*, *Tutor*,
Senior Treasurer of the Music Society, Fellow in English,
University Research Associate in the Machine Intelligence Laboratory at the Department of Engineering (2004)

Jay Theodore Stock BA (Trent) MA MSc (Guelph) PhD (Toronto), *Graduate Admissions Tutor, Graduate Tutor, Tutor, Fellow in Archaeology and Anthropology, Reader in Human Evolution and Adaptability* (2005)

Natalia Mora-Sitja BSc (Barcelona) MA (Barcelona) MSc (Oxon) DPhil (Oxon), *Tutor, Fellow in History, University Senior Lecturer in Economic History* (2005)

William O'Neill BSc (Essex) MSc (Essex) PhD (Imperial), *Tutor, Stephen Peel Fellow in Engineering, Professor of Laser Engineering* (2006)

Amy Catherine Goymour MA BCL (Oxon), *Tutor, Fellow in Law, University Senior 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), *Tutor, Fellow in Asian and Middle Eastern Studies, Senior Lecturer in Modern Japanese Studies* (2007)

Jie Li BS (Wuhan) MS (Paris) PhD (Paris), *Fellow in Engineering, 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, *Dean, Fellow in Computer Science, University Senior Lecturer in Computer Science* (2010)

Timothy James Burton MA MB BChir PhD, *Tutor, 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), *Fellow in Law, University Senior Lecturer in Law* (2011)

Kamran Yunus BSc (Bath) MA PhD (Bath), *Tutor, Fellow in Chemical Engineering, Technical Officer at the Department of Engineering and Biotechnology* (2012)

John Stuart Richer MA PhD, *Fellow in Physics, Professor of Physics* (2013)

Sarah Lilian Kennedy BA (Melbourne) LLB (Melbourne) PhD, *Fellow Development Ambassador, Fellow in English* (2013)

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

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

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

Andrew Nicholas Holding MChem (Oxon) PhD MRSC, *Senior Treasurer of the Amalgamation Club, Tutor, Fellow in Biochemistry, Senior Research Associate at Cancer Research UK's Cambridge Institute* (2015)

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

Ewan James Jones BA MPhil PhD, *Graduate Tutor, Fellow in English, University Lecturer in Nineteenth-Century Literature* (2015)

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

Priyanka Joshi MSc (Pune) PhD, *Everitt Butterfield Research Fellow in Biochemistry* (2016)

Michael Crisp MEng PhD, *Fellow in Engineering, University Lecturer in Phototonics and RF Systems* (2017)

Nicholas Rawlinson BSc (Monash) PhD (Monash), *Fellow in Earth Sciences, BP Foundation McKenzie Professor of Earth Sciences* (2017)

Zoe Kourtzi BSc (Crete) MA (Newark) PhD (Newark), *Fellow in Cognitive Neuroscience, Professor of Experimental Psychology* (2017)

Retirements and Resignations 1 July 2016–30 September 2017

Gabrielle Bennett BA (Virginia), MA, *Development Director* (2011) (resigned 2017)

Michael Housden MSci MA PhD (2012) (resigned 2017)

John Stuart Landreth McCombie MA MA (McMaster) PhD, *Professor of Regional and Applied Economics* (1989) (retired 2017)

Trevor William Robbins CBE MA PhD FRS, *Professor of Cognitive Neuroscience* (1991) (retired 2017)

Kenneth McNamara BSc (Aberdeen) PhD, *University Senior Lecturer in Earth Sciences* (2008) (retired 2017)

OTHER FELLOWS

The Honorary Fellows

Giles Skey Brindley MA (London) MD FRS
Sir Francis Graham Smith MA PhD FRS
Sir Arnold Stanley Vincent Burgen FMedSci FRS
Sir Alan Bowness MA CBE
Dame Janet Abbott Baker CH DBE
Alan Norman Howard MA PhD FRIC
Sir Trevor Robert Nunn BA CBE
Godfrey Michael Bradman FCA
Sir Colin Brian Blakemore MA ScD FRS FmedSci
FRSB FBPhS
Martin John Kemp MA FBA
Richard John Bowring MA PhD LittD
David Stanley Ingram BSc MA PhD ScD OBE VMH FRSE
Sir Quentin Saxby Blake MA CBE FCSD FRSL RDI FRA
The Rt Hon Lord Collins of Mapesbury LLD FBA
Sir David Anthony King ScD HonFREng FRS
The Rt Rev'd Nicholas Thomas Wright MA DPhil DD
Sir John Pendry MA PhD FlntP FRS
Sir William Brian Vickers PhD DLitt FBA
Aitzaz Ahsan MA LLB LLM Barrister at Law
Professor John Lawrence Cardy MA PhD FRS
Howard Eric Jacobson MA
The Rt Hon Sir Kim Martin Jordan Lewison MA
Air Chief Marshal Sir Stuart Peach BA MPhil GBE KCB
ADC DL
The Rt Hon Sir David Lloyd-Jones MA LLM
The Rt Hon Sir Richard George Bramwell McCombe MA
Barry John Everitt, BSc (Hull) MA PhD (Birmingham)
ScD DSc FRS FMedSci
Michael Apted BA CMG
Martin Baker MA FRCO
Stephen Chambers MA RA

The Emeritus Fellows

Alfred Thomas Grove MA
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 (London) PhD (London)
Richard Michael Smith BA (London) MA (Oxon)
PhD FBA
Stafford Withington BEng (Bradford) PhD (Manchester)
Peter James Duffett-Smith MA PhD
Peter David Evans MA PhD ScD
Paul Frederick Linden BSc (Adelaide) MSc (Flinders)
PhD FRS
Richard Keith Taplin BSc (LSE) MA MBE
John Stuart Landreth McCombie MA MA (McMaster)
PhD
Trevor William Robbins CBE MA PhD FRS Angharad
Dodds John (Emeritus) Fellow
Kenneth McNamara BSc (Aberdeen) PhD

Foundation Fellows

Humphrey Battcock MA MBA (London Business School)
Tadayoshi Tazaki MA

The Wilkins Fellows

Julian Robin Darley MA FEng
Richard Alexander Frischmann MA
Christian Flemming Heilmann MA
Joanna Maitland Robinson
The Lord Verjee MA CBE
George Timothy Ellwood Cadbury MA
Richard Anthony Williams MA
Jonathan Howard MA
Christopher John Bartram MA FRICS
Maria Ferreras Willetts MA (Oxon)
Robert John MA DLitt (Swansea)
Louise Arnell BA MA (Open) MA (Sussex)
Robert Markwick MA MBA (Manchester)
James Simon Edward Arnell MA
Edward Gary Blankenship MLitt (Columbia) AIA
Stephen Mark Peel MA (Yale)

The Fellows Commoner

David Chambers BA (Oxon) MSc (LBS) MSc (LSE)
PhD (LSE)
John Geoffrey Hicks MA FEng
Barrie Hunt MA MEd (Exeter) FIMA CMath
Timothy Rawle MA
Peter Thomson MA
Gabrielle Bennett BA (Virginia) MA
Penny Furniss MA

Morgan Fellows

Ariel Gomez Diaz BSc (Bogota) MSc (ICL) MSc (Paris)
PhD (Oxon)

Bye-Fellows

Richard Berengarten MA
Alexander Bleistein BA
Ian Bucklow PhD
Emma Cahill PhD
Matthew Carter BA MA MB BChir
Andrew Cockburn MSci PhD
Andrej Corovic MA MB BChir MRCP
George Couch BA MA MB BChir
Justin Davies MA MChir FRCS
Eoin Devlin BA (Dublin) MLitt (Dublin) MPhil PhD
Buffy Eldridge-Thomas BA
Neda Farahi BSc (Edinburgh) PhD
Thomas Hawker BA MA MPhil
Timothy Hearn BSc (Birmingham) PhD MRSB
Michael Housden MSci MA PhD
Vicky Jones MA MB BChir MRCS
Lucia Li MA MB BChir
Kathleen Liddell BSc (Melbourne) LLB (Melbourne)
MBioeth (Monash) DPhil (Oxon)
Deepti Marchment BA MA MChir
Catherine Maunder MA
Alex Morris BA MSc PhD
Jill Pearson BA VETMC MRCVS
William Schafer PhD
Henry Shevlin BA BPhil (Oxon) PhD (CUNY)
Liron Shmilovits LLM
Sarah Smith MA MSci PhD
Gareth Taylor BA MA PhD
Michael Wakelam BSc (Birmingham)
PhD (Birmingham)
Corine Wood-Donnelly PhD
Haixi Yan BA MA MB BChir
Xin-She Yang MSc (USTC) 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

Francis Terry and Associates
Unit 6 Ash House
Crown Lane South
Ardleigh
Colchester CO7 7PL

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

Downing College is a constituent college of the University of Cambridge, which is consistently ranked among the top universities in the world. Founded in 1800, the College is the 17th oldest of the University's 31 colleges, each of which is a self-governing community of academics. The College, which was originally founded for the encouragement of the study of law, medicine, and the cognate subjects of moral and natural science, accepts students in all subjects taught at the University. Each college is distinctive, reflecting in its architecture the moment of its founding and in its practices the history of its autonomous decision-making within the context of the University as a whole. The 'newest of the old' - and the 'oldest of the new', Downing came into being after a gap of over two centuries and some 69 years before the founding of the next college, the first women's college. The only college to have been born in either Cambridge or Oxford in the age of enlightenment, Downing's neo-classical architecture and openness break from the traditional model, providing 'room to think and space to breathe'. The trustees of this physical and intellectual heritage are the Governing Body, which consists, as of 1 October 2017, of 48 Fellows. Through membership of committees and participation in Governing Body meetings, students are able to influence decision-making.

For the academic year 2016-17, the community consisted of 50 Fellows, 453 undergraduates (including six visiting students), and 269 graduates, including 53 students who are 'writing up' and 49 part-time students. The work of the College is supported by 165 staff (FTE 131.6). The backdrop to the academic year began with an exhibition of artist and activist Ai Weiwei's *Cubes and Trees*, which gained international coverage (e.g. The New York Times, 15 Minutes with Ai Weiwei; mobile.ntimes.com/t-magazine) and brought over 18,000 visitors to the Heong Gallery and countless others into the grounds to look at the seven trees placed, at Ai Weiwei's direction, on the lawn in the Quadrangle in front of the chapel. This disruption to the normal order marked the beginning of a year of thinking about the landscape and how it might best serve the community. Besides practical interventions to limit traffic in serene spaces, a place has been created in front of the Library, called the Agora. Its name was inspired by the Greek revival nature of the Library, but correctly anticipated its function as a place for meeting and the exchange of views.

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 Undergraduates

Of the 453 undergraduates in residence, 56% were men and 44% women; of the 383 home and EU students, 28 were from the EU. There were a further 70 overseas students. Of the 355 home students, 64% were from state-maintained schools and 36% 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 447, with an average of 441. 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. In 2016-17, 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 and natural sciences, which had comparatively fewer students.

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 number admitted has remained relatively constant at about 3,600; that is, of those who apply, roughly 21% are successful. One of the more historically popular Colleges in terms of applications for admission, the number of applicants for admission in October 2016 fell by 18% to 570. Of those, 450 were interviewed, and 155 were offered places, including four candidates who had deferred entry until 2017. The College wishes to encourage applications but stresses the high level of academic attainment required for success. For the past five years, direct applications have ranged between 570 and 879. In October 2016 ('the 2017 cycle'), the number of applicants returned to the more-typical level: the College received 793 direct applications. In October 2017 ('the 2018 cycle'), there were 752 direct applications.

Downing and 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. For entry in 2017, all Colleges required a minimum of A*A*A for science subjects (A*AA for arts and humanities). Very few, if any, undergraduates decline their offers; however, inevitably some do not achieve the A level and STEP grades that are a condition of entry. Of the 151 offers made, 133 candidates achieved their grades.

The Colleges adhere to the five principles set out in the 2004 independent review 'Fair admissions to higher education: recommendations for good practice' (www.admissions-review.org.uk). 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. Until last year, the Colleges were able to place weight on a candidate's UMS scores, as there was a demonstrable correlation in most subjects between high UMS scores at AS Level and results in the Tripos examinations. For the 2017 Admissions Cycle, a suite of pre-interview assessments was developed, covering 14 subjects. A further 14 subjects are assessed at interview. It is likely that this system will be in place for a further two years in order to assess correlation with Tripos results. In considering whether to make an offer, the Colleges take into account contextual data, such as geodemographic data, including Output Area Classification (OAC) and Participation Of Local Areas (POLAR) (the record on progression to higher education); data on the school's performance at GCSE and success in sending students to Cambridge or Oxford; and individual circumstances (whether an applicant has been in care or whose schooling has been disrupted by, for instance, difficult medical or personal circumstances). Nevertheless, such candidates must meet the terms of the standard offer.

Examination Results

Of the 390 undergraduates who sat examinations, 92 gained first class results, which at 24% was down from last year's 28%. Nevertheless, there were many individual successes and in two subjects – Engineering and Psychological and Behavioural Sciences - undergraduates performed well above the University average. Of the graduands, 13 were elected as Foundation Scholars, having achieved a First in each of the years of their degree; seven Downing students were awarded a special prize for being close to the top of their class lists. Exceptional performances included those by: Lea Cantor (Philosophy Part II), Stella Wisgrill (History of Art Part IIA), Alex Jones (Economics Part IIB), Delilah Cairns Haylor (History Part I), and Chi Yip (Medical and Veterinary Sciences Part IB). A medical student, Osaid Ather, who chose to pursue his Part II in the Theological and Religious Studies Tripos rather than through a more typical scientific route before his clinical studies, was awarded the top first, demonstrating admirable intellectual flexibility.

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 studentships, hardship grants, 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 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 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 (31% Home students). Over the last fifteen years, the number of MPhil students has grown from 2,284 to 2,724 (by 19.3%) and the number of PhD students has risen from 3,001 to 3,824 (by 27.4%); however, the distribution between MPhil and PhD has stayed largely the same. The Admissions Tutors endeavour to balance the graduate community 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 profile of a College, and location. Downing's proximity to the Judge Business School and to Engineering is reflected in the relatively high proportion (30.4%) of Downing graduate students in the Schools of Technology, compared with the University average (20.9%). 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 multiple 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, one in Theoretical and Applied Linguistics, three in English, and one in Music, which amounts to 9 or 4% of the total, whereas the University average is 11%. Besides the 110 funded students, there are 73 self-paying graduate students. Of those students registered for an MPhil, 29 of 36 are self-funded. Home/EU graduate students now have access to a Student Loan of up to £10,000, but only eight current students have taken out a loan. The College continues to participate in the University Open Day for graduates, which it hopes will encourage applications to the College.

The Fellows

At the start of the academic year, two Research Fellows were appointed: Dr Edward Cavanagh (the Isaac Newton Research Fellow in History) and Dr Priyanka Joshi (the Everitt-Butterfield Research Fellow in Biochemistry). A comparative historian of law and empires, Dr Cavanagh has already published extensively on the history of southern

Africa and the global history of settler colonialism. His research focuses on the history of ideas like conquest, contract, crown, and corporation within the 'imperial constitution'. Dr Joshi is a member of the Centre for Misfolding Diseases in the Department of Chemistry, where she investigates the role of metabolites on the aggregation of proteins implicated in neurodegenerative diseases such as Alzheimer's. Dr Michael Crisp joined the Fellowship in the Lent Term as a fourth Fellow in Engineering. Dr Crisp, a Downing undergraduate and graduate, was awarded the Royal Academy of Engineering Young Entrepreneurs award in 2011. A University Lecturer, he now works on RF power delivery for next generation batteryless sensors.

Each year, the College welcomes three Visiting Fellows in an exchange programme. This year's Keio Fellow was Chiaki Hanabusa, an Associate Professor of English at Keio University. Matthew Jull, an Assistant Professor in Architecture, came from the University of Virginia to work at the Scott Polar Institute, and Benjamin Keim, an Assistant Professor in Classics, became the Pomona Fellow.

The achievements of members of the Fellowship were recognised within the University, their professional societies, and beyond. From October 2017, Ms Amy Goymour and Dr Mónica Moreno Figueroa were promoted to Senior Lecturers, Dr Amy Milton received the Young Scientist Award from the European Behavioural Pharmacology Society and, at the more senior end of the Fellowship, Professor Trevor Robbins received the 2017 Gold Medal Award from the Society of Biological Psychiatry for lifetime achievement in advancing the understanding and treatment of psychiatric illness. He received his award for his 'fundamental contributions to the understanding of cortico-striatal function and its role in many psychiatric disorders and addictions' and for his 'work bridging mechanisms of pathology to new treatments'. Professor Graham Virgo was appointed an Honorary Queen's Counsel for his 'major contribution to English law in the growing area of the law of restitution'.

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 Austyn 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

Many Cambridge students are talented musicians, and Downing, with its excellent instruments and practice rooms, is an attractive choice for many a student musician. For the last two years, the College's student-run choir has been fortunate to have Christopher Robinson as its mentor for the organ scholars, who in turn have benefitted from having the Tickell organ since 2014. Music in the Chapel is only one element in a programme that includes regular recitals in the Master's Lodge, Music Room and Heong Gallery, and concerts in the Howard Theatre. Downing College Music Society, led by award-winning music scholars, fills each University term with a repertoire including classical, new, and experimental music.

Since it opened in February 2016, The Heong Gallery has evolved into a major attraction for visitors with a taste for world-class contemporary art. The year's exhibitions began with Ai Weiwei's *Cubes and Trees*. With seven life-size 'trees' positioned at the entrance to the Chapel, the summer's wedding photographs had a unique and memorable backdrop. Moreover, they sparked numerous conversations about art and its transformative power and brought new audiences to the Gallery. With *Portraits of Place*, the Gallery borrowed some of Kettle's Yard's best-loved works and displayed them alongside a text piece and photographs by Richard Long, and the College's Constable painting of the artist's childhood home, which had not been on public view for decades. In Spring 2017, Robert Devereux (*History*, 1975) lent the Gallery 43 works by 28 leading artists originating from 13 countries in Sub-Saharan Africa, making *When the Heavens Meet the Earth* an unprecedented showcase in the UK for contemporary art from the region. The summer exhibition, *The Best of All Possible Worlds*, a celebration of Honorary Fellow Sir Quentin Blake's collaboration with The Folio Society, gave visitors the rare pleasure of seeing the master illustrator's original drawings at close quarters. The current exhibition, *Dame Elisabeth Frink: Larger than Life* brings together monumental bronzes and delicate works on paper from the collection of Chris Bartram (*Land Economy*, 1968) and the Ingram Collection. The exhibition inspired another collaboration with Adam Caruso of Caruso St John Architects, whose thoughtful exhibition design has received universal praise.

While constituents of the same University, all colleges have their individual personalities and cultures. With help from its alumni, Downing has broadened the parameters of the responsibilities of a college towards its members and the wider community. The College's purpose-built theatre and gallery perform a dual function, that of being locations in which students can exercise their creative muscle and of providing a necessary bridge between the College and the city beyond the gates. Designed by Quinlan Terry, The Howard Theatre nurtures the talents of students across the University and, with the exception of the Freshers' Play, all acting and non-acting roles are open to students from all colleges. *The Festival of New Writing*, now in its fourth year, features nine original one-act plays, written by students from Downing and other colleges, and selected through an open competition. The construction of The Howard Theatre was just the start of The Howard Foundation's benefaction towards student theatre, and the Foundation has continued to support the Downing Dramatic Society and a culture of the arts at Downing.

Sports

The College has a tradition of sporting excellence. The team-building and leadership skills developed through participation in team sports have served many of our alumni in their careers, enabling them to 'give back' to the College in financial and in other ways. The transformation of empty space in the Boathouse into a home for a rowing tank is just the latest example. 'Team Tank', as it is known colloquially, has not only financed the rowing tank, now named the Cambridge Rowing Tank, but also participated in every stage of the project's management. The purpose of the tank is dual: it will enable students to sharpen their technique away from a congested river and, in time, make the Boat Club financially self-sufficient.

In the last seven years, the women have won the headship in either the Lents or Mays eight times, and in both twice. However, the excellence of individual members sometimes has an impact on College results as University commitments take precedence. This year, the headship was lost. Two students who had rowed in the Boat Race had competing commitments - one in training for the GB squad - and were unable to row in the Mays. In other intercollegiate sports, such as netball and squash, Downing teams topped the league tables.

The Development of the College

The seventh Catalysis Conference, 'Catalysized: the Outcomes of Catalysis', celebrated the projects and positions made possible by the support and generosity of donors to the Catalysis Campaign. Funds raised in the campaign have supported Fellowships in Laser Engineering, Mental Health and Neuropsychiatry, and Neuroscience, as well as a Research Fellowship in Biomedical and Biological Sciences. In addition, through Downing Enterprise, the College was able to invest in the entrepreneurial ambitions of its students and members. The final years of the campaign focused on 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 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, Downing 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 2016-17 at Downing was £8,555 for an undergraduate and £4,593 for a postgraduate, but the average fees received were £5,072 and £3,283, respectively, causing an overall loss of £1.7 million (£2,619 per student). If fees continue to remain frozen at the new Home/EU level of £9,250, as they did 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.

Under the guidance of the current Master, the entrance to the College has been transformed. The Agora has replaced the tarmac extension of the road; a utilitarian path has become a space for meeting, sitting, reading, and studying. Investing in beauty may seem a brave decision when tuition fees are under threat, but the College's financial health relies on its conference business, where first impressions count. The students benefit twice: they benefit from a subsidised education and beautiful surroundings.

Among the many generous donors to the College, the Howard Foundation stands out. The Foundation's philanthropy is not just confined to the buildings that bear the Howard name: their many other investments in the College range from the unglamorous funding of a car park to promotion of the College's cultural activities and support of student societies.

The Heong Gallery at Downing College



Visitors to the Gallery from 6 February 2016 to 8 October 2017: 36,509

From a tiny unloved Edwardian stable block, we have come a long way since we started our first tentative conversations over five years ago. Along the way, we have expanded our reach to far-flung corners of the globe – from China to Australia and Sub-Saharan Africa to our more traditional constituencies in Europe and North America. Over the past five exhibitions, we have hosted nearly 40,000 visitors and forged enduring ties with giants of the Cambridge arts establishment, with artists, academics, schools and colleges, and have brought lost alumni back into the fold. For our own students, we have become a place of work, a place that encourages artistic expression in response to the works on show, and an interface between the often-insular world of university life and the vibrant city around it. Our gallery assistants, who are, in equal numbers, scientists, social scientists and students of the humanities, have been a constant affirmation of what we had always hoped, that access to art and creative activities has a transformative power, regardless of bent of mind.

Perhaps most importantly, the universal appeal and draw of art has brought in the world from without the wrought iron gates on Regent Street. For those who cross that threshold, the Gallery has represented the accessible face of an educational institution that often overwhelms the uninitiated. For those who have visited us, participated in school or public activities, or made their own piece of art in one of our many workshops, Downing College is no longer a vague shape on the college map of Cambridge, but a staging post and destination on the emotional and creative map of the city. We hope to build on this success with every exhibition.

Ai Weiwei:
Cubes and Trees, 15 June–9 October 2016

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

When the Heavens Meet the Earth:
Works from the Sina Jina Collection, 25 February–21 May 2017

The Best of All Possible Worlds:
Quentin Blake and the Folio Society, 17 June–8 October 2017

Dame Elisabeth Frink:
Larger than Life, 4 November 2017–6 February 2018

Stephen Chambers:
The Court of Redonda, 24 February–20 May 2018 (Venice 2017)

Advisory Board:

Louise Arnell, Trustee of the Pebble Trust
George Bailey, Downing College alumnus, Chairman, Bloomsbury Auctions Limited
Chris Bartram, Downing College alumnus, Wilkins Fellow, art collector
Sophie Bowness, Trustee of the Hepworth Estate, art historian
Gifford Combs, Cambridge University alumnus, Wilkins Fellow, art collector
Hamish Dewar, Downing College alumnus, conservator and restorer of art
Penny Furniss, Downing College alumna, public relations consultant
Martin Kemp, Downing College alumnus and Honorary Fellow, Emeritus Professor of Art
Sir David King, Former Master of Downing College, former chairman of Kettle's Yard
Tim Knox, Director of the Fitzwilliam Museum
Anthony Mould, Fine Art agent and dealer
Andrew Nairne, Director of Kettle's Yard
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, curator and 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) (<https://www.offa.org.uk/access-agreements>). As a condition of charging above the basic-tuition fee for Home/EU undergraduates beginning their courses in October 2017, the University agreed:

- to admit UK resident students from UK state-sector schools and colleges so that they fall within a range of 62-64% of the total intake, reaching the top of that range by 2019–20;
- to admit 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;
- to admit 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.

For 2018–19, the target includes additional groups from the Output Area Classification (7a, 7b and 7c, and subgroups 4a1, 4a2, 4c2 and 6b3 and a goal of 13.9% of the total intake by 2021–22); and added a target based on the Multiple Deprivation (IMD) deciles 1-3 so that they comprise 8.5% of the total intake by 2019–20.

Of those home undergraduates whom the College matriculated in October 2017, 57.8% were from UK state-sector schools, and 6.0% 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 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 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. Additionally, as part of the Connect to Cambridge scheme, Downing has been partnered with Sir Harry Smith Community College, an 11–18 school in Peterborough. 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. 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 Jess Lister, a recent Emmanuel College graduate in History, who took over from Lauren Payne in July 2017, who had been in post for the previous two years.

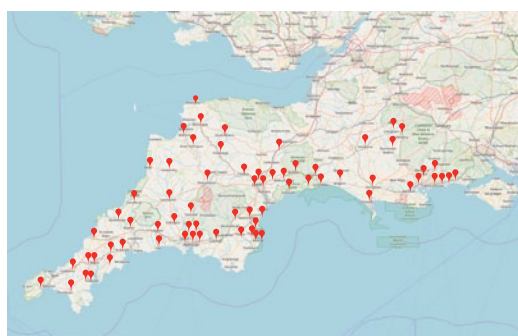
To supplement the College's programme of activities, the School and College Liaison Officer manages a number of online platforms that support potential university applicants nationwide. Downing is the only Cambridge College with a dedicated outreach website. 'Discover Downing' is an online space where 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. Between July 2016 and June 2017, the website had 10,909 page views. Over 400,000 users saw the social media content on Twitter.

Recently, a partnership was agreed between the College and Villiers Park Educational Trust, a charity that helps able students from less-advantaged backgrounds gain places at leading universities. A pilot project has been launched in Plymouth, which will see 30 year-12 students from non-selective state schools take part in an 'Inspiring Excellence' subject-specific residential course, aimed at raising attainment, before returning to run their own projects with younger students in their schools or sixth forms. The programme includes a residential week at Villiers Park and an opportunity to visit Cambridge and receive guidance on admissions from the School and College Liaison Officer.

Since 1999, when the programme began, 72 students from target schools in the South West have taken up places at Downing. For the 2017 Admissions Cycle, the applicant-to-offer success rate for South West applicants from the state-maintained sector to Downing was 33%, which is above the applicant-to-offer success rate for Downing applicants as a whole.

	2016–17	2015–16
Applications	15	22
Offers	5	8
Acceptances	3	6

VISITS BY THE SCHOOL AND COLLEGE LIAISON OFFICER



This year, the School and College Liaison Officer was able dramatically to increase the number of students, teachers and parents from the South West with whom the College had contact, as well as the number of activities offered by the College.

Type of Activity	Number of events/ activities		Number of Students		No of Teachers	
	2016–17	2015–16	2016–17	2015–16	2016–17	2015–16
Activities in Cambridge	10	3	236	93	28	8
Activities outside Cambridge	26	20	1,240	614	88	50
Staff development events	2	2	1	0	13	50
Summer Schools and Residential Events	10	7	158	149	18	16
Total	48	32	1,635	856	147	124

Attendance at College events

During the year, seven Oxford and Cambridge Information Days for students and staff were arranged in hub locations throughout the South West. For the second year, these events have been hosted in new, external venues, such as the Eden Project and National Maritime Museum. An additional event was added in Barnstaple in order to cater for schools in the more-rural regions of Devon and was well received by staff and schools.

For 2017, the South West Open Day was rebranded the South West Residential, after it was expanded into a three-day residential programme at which attendees were given the opportunity to engage with more-academically focused content. The students visited 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. Thirty-six students from 16 different South West schools took part, and six went on to apply to Downing in the 2017–18 admissions round.

Financial aid

Once here, students have access to several sources of financial support. This year, the College paid out 598 grants totalling £432,200 (2015–16: £419,203) 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 £179,544, £108,781 was met from general funds, and £143,875 was paid through the Cambridge Bursary Scheme (2015–16: £186,066). Undergraduates received £341,131 of the total payments made, which amounted to 15.1% of the Tuition Fee. The remainder, £91,069, was paid to graduates, which amounted to 15.0% of the Graduate Fee.

Out of a Home and EU undergraduate population of 378, 84 Home and EU undergraduates received on average £2,787 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 £300. Forty-seven students (2015–16: 53) received the maximum award under this Scheme. For students who have matriculated since October 2016, the Cambridge Bursary Scheme has provided 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

The University received a Gold Award in the Teaching Excellence Framework, enabling it to continue to charge Tuition fees for Home and EU undergraduates at the maximum permitted rate of £9,250 from 1 October 2017. Approval for this level of fees was also conditional on the signing of an Access Agreement with OFFA¹. This financial year was the fourth of the new system. Since 2012–13, the tuition fee for new students has been 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 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 £9,250 tuition fee is only a contribution to the real costs of offering the form of education that Cambridge provides. An internal study recently concluded that, taking arts, humanities and sciences together, it cost £18,500 per annum in 2015–16 to educate an undergraduate. This figure was calculated by applying to College costs the methodology

¹ <https://www.offa.org.uk/agreements/University%20of%20Cambridge%201718.pdf>

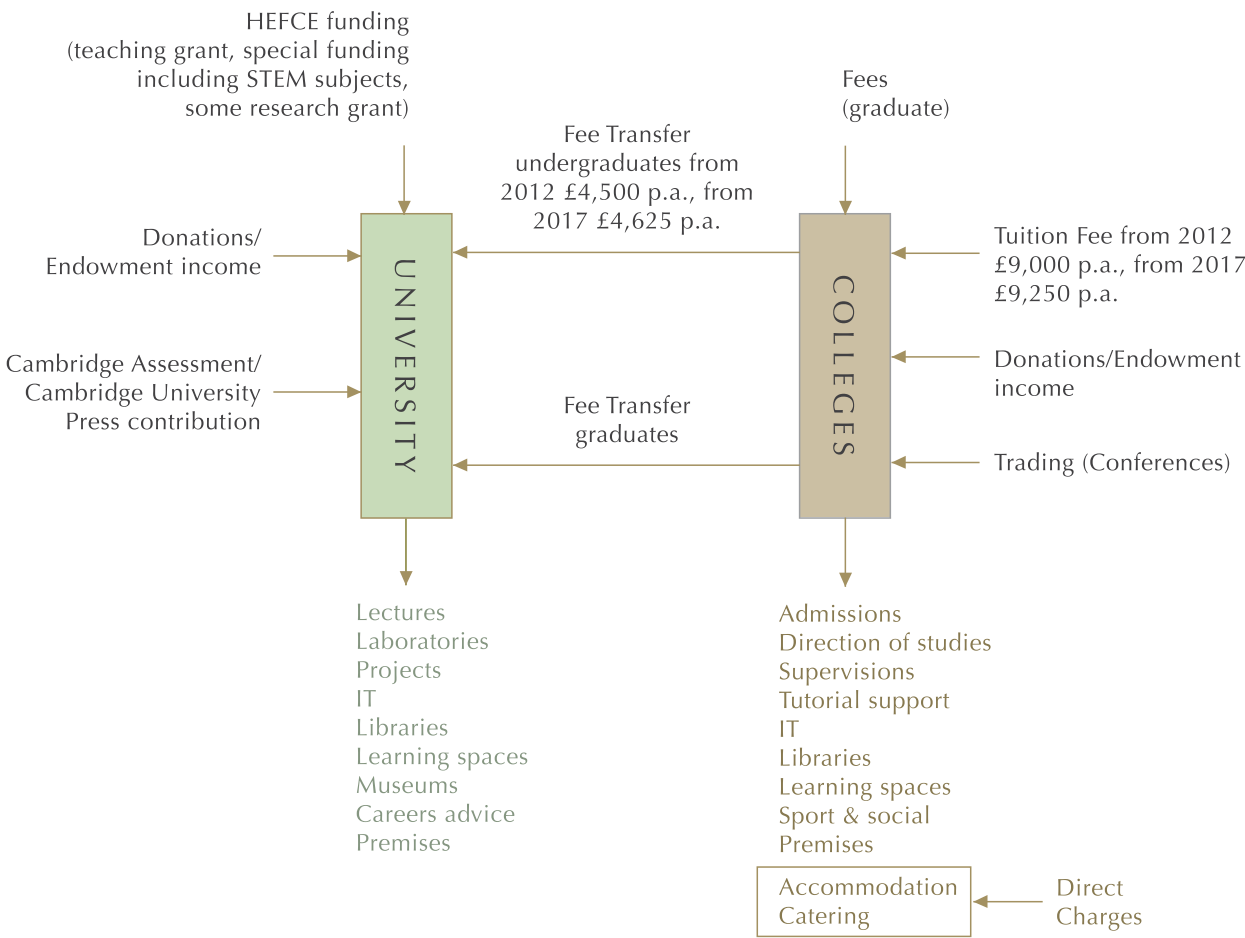
used in the University's financial reporting to HEFCE in order to arrive at a combined figure. The chart overleaf lists the functions that the University and the Colleges each perform: the Colleges admit, matriculate, supervise and then present undergraduates for degrees, taking responsibility for pastoral care. The University provides lectures and laboratories and examines and classifies students.

The distinguishing feature of an education at Cambridge or Oxford is the emphasis on small-group teaching, the costs of which are borne by the colleges. The maximum number of supervisions per year is 80, depending on the year and subject, approximately 13% of which involve just one student, but most (29%) involve groups of two. The basic rate is from £28.40 for supervision of one student up to £43.21 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, 19 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 historical premises that are expensive to maintain. For Downing, the average cost of educating an undergraduate in 2016–17 was £8,555 (2015–16: £8,725) 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 £4.4 million in 2017, 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 2016–17, Downing spent £4.7 million on Education, of which £3.8 million, or £8,555 per capita, was for undergraduates. Of the total amount, 49% was spent on Teaching, 14% on Tutorial, 13% on Admissions, 4% on Research, 10% on Scholarships and Awards, and 10% on other Educational Facilities.

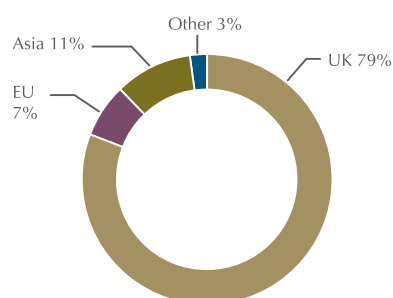
UNIVERSITY AND COLLEGES: A SYMBIOTIC RELATIONSHIP



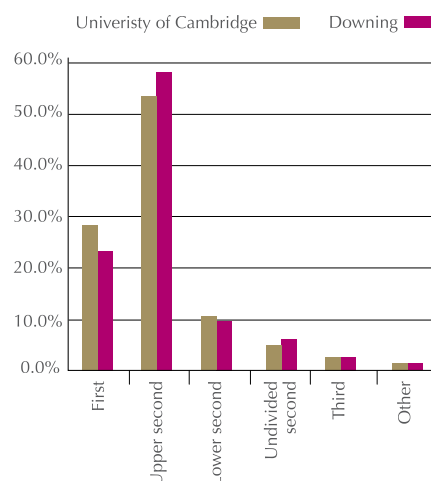
UNDERGRADUATE NUMBERS 2016-17 AS OF 1 OCTOBER 2016

<i>Subject</i>	Year 1	Year 2	Year 3	Year 4	Years 5–7	Total 2016–17	Total 2015–16
Anglo-Saxon	0	0	0	0	0	0	1
Archaeology & Anthropology	0	0	0	0	0	0	0
Architecture	2	1	1	0	0	4	4
Asian & Middle Eastern Studies	1	0	2	0	0	3	5
Chemical Engineering	1	0	1	0	0	2	3
Chemical Engineering via Engineering	1	0	0	0	0	1	2
Chemical Engineering via Natural Science	3	3	2	2	0	10	5
Classics	4	5	4	0	0	13	8
Classics – 4yr	2	0	1	0	0	3	3
Computer Science	4	3	3	2	0	12	8
Economics	5	9	4	0	0	18	21
Education	2	1	1	0	0	4	9
Engineering	14	10	9	6	0	39	37
English	5	5	6	0	0	16	15
Geography	3	6	6	0	0	15	15
History	6	5	6	0	0	17	17
History of Art	3	2	3	0	0	8	2
Human, Social and Political Science	6	7	6	2	0	21	17
Land Economy	2	1	1	0	0	4	6
Law	13	12	16	0	0	41	52
Linguistics	1	2	1	0	0	4	5
Management Studies	0	0	0	4	0	4	2
Manufacturing Engineering	0	0	0	0	0	0	1
Mathematics	6	4	6	5	0	21	20
Medical Sciences	16	18	13	15	23	85	79
Modern Languages	6	3	2	5	0	16	19
Music	2	1	1	0	0	4	2
Natural Sciences (Biological)	10	10	11	2	1	34	38
Natural Sciences (Physical)	8	8	8	6	0	30	38
Philosophy	1	2	1	0	0	4	4
Politics, Psychology and Sociology	2	6	2	0	0	10	0
Psychological and Behavioural Sciences	1	2	1	0	0	4	8
Theology	1	1	0	0	0	2	4
Theology BTh	2	2	2	0	0	6	1
Veterinary Medicine	0	0	0	0	0	0	3
Total	133	129	120	49	24	455	454

UNDERGRADUATES
BY REGION



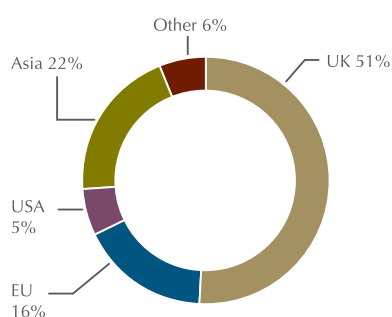
UNDERGRADUATE
DEGREE CLASSIFICATIONS



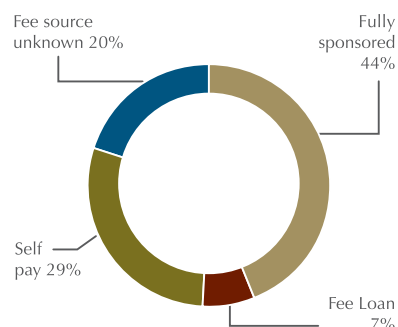
PHD THESES SUCCESSFULLY DEFENDED BY DOWNING GRADUATE STUDENTS 2016–17

Al-Riyami, B	PhD	Molecular and structural analysis of proteins involved in bacterial spore germination
Anzicek, N	PhD	Studies towards a second-generation synthesis of the Aplyronines
Boardman, S	PhD	Theoretical investigation into the dynamics of small molecule adsorption onto catalytically active surfaces
Bryan, M	PhD	Fundamentals of stiff paste extrusion
Fox, J	PhD	Applications of C-H functionalisation in the synthesis of complex molecules: the total synthesis of K-252c (Staurosporinone) and novel β -Lactam antibiotic mimics
Gilbert, S	PhD	Investigating machinery required for antibody production and secretion by plasma cells
Goozee, Z	PhD	Neural mechanisms underlying Pavlovian and instrumental memories of food seeking behaviour
Hamnett, R	PhD	Molecular and genetic analysis of neuropeptide signalling in mammalian circadian timekeeping
Hoffmann, M	PhD	Motion correction in magnetic resonance imaging
Hutton, G	PhD	Surface-functionalised carbon dots as versatile light harvesters for solar driven catalysis
Jacob, S	PhD	Purification of recombinant influenza antigens
Jansen, M	PhD	Contract design for collaborative response to service disruptions
Kucinski, I	PhD	The molecular signature of loser cells regulates cell competition
Labib, D	PhD	Astronomy (The spectral variability of black holes)
	PhD	The economic performance of the Eastern European economies during the financial crisis: a comparative analysis of Poland with the Czech Republic and Hungary
Liu, Z	PhD	Impact of payments for environmental services in developing countries: institutional and behavioural perspectives
Miller, S	PhD	Age-related changes in risky decision-making: experimental findings and real-world applications
Morgan, J	PhD	Energy landscapes and self-assembly of colloidal particles
Moris, N	PhD	Cell fate decisions at the exit of pluripotency. The role of epigenetics and transcriptional heterogeneity
Ortiz Suarez, M	PhD	Modelling and simulation studies of lipid and lipid-like interactions
Phillips, H	PhD	The role of the prefrontal cortex in sensory prediction and action monitoring
Puddu, M	PhD	Funerary archaeology and changing identities: community practices in Roman-period Sardinia
Roman, C	PhD	The French Revolution as a liminal process: towards a political anthropology of radical social changes
Saxena, J	PhD	Reversal of acquired resistance to MEK1/2 inhibition - mechanisms and consequences for cancer therapy
Segura Garcia, MT	PhD	Baroda, the British empire and the world, c.1875-1939
Sitathani, K	PhD	A window into Selective Catalytic Reduction: a RAIRS study of NO and NH ₃ on Cu{311}
Vaghi, M	PhD	Frontostriatal dysfunction and behavioural deficits in obsessive-compulsive disorder
Wan, L	PhD	A recursive spatial equilibrium model for the Beijing-Tianjin-Hebei city region
Wang, H	PhD	Measurement and simulation of steering torque interaction between driver and vehicle
Wearing, M	PhD	The flow dynamics and buttressing of ice shelves
Williams, T	PhD	A molecular genetic investigation of Dictyostelium macropinocytosis
Wong, H W	PhD	The roles of RNA trafficking and local translation in the dynamics of axon remodelling in vivo
Wu, Y	PhD	Personality assessment through digital footprints - models and applications
Zou, S	PhD	Wide area distributed antenna passive RFID networks

GRADUATES BY REGION



GRADUATES BY FEE TYPE



SELECTED PUBLICATIONS BY DOWNING FELLOWS 2016–17

Adams, Professor William

Adams, W M (2016) 'The Great Game: conservation in East Africa 1950–2016', *Oryx*, Vol. 50 (4), pp. 693–694.

Barber, Dr Zoe

Zhu, Y, Pal, A, Blamire, M G and Barber, Z H (2017) 'Superconducting exchange coupling between ferromagnets', *Nature Materials*, Vol. 16 (2), pp. 195–199.

Bravo, Dr Michael

Bravo, M T 'A Cryopolitics to Reclaim our Frozen Material States' in Kowal, E and Radin, J (eds.), *Cryopolitics: Frozen Life in a Melting World*, MIT Press (Cambridge, MA, 2017), pp. 27–58.

Cavanagh, Dr Edward

Cavanagh, E (2017) 'The Atlantic Prehistory of Private International Law: Trading Companies of the New World and the Pursuit of Restitution in England and France, 1613–43', *Itinerario*, Vol. 41 (3).

Clyne, Professor William

Comprehensive Composite Materials II, Volume 4: Metal Matrix Composites, Clyne, T W (ed.) Elsevier 2017 (<https://doi.org/10.1016/B978-0-08-100533-0.09074-6>).

Coleman, Professor Nick

Murray, M J, Huddart, R A & Coleman, N (2016) 'The present and future of serum diagnostic tests for testicular germ cell tumours', *Nature Reviews Urol.*, Vol. 13 (12), pp. 715–725.

Correia, Dr Marta Morgado

Schmitz, T W, Correia, M M, Ferreira, C S, Prescott, A P & Anderson, M A (2017) 'Hippocampal GABA enables inhibitory control over unwanted thoughts', *Nature Communications* DOI: 10.1038/s41467-017-00956-z

Crisp, Dr Michael

Yang, S, Scirocco, N, Crisp, M, Penty, R V & White, I H (2017) 'Large Metal Objects as Near Field UHF RFID Antennas' *IEEE Journal of Radio Frequency Identification*, DOI: 10.1109/JRFID.2017.2750541.

Eyeons, Dr Rev'd Keith

Eyeons, K J, *The Theology of Everything: Renaissance Man Joins the 21st Century*, Ellis and Maultby (Cambridge, 2017).

Feldman, Professor David

Feldman, D 'Anisimic Ltd v Foreign Compensation Commission [1968]: In Perspective', in *Landmark Cases in Public Law*, Juss, S and Sunkin, M (eds.), Ch. 4, pp. 63–95, Hart Publishing (Oxford, 2017).

Goymour, Ms Amy

Goymour, A 'Remedies for Vindicating Ownership Rights in Real Property', in *Commercial Remedies - Resolving Controversies*, Virgo, G and Worthington, S (eds.) Ch. 8 CUP (Cambridge, 2017).

Grimmett, Professor Geoffrey

Grimmett, G R & Li, Z (2017), 'Connective constants and height functions for Cayley graphs.' *Transactions of the American Mathematical Society*, Vol. 369, pp. 5961–5980. <https://doi.org/10.1090/tran/7166>

Haniff, Professor Chris

Minardi, S, Lacour, S, Berger, J, Labadie, L, Thomson, R, Haniff, C A & Ireland, M (2016) 'Beam combination schemes and technologies for the Planet Formation Imager', *Proceedings of SPIE - The International Society for Optical Engineering*, 9907 (99071N) <https://doi.org/10.1117/12.2232656>

Harle, Dr Robert

Gao, C & Harle, R K (2017) 'Semi-automated Signal Surveying Using Smartphones and Floorplans', *IEEE Transactions on Mobile Computing*, Vol. PP (99), pp. 1–1. Doi: 10.1109/TMC.2017.2776128

Holding, Dr Andrew

Guertin, M J, Markowetz, F & Holding, A N (2017) 'Novel Quantitative ChIP-seq Methods Measure Absolute Fold-Change in ER Binding Upon Fulvestrant Treatment', Doi: <https://doi.org/10.1101/182261>

Jones, Dr Ewan

Jones, E J (2016) 'Coventry Patmore's Corpus' *ELH*, Vol. 83 (3), pp. 839–872. <https://doi.org/10.1353/elh.2016.0032>

Kourtzi, Professor Zoe

Wang, R, Shen, Y, Tino, P, Welchman, A E & Kourtzi, Z (2017) 'Learning predictive statistics: strategies and brain mechanisms', *J Neuroscience*, Vol. 37, pp. 8374–8384.

Ledgeway, Professor Adam

Ledgeway, A & Roberts, I (eds.), *The Cambridge Handbook of Historical Syntax*. CUP (Cambridge, 2017).

Milton, Dr Amy

Cahill, E N, Vousden, G H, Exton-McGuinness, M T J, Beh, I R C, Swerner, C B, Macak, M, Abas, S, Cole, C C, Kelleher, B F, Everitt, B J & Milton, A L (2017), 'Knockdown of zif268 in the posterior dorsolateral striatum does not enduringly disrupt a response memory of a rewarded T-maze task', *Neuroscience* (in press), Doi: 10.1016/j.neuroscience.2017.07.014.

Nisbet, Dr Ellen

Nisbet, R E R, Kurwinian, D, Bowers, H A & Howe, C J (2016) 'Transcripts in the remnant chloroplast of *Plasmodium* undergo cleavage at tRNAs and editing, and include antisense sequences' *Protist*, Vol. 167 (4), pp. 377-388.

O'Neill, Professor William

Bulmer, J S, Gspann, T S, Orozco, F, Sparkes, M, Koerner, H, Di Bernardo, A, Niemiec, A, Robinson, J W A, Koziol, K K, Elliott, J A & O'Neill, W (2017) 'Photonic Sorting of Aligned, Crystalline Carbon Nanotube Textiles', *Scientific Reports*, Vol. 7, 129777. DOI:10.1038/s41598-017-12605-y.

Plant, Dr Brendan

Plant, B (with Shaw, M & Wordsworth, S) 'State Territory' in Oppenheim's *International Law* (10th edn) Greenwood, C and Sarooshi, D (eds.), Oxford University Press (Oxford, 2018).

Pratt, Dr David

Pratt, D. (2017) Review of Discenza, N G and Szarmach, P E (eds.), 'A Companion to Alfred the Great', Brill (Leiden and Boston, 2015), in *Speculum*, Vol. 92, pp. 253-235.

Rawlinson, Professor Nick

Rawlinson, N, Davies, D R & Pilia, S (2017) 'The mechanisms underpinning Cenozoic intraplate volcanism in eastern Australia: Insights from seismic tomography and geodynamic modeling', *Geophysical Research Letters*, Vol. 44, pp. 9681-9690.

Richer, Dr John

Ward-Thomson et al (2017) 'First Results from BISTRO: A SCUBA-2 Polarimeter Survey of the Gould Belt', *Astrophysical Journal* Vol. 842, p. 66. DOI: 10.3847/1538-4357/aa70a0

Roberts, Professor Ian

Roberts, I, *The Wonders of Language, or How to Make Noises and Influence People*, Cambridge University Press (Cambridge, 2017).

Steger, Dr Brigitte

Steger, B (2017) 'Japanese historic "Timescapes": An anthropological perspective', *KronoScope* Vol. 17, pp. 37-60.

Stock, Dr Jay

Will, M, Pablos, A & Stock, J T (2017) 'Long-term patterns of body mass and stature evolution within the hominin lineage', *Royal Society Open Science* 4:171339; DOI: 10.1098/rsos.171339.

Tomalin, Dr Marcus

Tomalin, M (2017) 'Pendulums and Prosody in the Long Eighteenth Century', *The Review of English Studies* Vol. 68:286, pp. 734-755.

Virgo, Professor Graham

Virgo, G and Worthington, S (eds.) CUP (Cambridge, 2017) 'Restitution and Disgorgement', pp. 292-317 in *Commercial Remedies; Resolving Controversies*.

Wales, Professor David

Ballard, A J, Das, R, Martiniani, S, Mehta, D, Sagun, L, Stevenson, J D & Wales, D J (2017) 'Perspective: Energy Landscapes for Machine Learning', *Phys. Chem. Chem. Phys.*, Vol. 19, pp. 12585-12603.

Williams, Dr Guy

Hoffmann, M, Mada, M, Carpenter, T A, Sawiak, S J & Williams, G B (2016) 'Additional sampling directions improve detection range of wireless radiofrequency probes', *Magn Reson Med*. Sep; Vol. 76 (3), pp.913-918. Doi: 10.1002/mrm.25993. Epub 2015 Sep 29.

Xu, Dr Liping

Hazby, H, Xu, L & Casey, M (2017) 'Investigation of the flow in a small-scale turbocharger centrifugal compressor', *Proc IMechE Part A: J Power and Energy*, Vol. 231 (1), pp.3-13. DOI: 10.1177/0957565091667127.

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).

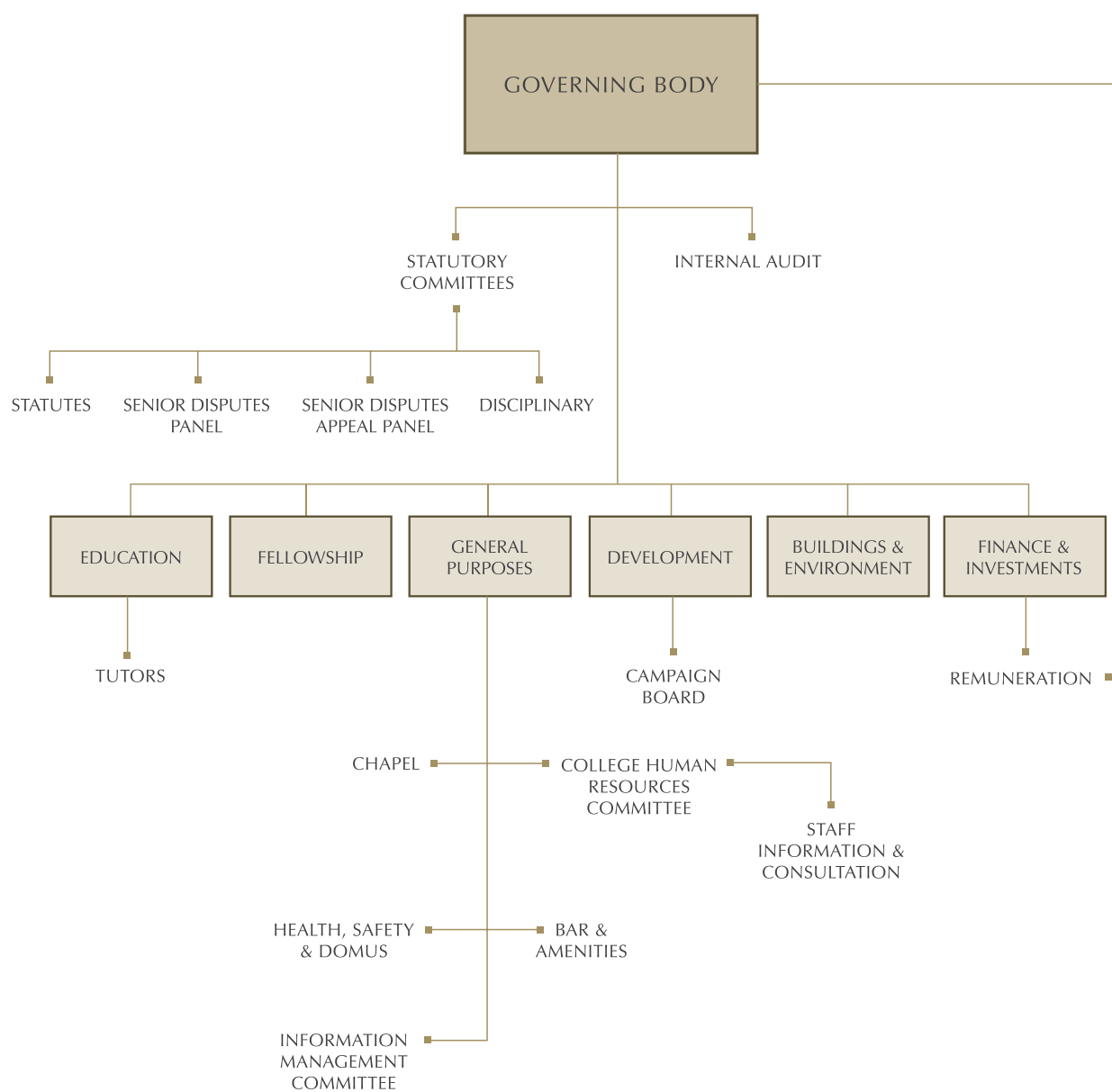
The Statutes that set out the arrangements for governance of the College were last completely revised during 2005 and approved by Her Majesty, with the advice of Her Privy Council on 9 May 2006, with approval given to amendments on 18 March 2009 and 8 March 2017. The Master chairs the Governing Body; 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, the estate, and the 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 Campaign Board offers 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 2016–17 was £43,473 (2015–16: £43,952).

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 fee payable by or on behalf of undergraduates. From October 2012 to October 2016, 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. 23-25) and the College retained the other half of £1,696,122. The total fees that the College received for educating undergraduates, including the private fees payable by overseas students, was £2,262,222, which amounted to 22.2% of unrestricted income before donations and endowments (2015–16: £2,136,843 and 22.4%). The fee for Home/EU students has remained unchanged since 2012 at £4,500. Privately-funded undergraduates paid a tuition fee of £8,475, which is now a fixed fee for the course. Since 2014–15, the fee due from graduates is a proportion of the new single fee charged by the University. The fee received for each full-time graduate student was £3,283.

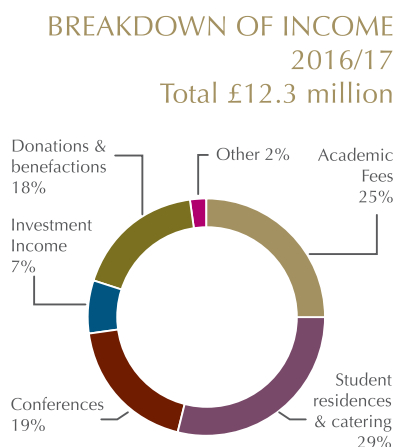
An increase in both costs and income, coupled with an increase in student numbers, resulted in a decrease of 7.9% in the shortfall per student, from £2,843 to £2,619 (on a fully-allocated basis). Using a methodology consistent with that used by the University, the College has calculated that it costs £8,555 to educate an undergraduate (2015–16: £8,725). The model, which allocates costs between undergraduates and graduates, calculated that the cost to educate each graduate student was £4,593 (2015–16: £4,450). Because of the high level of fixed costs, reducing the number of students would not help the financial position. The costs are highly sensitive to the cost of providing space, which is affected by energy and labour costs. The funding shortfall is partly offset by income from charitable funds. The University has participated in the first year of the Teaching Excellence Framework ('TEF'), and so the fee charged to Home and EU undergraduate and PGCE students admitted from 1 September 2017 has risen in line with the inflation-adjusted fee cap announced by the Government to £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. The College has received grants totalling £604,400 over the last ten years, but for the fourth 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, sometimes shared, including residential flats if single, and other benefits. The intercollegiate rate for 2016–17 for an hour's supervision of two students was £34.80. 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 2016-17, the cost per square metre of providing space was £154.08, compared with £151.19 in 2015–16, an increase of 1.9%. 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, two full-time (History and Law), one fifth-time (English) and one quarter-time (Human, Social and Political Science) College Teaching Officers are funded by the College. Approximately £4.0 million of the College's £46 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 £23.8 million. From the introduction of the £9,000 Tuition Fee in October 2012, the shortfall has been £8.1 million.

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 another Research Fellowship since October 2016. In the past ten years, the College has benefited from £550,000 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 £191.1 million at 30 June 2017. Of this amount, £115.8 million represents the net book value of the buildings that are not supported by the Revaluation Reserve. As functional fixed assets, they cannot be spent as income.
2. In formulating the reserves policy, the Governing Body has considered the factors that 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 (2017: £2,046,993; 2016: £2,057,928).
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 2017, free reserves (General Reserve less pension liability) stood at £3.8 million (2016: £5.9 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). 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. Since 1 July 2010, the units of the Amalgamated Fund have also been invested in the College's commercial property portfolio.
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 withdrawals to support its operating needs. A subsidiary aim is to enhance the value of the capital for future beneficiaries.
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.
4. For the securities portfolio, the goal implies a time-weighted net return target of 7.5%, comprising inflation (approximated by a long-term education inflation rate of 3.5%) plus a spending rate of 4%, measured on a five-year

trailing basis. The Investment Committee has set an additional goal of outperforming, net of all investment expenses, a composite benchmark, which comprises the sum product of the Strategic Asset Allocation and performance of each constituent asset class benchmark.

5. Risk in the securities portfolio is measured by the volatility of returns and Equivalent Net Equity Beta not materially higher than that of the composite Strategic Asset Return benchmark. That benchmark reflects an expected return of 7.0% with a standard deviation of 12.0%.
6. The current benchmark by which performance is judged consists of Equities: 42%, MSCI ACWI NR with Developed Markets 100% Hedged to GBP Index; 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: 21%, State Street All PE Index (lagged 3 months).
7. 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%. Portfolio rebalancing is normally undertaken on a quarterly basis to re-align asset allocations to targets.
8. The Investment Committee monitors the liquidity in the securities portfolio and has set a limit on illiquid financial assets, defined as assets that cannot be liquidated within a year. New agreements to purchase such assets shall not be executed if the aggregate market value of all such illiquid assets exceeds 30–35% of the aggregate market value of the value of the securities portfolio.
9. The currency hedging policy is to target 60% exposure to GBP. These currency targets are applied across all investment assets, both liquid and illiquid.
10. The custodian for the majority of the securities is HSBC Private Bank (Luxembourg) S.A.
11. 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. 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.
12. The College's spending rule is 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. The unapplied total return stands at £14,895,696 for the securities portfolio and includes returns from commercial property since 1 July 2007.
13. 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.
14. This statement was last revised in February 2017 and reviewed as part of the annual report in November 2017.

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 a third party specialising in multi-asset class investing. During more-recent financial turbulence, the portfolio has behaved 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 continues to keep 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. However, the Charity Commission (CC14) also acknowledges that, in some instances, a charity might accept lower returns if it might 'lose supporters or beneficiaries if it does not invest ethically'. Categories of exclusion that may fall within the definition of activities that are contrary to the charity's aims are companies whose activities violate human rights, the environment, and best practice in social and stakeholder matters. The College employs 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. This model limits the College's ability to influence investment decisions in particular sectors; however, the managers are aware of areas of concern and regularly interrogate the holdings in the pooled funds.

As a UK charity, the College is not subject to taxes on income or capital gains. It also holds 501(c) (3) status in the USA, which means that it is recognised as a non-profit organisation and therefore exempt from US Federal Income Tax. To the extent that it holds investment assets in offshore vehicles, it does so to reduce the administrative costs of portfolio management, but only in jurisdictions that have signed up to the Common Reporting Standard, an information standard for the automatic exchange of tax and financial information on a global level.

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.

The Domus is the focus of a constant programme of energy-saving improvements. Howard Court, the site of the Howard Theatre, with its ground source heating and grey-water reclamation systems, has seen recent improvements, including the installation of double glazing in many rooms in Howard Lodge. This brings the total number of College buildings with extensive double glazing to eighteen – no mean feat for a site with so many Grade I listed exteriors. Solar PV panels on V staircase, Griphon House and Battcock Lodge contributed nearly 40MWh of electricity in the last year. Downing was one of the first Colleges to install charging stations for electric cars (2012), and these are made available to Fellows, staff, and College visitors. The programme of boiler replacement is coupled with centralised BMS control systems to optimise room temperatures according to monitored temperatures, both external and internal. Thirty-nine energy-efficient boilers have now been installed across the College, while twenty-nine remain to be renewed.

In addition, the College keeps in close communication with student Green representatives. From funding the introduction of Keep Cups in the Butterfield Café to an engagement, in committees and elsewhere, with complex questions of divestment, JCR and MCR initiatives continue to be welcomed.

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 that 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
- reducing carbon consumption by at least 34% by 2020 (baseline 2005)
- reducing 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 conformity 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 this is 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
- seek 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 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.



RESULTS IN THE FORMAT REPORTED TO THE CHARITY COMMISSION

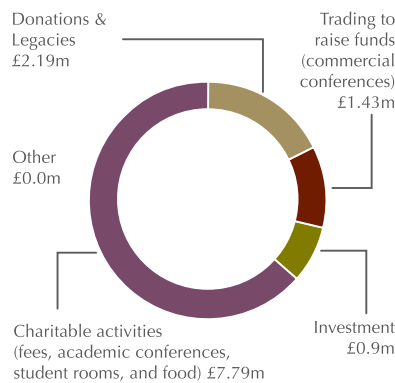
The *Summary Information Return* ('SIR') that is made annually to The Charity Commission is based on *The Charities Statement of Recommended Practice*, which has a different emphasis from that of the standard profit and loss model of accounts that informs *The Statement of Recommended Practice: Accounting 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 (18% of income) to support its £10.13 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.

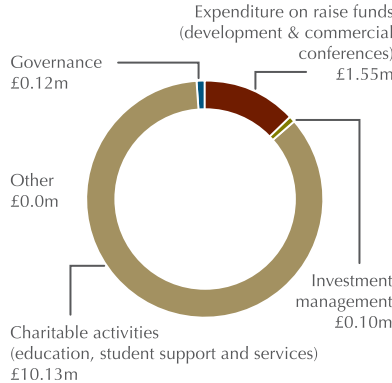
A further chart shows the extent to which funds have been used to support the current year's activities and the extent to which they have been retained for future use, although in many cases that division reflects the terms of the donations.

Compared with 2015–16, income for 2016–17 decreased by 15.9% to £12.29 million, principally due to the profit on sale of the outlying houses of £2.4 million in 2015–16. Income from charitable activities increased by 8.4%, with the most significant rise being from student charges and fees. Income from commercial conferences was £1.43 million, up 3.3% from last year's £1.38 million; charitable (i.e. academic) conferences increased by 5.9% to £0.93 million. Spending on charitable activities increased by 9.2% to £10.13 million. Of the £12.3 million in income received during 2016–17, £0.38 million was retained for future use.

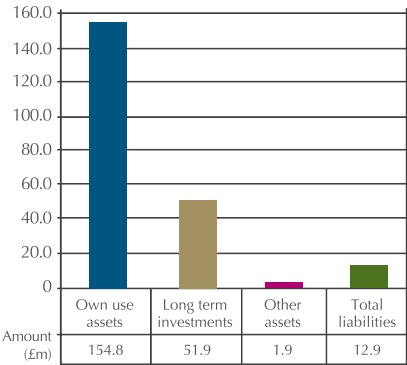
INCOME £12.3 million



SPENDING £11.9 million

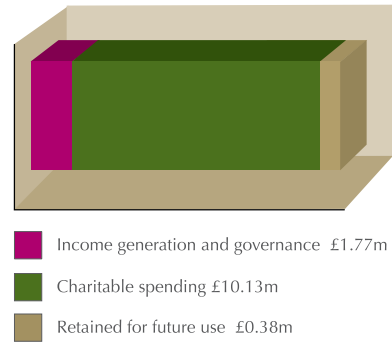


ASSETS, LIABILITIES & PEOPLE



Employees 165

CHARITABLE SPENDING



FINANCIAL REVIEW

Income and expenditure

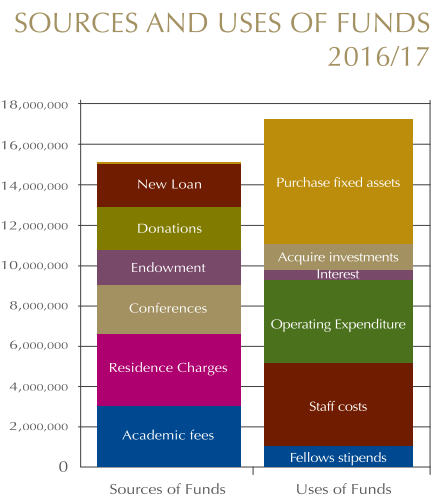
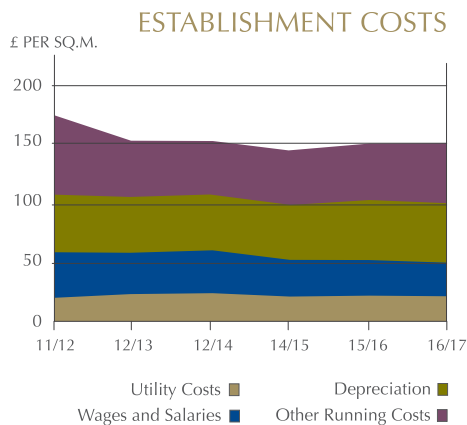
- Total income before donations and endowments up by 6.5% at £10.1 million
- Unrestricted deficit before other gains and losses: £0.3 million (change of a million)
- Costs up 7.3%
- Surplus for the year: £6.0 million

The Total Surplus for the year of £6 million was almost completely the result of a £5.4 million gain in the investment portfolio. The column in the accounts that shows the activities funded by unrestricted income measures the efficiency of operations. The comparable result for last year included an unrestricted gift of £1 million; however, when that gift is subtracted, the operating result of a deficit of £0.3 million is the same. While the College aims to manage its affairs so as not to rely on such gifts, that goal is difficult to achieve. The reality of funding higher education is that it now depends on philanthropy. The College has no ability to set prices on its principal activity, the tuition of Home/EU undergraduates. After it was set in 2012, the tuition fee of £9,000 did not increase for five years; however, the College’s half-share in real terms has declined in value to £3,990. During the same period, the obligation to fund the Cambridge Bursary Scheme has increased from an average of £87 per capita per year to £246 per capita per year. By 2020, that contribution will have increased to £384, giving a total amount of £145,000. The subsidy cannot only be met from trust funds: the College, therefore, continues to implement cost controls through better purchasing and to seek out opportunities to enhance its commercial activities.

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 5.1% from £4.3 million to £4.5 million, reflecting the addition of two stipendiary Junior Research Fellows and seven full-time equivalent staff posts. The total cost correspondingly rose to £5.2 million from £4.9 million. As a percentage of total expenditure of £11.7 million, total salary costs amounted to 44.1% (2016: 45.1%). Of total income before donations and endowments, total salary costs accounted for 51.0% (2016: 51.8%).

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 continues to 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, adds to the wage bill. Once again, the cost-of-living award was limited to 1% for support staff and 1.1% for academic staff, a level that is unsustainable over the long term, especially given that the median level of non-academic staff pay is £18,122 (2016: £19,281). A gender pay analysis identified a gap between the pay that male and female staff receive, with men receiving 3.5% more than women in a total staff population of 97 men and 127 women. Although the gap is well below the national average, nevertheless, if the gap is to be addressed, the finding puts further upward pressure on salaries.



Student Rents

The rent roll, which is in principle in the College's control, amounted to £3.1 million. Rents are set in negotiation with the JCR and MCR using a cost-attribution model that 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 adopted a policy of 'no hidden charges', one of only 17 Colleges where there are no additional accommodation-related charges. Similarly, the Residence Charge also incorporates the traditional 'kitchen fixed charge', which means that Downing is one of only eight Colleges that do not impose a charge for catering whether or not the facilities are used. In the College's view, this transparency gives certainty; however, it is difficult to counter the students' perception that rents are unfairly high compared with those of other Colleges where the headline rate does not tell the whole story. Included within the charge is insurance cover for students, which includes cover for their possessions and personal liability. 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 courses. Of the current 546 rooms, 423 are occupied by undergraduates and 123 (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 profit and cash flow from the conference business, which returned £2.4 million in income, helps to compensate for the shortfall in student rental income, which cannot cover 52 weeks of costs.

The College's endowment distributed £1.8 million for spending purposes, which consisted of 55% unrestricted and 45% restricted. Compared with the investments of the majority of colleges and all those founded before it, the College's endowment is small.

DEVELOPMENT: ALUMNI RELATIONS AND FUNDRAISING

- New pledges made and cash received: £1.8 million
- Total gifts recorded in the accounts: £2.2 million
- Legacies: £0.1 million
- Participation rate (undergraduates): 22%
- Number of gifts received: 1,016

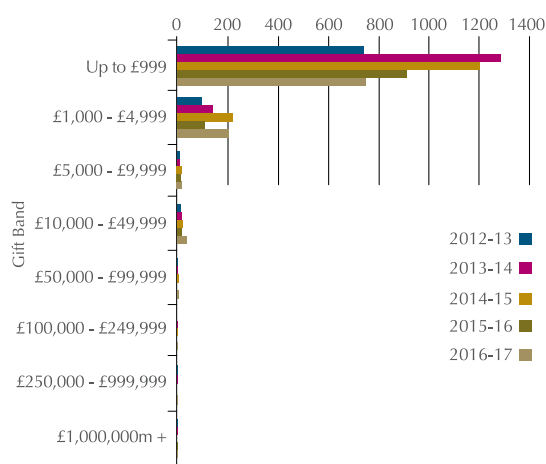
Development is an investment in the future. While there have been successful appeals during the year, the vacancy in the post of the Development Director has stalled the programme, which will inevitably affect future income and the College's ability to fund new projects. Higher education increasingly depends on philanthropy, which means that there is intense competition for staff. Donors have many calls on their generosity. As the small increase in the number of alumni donors implies, it is difficult to add to the donor base. The more modest gifts are usually made through the telephone campaign using student callers, who are best placed to testify to the impact that donations have on their education and lives. The role of the Development Office is to organise and supervise such events, but also to engage with donors so that they are persuaded to ascend the 'giving ladder'. The Development Director's role is to build relationships with alumni who are capable of making transformational gifts and who see how a gift to the College might help fulfil their philanthropic goals. The Fellowship understands the importance of philanthropy to the College. In order to help the Development Office and the Fellowship to understand each other's objectives, this year the post of Fellow Development Ambassador was created. Dr Sarah Kennedy, a Fellow in English, agreed to take on the role and will provide a useful point of continuity for alumni through changes in staffing and at the senior end of the Fellowship.

Gabrielle Bennett, the College's second and sixth Development Director, served the College for over nine years, finally returning to the USA at the end of January. Before she left, she initiated and oversaw the celebration of John Hopkins' 80th Birthday, which resulted in a significant endowment to support the supervision system. Gabrielle has now taken up the post of Director of Principal Giving at Cambridge in America, where she will continue to build relationships with the College's alumni while fundraising for the Collegiate University. Overall, the results reflect the absence of a telephone fundraising campaign, as it migrated from its April slot to September, when students are free of exam pressures; however, total donations include the results of the alumni-led funding of the rowing tank, contributing to the high percentage (53%) of restricted gifts. Unrestricted gifts amounted to £0.2 million.

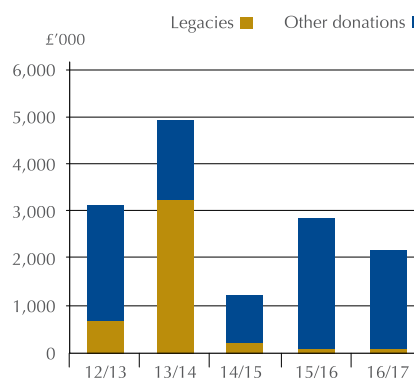
When one campaign finishes, another begins – even if it does not yet have a name or fully-specified goals. With the help of Simon Pennington of More Associates, the College has begun a series of consultations to identify need, opportunities, and likely sources of support.

The following tables show the total funds recognised for the years 2016–17, 2015–16 and 2014–15; the Status of Members out of Residence and Donors in 2016–17, 2015–16 and 2014–15; and attendance at Alumni and Donor events in 2017-18, 2016–17, 2015–16 and 2014–15.

NUMBER OF GIFTS RECEIVED



DONATIONS & LEGACIES



Totals over 5 years:
Legacies: £4.3 million
Other Donations: £10.2 million

Note: Excludes Howard Foundation Donations

STATUS OF MEMBERS OUT OF RESIDENCE AND DONORS

	2016-17	2015-16	2014-15
MEMBERSHIP DATABASE			
Number of members (living and deceased)	11,721	11,555	11,338
including former undergraduates	9,677	9,554	9,432
including former graduates	2,044	2,001	1,906
Deceased	2,647	2,327	2,273
Living members	9,074	9,228	9,065
Address known (members in contact)	7,893	7,960	7,732
including former undergraduates	6,329	6,404	6,282
including former graduates	1,564	1,556	1,450
% Address known	87%	86%	85%
email address known	6,907	6,840	6,544
% email address known (of those whose address is known)	88%	86%	85%
Address unknown	1,181	1,225	1,333
Request not to be mailed	93	72	86
PARTICIPATION RATES			
Living donors this financial year	1,519	1,481	1,244
including former undergraduates	1,421	1,336	1,117
including former graduates	96	99	90
including others	2	46	37
Members who have ever contributed to the College	3,898	3,859	3,847
Living members in contact who have contributed	3,219	3,212	3,220
% of total living members	35%	35%	36%
% of members in contact	41%	40%	42%
Participation Rate this financial year of living members	17%	16%	14%
Participation Rate this financial year of living members in contact	19%	19%	16%
% former undergraduates	22%	21%	18%
% former graduates	6%	6%	6%

EVENTS AND OTHER FORMS OF CONTACT

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

	2017–18		2016–17		2015–16		2014–15	
	Total	Alumni	Total	Alumni	Total	Alumni	Total	Alumni
1749 Reception: July	43	27	67	26	94	37	77	33
Year Reps Meeting: September	28	27	32	27	34	30	31	27
Alumni Day: September	155	97	140	80	156	94	201	122
Association Dinner: September	83	41	133	77	171	111	144	96
Parents Lunch: November	110	–	164	–	155	–	159	1
London Event: November			95	80	120	89	132	105
Griffins' Dinner: February			7	4	14	11	56	21
Catalysis Conference			79	27	95	32	90	36
Reunion Dinner: July/March/April			178	171	160	156	169	162
Segreants Dinner: April			38	33	78	60	88	46
MA Awards Dinner: May			128	93	125	89	127	97
Donors Garden Party: June			207	91	308	126	136	60
Graduands Reception: June			308	83	280	75	324	93
Other events			474	304	643	261	260	113
Total			2,050	1,096	2,273	1,105	1,994	1,012



www.twitter.com/downingcollege

Followers: 3,933

Tweets: 1,911



www.flickr.com/photos/downingcollege

Photos: 3,040



www.facebook.com/downingcollege

Fans: 5,727



Downing College LinkedIn Group

Members: 1,176

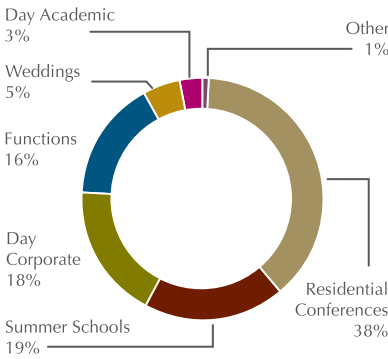
CONFERENCE SERVICES

- Conference Services income: £2.4 million – up 4.3%
- Charitable Conferences: £0.9 million – up 5.9%
- Occupancy rate for en-suite rooms increased to 42.5%

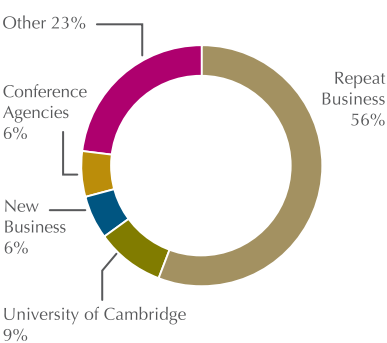
At £2.4 million, the 4.3% uplift in conference services income indicates a modest increase in volume. Since the welcome resurgence of the Downing Dramatic Society, the tension between student use of facilities and commercial booking has become more acute. Student use of the Theatre occupied 39 days during term. Four well-attended plays and the Festival of New Writing, now in its fourth year, meant that term-time conference availability has decreased by six weeks. Further, pressure on meeting rooms continues to place an upper limit on the number of conference bookings. Nevertheless, income from accommodation increased by 8.6% to £1.0 million, due to total room nights increasing, as well as the occupancy rate of the higher-value superior en-suite rooms. Spare capacity is offered as bed and breakfast through universityrooms.com, but, as this business sector is labour-intensive, capacity is only released when Conference Services are certain that it will not be sold to corporate conferences, although these are less likely to occupy space at weekends. The College continues to be a popular venue for weddings, including four alumni weddings in the summer of 2016, which is captured in the 2016–17 results. While members of the College community are always welcome to celebrate their weddings in the College, the current strategy is to prioritise the marketing of conferences, rather than external weddings.

The highly-competitive market for conference hosting means that the College must ensure that its facilities and service remain of the best. The programme of refurbishment also directly benefits the student population, whose rooms – at least at the higher-end – are the envy of Cambridge students. A major centre for bio-technology, Cambridge is an increasingly popular venue for scientific conferences. Given the attractiveness of its riparian rivals, Downing must work hard to promote its conference offer. The Howard Theatre, the elegantly restored Georgian Hall, the renovated Howard Building and the Heong Gallery all help to differentiate the brand. These public facilities, in conjunction with its distinctive architecture and superior en-suite rooms, sustain the College’s position in the top quartile among Colleges, measured by revenue. The building and upgrading of local hotels and the prospect of yet more new conference venues will bring further pressure on pricing, which underlines the continuing need for efficiency and cost awareness, if profitability is to be maintained.

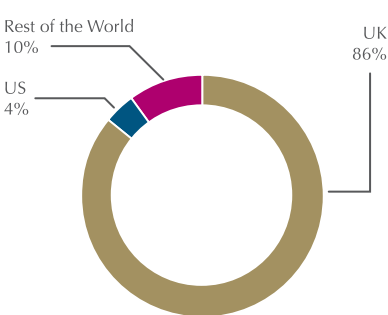
INCOME BY BUSINESS SECTOR



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	
16–18 February	The Importance of Being Earnest
9–11 March	Festival of New Writing
8–10 June	Arcadia
23–24 October	MIST: Diazepam
3–4 November	Love Letter
16–18 November	Twelfth Night

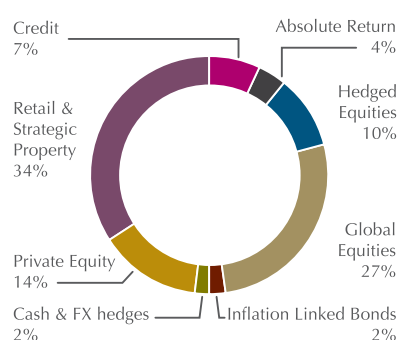
INVESTMENTS

- Total Return: 14.5%
- £30.4 million in securities: 16.2% total return
- £15.2 million in property: 11.1% total return
- Endowment Drawdown: £1.8 million
- Additions to the securities portfolio: £0.8 million
- Additions to the property portfolio: £0.4 million

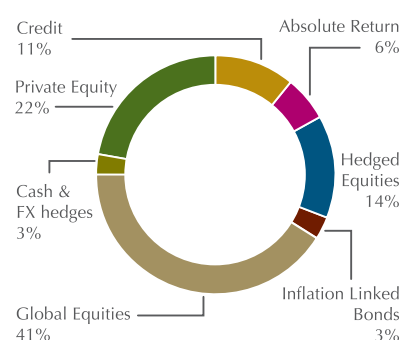
The combined securities and property portfolio returned 14.5% after deducting all costs, including fees, a result that was considerably ahead of last year's return of 5.3%. The performance of the securities portfolio for the financial year of 16.2% was supported by: global equities returning 19.2%, underlying asset managers on average outperforming their respective benchmarks by +2.1%, and tactical asset allocation (overweight credit and hedged equities, underweight gilts and commodities) adding +2.3%. At 30 September, 60% of the securities portfolio was in Sterling, with 30% USD and 10% in other currencies. Of the securities portfolio, 29% was invested in illiquid assets (21% Private Equity, 8% Private Debt), well within the agreed target of 35% illiquidity.

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. At 30 September 2017, the ENEB for the securities portfolio stood at 75% and at 65% for the total investment portfolio, including property.

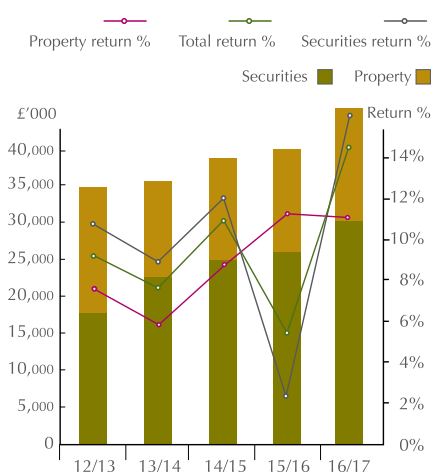
ASSET ALLOCATION AT
30 JUNE 2017 (Inc. property)



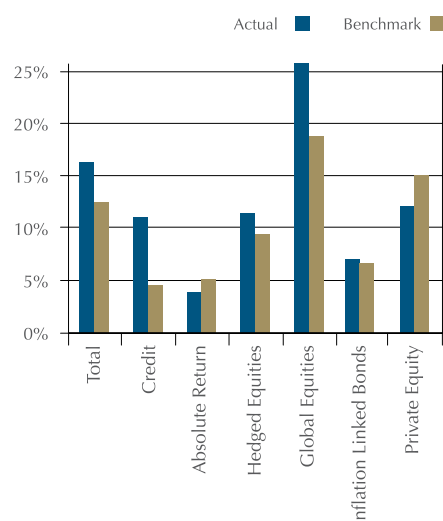
ASSET ALLOCATION AT
30 JUNE 2017 (Exc. property)



ENDOWMENT & TOTAL RETURN



SECURITIES RETURN AGAINST
BENCHMARKS

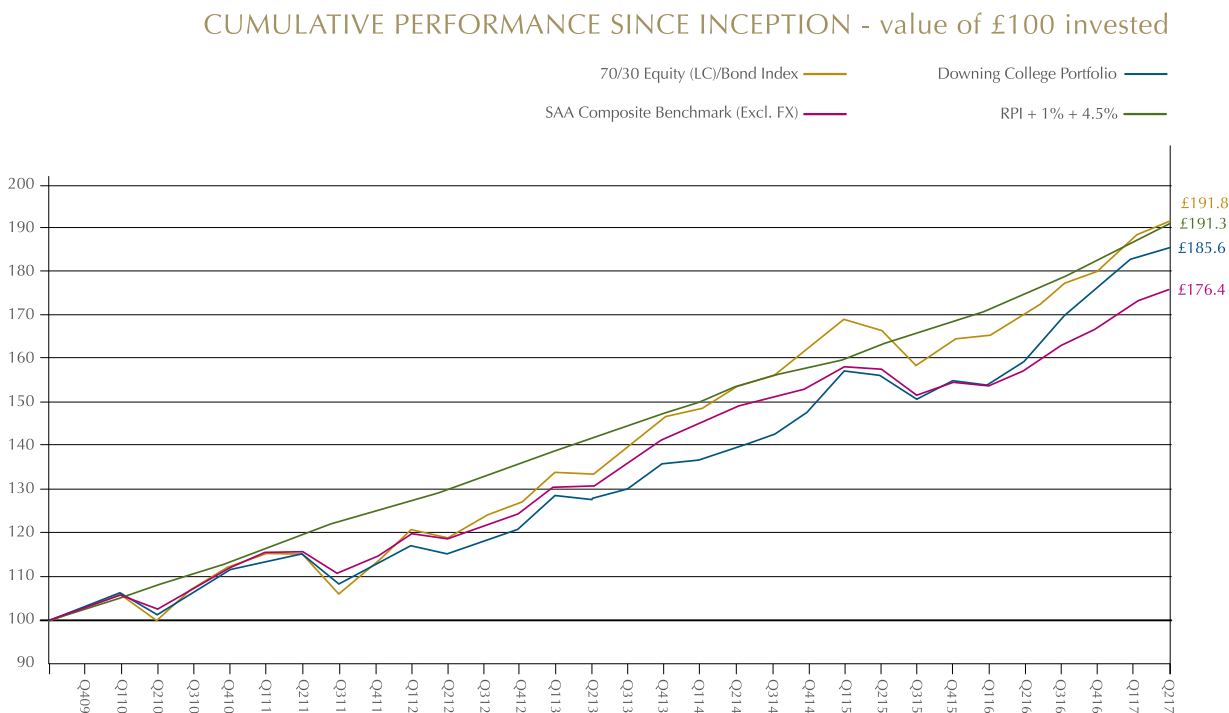


The spending rule reflects a notional withdrawal from the portfolio in that investments typically remain untouched: the spending rate attributed to the securities component is netted against additions to the portfolio from fundraising activity or met from other sources of income. The Committee has determined, therefore, that the portfolio can afford to take advantage of the illiquidity premium (estimated to be between 3% and 4%) by investing in private markets, particularly in private debt through the Phoenix Fund II, which is 8% of the portfolio, excluding investment property. The long-term target for investments in private equity is 26% of the asset allocation, excluding investment property. At 30 September, 29% of the securities portfolio is in illiquid investments, but 40% of the securities portfolio can be accessed within a quarter, and 23% immediately.

The securities portfolio’s return of 16.2% compared favourably with the 12.5% return of the ‘70/30’ (70% MSCI AC World NR LC/30% FTSE A British Government All Stocks Total Return). The portfolio has returned an annualised 8.3% since inception, ahead of the Strategic Asset Allocation Composite Benchmark, which has returned an annualised 7.7%. Over the last three years, the portfolio has returned 33.0% compared to a targeted return of 24.2%.

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. With the exception of a small investment in a residential property fund, 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 22 were occupied, leaving one subject to contract. The property portfolio stood at £15.2 million (some 33% of the total portfolio of £45.6 million), an increase of 6.0%, but excluding the 5.3% 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 the 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 2016–17, the spending rule delivered £1.8 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. Spending, therefore, is not affected by market movements in the short term, but can adjust over the long term. The relatively small increase reflects the adjustments through smoothing that have compensated for the overspend in times of portfolio losses and poor returns. The formula, which adjusts 70% of the previous year's distribution for inflation, progressively incorporates investment performance by taking an amount equal to 4.5% of 30% of the value of the endowment measured over the last twelve quarters. The distribution for 2017–18 increased modestly (by 4.7%) from £1.06 per unit for 2016–17 (on a unit value of £24.10) to £1.11 per unit on a unit value of £26.60. The distribution for 2017–18 represents a yield of 4.47% on the three-year average fund unit value and 4.18% on the closing fund unit value as at 30 June 2017. The yield in both calculations, has now fallen below 4.5%, indicating that the portfolio's value has recovered from the overspend between 2009 and 2016, which was a significant consequence of the 2008 financial crash. Any spending rate lower than 4.5% means that the portfolio retains returns as a cushion against future downturns.

In setting the spending rule, the Committee is conscious of the need to balance the claims of present with future beneficiaries and aims to preserve the purchasing power of the endowment, 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 36.3%, while the total return on the portfolio has been 85.6%. In order to preserve the purchasing power of the portfolio over this period, a spend rate of 4.2% would have been required, a target which this year has been reached.

Composition of Investment Portfolio

	30 June 2017 £	30 June 2016 £	30 June 2015 £
1. Securities			
Core Portfolio Cash*	338,453	379,316	2,006,113
Forward Foreign Exchange Hedges	483,190	(878,316)	158,640
Fixed Income	—	—	—
Credit	3,350,341	3,267,673	3,017,928
Absolute Return	1,776,241	1,615,736	1,985,780
Hedged Equities	4,392,744	4,169,060	3,474,524
Global Equities	12,248,823	11,403,731	9,943,995
Private Equity	6,516,750	5,507,627	3,648,075
Inflation Linked Bonds	895,418	695,428	1,331,694
Commodity Fund	400,870	—	—
Total	30,402,831	26,160,255	25,566,749
Other Private Equity**	—	—	—
TOTAL SECURITIES	30,402,831	26,160,255	25,566,749
2. Property			
Office	4,526,000	5,336,412	5,450,660
Retail	10,217,600	8,567,600	7,753,600
Property Development	425,700	—	—
TOTAL PROPERTY***	15,169,300	13,904,012	13,204,260
TOTAL PORTFOLIO	45,572,131	40,064,267	38,771,009

* 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 £2,240,000, 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.

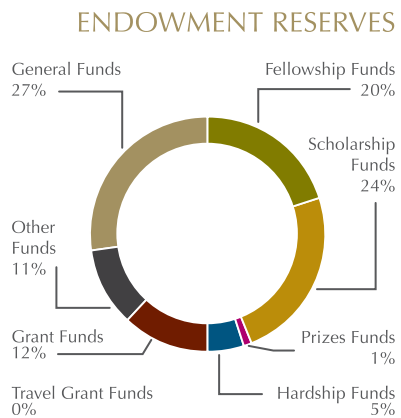
CAPITAL AND RESERVES

- £191.6 million in capital and reserves (including buildings) – up 3.5%
- £152.1 million in buildings – up 2.7%
- £45.6 million in investment assets – up 13.7%
- £33.1 million in investment assets less long-term debt – up 11.9%
- £0.8 million in benefactions and donations transferred to Partners Capital
- £3.8 million in general reserves – down 35.5% (£2.1 million)

By year end, the College’s capital base had increased by £6.5 million (3.5%). This apparent improvement, however, masks a significant reduction in general reserves, which decreased by 35.5% (£2.1 million), and at year end stood at £3.8 million. Due to the transfer to the designated buildings reserve following the value of building works undertaken during the year, there was a decrease of 62.9% (£3.7 million). The value of investments held by general reserves increased by 39.5% (£2.3 million).

The overall improvement in capital and reserves was the result of (i) a deficit on operations of £0.3 million, (ii) a gain of £0.6 million from the quinquennial revaluation of the College’s Works of Art, and (iii) unspent returns and donations on the investment portfolio of £5.1 million. The reserves were not affected this year by any actuarial gains or losses on the closed staff pension scheme, Cambridge Colleges Federated Pension Scheme, or from USS. Benefactions of £0.8 million added to the endowment were in addition to contributions of £1.1 million to building projects and of £0.2 million to annual costs. The capital donations, combined with a return of 16.2% in the Securities Portfolio and 11.1% in the Property Portfolio, led to an overall increase of £5.5 million in Investment Assets. At the end of the year, Investment Assets stood at £45.6 million, an increase of 13.7%.

Taken together, these transactions accounted for an addition of £6.5 million for an ending balance on capital and reserves of £191.6 million.



Cash Flow

- Operating cash flow²: £0.2 million
- Change in cash balances in year: £2.3 million decrease
- Total capital expenditure: £6.2 million
- Total capital expenditure excluding donor-funded and financed projects: £3.6 million

An obvious consequence of operating activities that continually result in a deficit, rather than a surplus, is that an unexpected need for cash can be difficult to meet, particularly if capital expenditure is routinely in excess of depreciation. Some opportunities, nevertheless must be seized. During 2017, one of the three Edwardian villas that the College does not own of the 20 on its southern boundary came on the market. The College was able to finance its purchase and meet the cost of conversion, thus furthering the strategic aim of adding to the room stock and controlling the border. To take advantage of the efficiencies in combining projects, substantial work to the neighbouring building was incorporated. However, the overall cost resulted in the deferral of further investment in the Securities Portfolio.

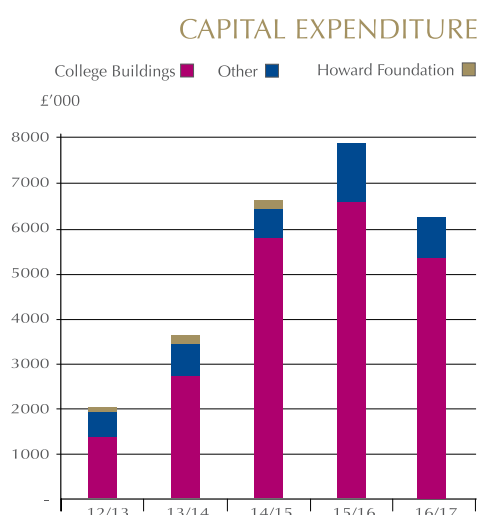
Cash consumed by all activities resulted in a decrease of £2.3 million in cash balances, with cash of £1.2 million held at year end. Cash generation from operating activities before the effects of working capital amounted to £0.2 million, a decrease on last year's figure of £1.1 million, reflecting last year's unusually high level of unrestricted donations. This year's cash position was also adversely affected by the postponement of the telephone fundraising campaign from March 2017 to a new, regular slot in September, beyond this year's financial year end. Endowment income, less interest payable, contributed a further £1.2 million of cash.

The major spending on buildings takes place in the first three months of each year, which means that the year's expenditure is all but known. A decision to limit building activity to the programme to upgrade services should result, therefore, in an improved cash position in 2018–19.

Investment For The Future

Investment for the future takes many forms: the College invests in people through educational activities that have the power to transform as well as in its physical presence. The investment in people begins with outreach, which focuses mainly in the south-west, but extends to the many school children and members of the wider community who visit the Heong Gallery. Additional resources have been invested in student attainment, graduate integration, and communication.

Through the Catalysis Campaign, the College has been able to invest £31.3 million between 2008 and 2017 in capital expenditure on accommodation and facilities, including communal spaces such as the Dining Hall, the Howard Theatre, the Howard Building, the Butterfield Bar and café, and Gallery. These facilities not only enhance the student experience: they also provide the stream of income that is necessary to subsidise the cost of education. The Theatre and the Gallery facilitate a cultural programme that is second to none among Cambridge Colleges and benefits Cambridge as a whole.



² Surplus before other gains and losses before depreciation, interest payable, investment income, changes in working capital and restricted and endowment donations.

Ten Year Capital Programme

At 1 October 2017

Net current rooms refurbished or acquired in last ten years (2008–17): 146 (27%)	Total Student Rooms: 546
--	--------------------------

Restoration and Major Refurbishment

Year	Building	Number of Student Rooms if Applicable
2008	Howard Lodge	32
2009	V Staircase	
2010	Howard Theatre	
	Boathouse Flood prevention	
	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
2016	M Staircase communal areas	
2017	44/46/56/58 Lensfield Road	35
2017	J Staircase communal areas	
2017	Boathouse accommodation	6
Total		201

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	
2017	52 (and 54) Lensfield Road	10
Total (excluding sold houses)		16

Sale of Operational Property and Termination of Leases

Year	Property	Number of Student Rooms if Applicable
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		71

Financial Outlook

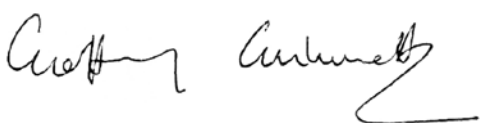
The teaching of undergraduates is the College's principal activity and main source of academic income. For five years since the £9,000 fee for Home/EU students was introduced in October 2012, the fee has remained frozen, resulting in a cumulative loss in purchasing power of £500,000. The introduction of the Tuition Fee changed the way in which universities are funded, shifting the burden from the tax payer to the student. Though the TEF Gold Award, which enables the University to increase its fees by inflation, is valid for three years, the political focus on the high levels of student debt creates uncertainty about the level of fees that can be charged - fees that in any case only cover 53% of the cost. One-third of the incremental fee above the base of £6,000 must be spent on widening participation, which means that of the College's half of the £9,250 fee, only £4,121 is available to support the education of the current cohort. The shortfall is supported by the endowment. These funds, however, 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, therefore, must continue to focus on fundraising, principally from alumni, who have been the beneficiaries of past generosity, beginning 300 years ago with the writing of the will of Sir George Downing, 3rd Baronet, the College's founder.

Plans For The Future

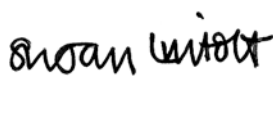
2009 to 2017 saw an unprecedented period of expansion in the College estate. Thanks to the generosity of the many donors to the Catalysis Campaign, it was possible to take advantage of opportunities to turn offices into student accommodation, create a new court, convert a stable block into an art gallery, restore the Hall, build a theatre, and purchase and convert a house on Lensfield Road. While there are rolling programmes to upgrade services and decorate, a pause between major projects will provide a period for planning. There is a further opportunity on Regent Street to convert office space, which awaits planning consent. Once that has been granted, the project will be considered, along with nascent plans to provide student facilities, for inclusion in the next fundraising campaign.

Higher education depends on philanthropy. From its rocky beginnings, the College's endowment has not been able to support its ambitions. In order to provide a world-class education and meet student expectations, philanthropic gifts have been used to fund immediate, specific needs, rather than contribute to the unrestricted endowment. As most donors prefer to give to projects, it is perhaps inevitable that even after a long and successful fundraising campaign that raised many millions, the unrestricted endowment has only grown from £18.8 million to £25.3 million (34.5%) in nominal terms and £24.0 million to £25.3 million (5.3%) in terms of purchasing power. Unrestricted endowment is only part of the story: the overall endowment has grown from £24.2 million to £45.6 million (88.4%) and £30.9 million to £45.6 million (47.6%) in terms of purchasing power. Nevertheless, a substantial unrestricted endowment gives the flexibility to respond to opportunities – a modest endowment is likely to stay relatively modest as fundraising must focus on sustaining current activities and making possible the development of the College.

On behalf of the Governing Body:



Prof G R Grimmett, Master



Dr Susan Lintott, Senior Bursar

Date: 19 December 2017

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2017	2016	2015	2014	2013
1. Education					
Tompkins Tables *	20	12	9	11	12
Undergraduate classification of degrees					
1st	89	111	119	116	87
2:1	217	195	222	213	228
2	15	20	16	13	17
2:2	35	34	34	54	50
3	9	11	7	9	8
Pass	20	21	17	13	14
DDH (Deemed to have deserved honours)	6	2	6	1	5
Ordinary	0	0	0	0	0
Fail	0	3	0	5	2
Number of Special Prizes ³	10	14	21	19	14
Graduate degrees awarded:					
PhD (including MB PhD)	26	31	39	39	35
MPhil, LLM, MBA et al	75	67	51	61	52
MB BChir	11 (inc 0xVetMB)	8 (inc 1xVetMB)	10 (inc 2xVetMB)	7 (inc 2xVetMB)	11 (inc 2xVetMB)
2. Admissions					
Number of Open Days					
College Open Days	2	3	3	5	5
University Open Days	2	2	2	2	2
South-West Open Days	2	2	1	1	1
Numbers visiting College and South-West Open Days	159	185	269	336	317
% subsequently applying to Downing (in October following)	24%	15%	27%	27%	32%
Applicants from South-West initiative (October following)	21	25	27	30	38
Applicants from South-West non-selective schools (included above)	15	22	25	22	25
Admissions from South-West non-selective schools	6	5	2	4	2
Applicants from low participation neighbourhoods	60	28	31	16	22
Admissions from low participation neighbourhoods	6	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.

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

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2017	2016	2015	2014	2013
Total Number of Applicants for Undergraduate Courses (in October following)	793	570	699	733	879
% Women: % Men	47:53	48:52	48:52	48:52	47:53
Applicants from Maintained Schools	329	228	322	341	391
% Maintained: % Independent	57:43	62:38	64:36	62:38	59:41
Admissions (Including Summer Pool)	133	128	126	124	120
% Women: % Men	49:51	49:51	38:62	44:56	43:57
Admissions from Maintained Schools	73	65	67	62	63
% Maintained: % Independent	64:36	59:41	60:40	61:39	59:41
Applications by subject					
Asian & Middle Eastern Studies	5	4	6	4	6
ASN&C	—	1	1	—	1
Archaeology & Anthropology	1	—	—	—	—
Architecture	35	17	21	25	28
Chemical Engineering via Engineering	6	4	12	9	16
Chemical Engineering via Natural Sciences	12	11	13	14	20
Classics	9	4	10	5	12
Computer Science	21	11	12	10	17
Economics	42	45	55	69	77
Education	4	4	3	2	5
Engineering	131	70	113	73	111
English	23	13	20	22	21
Geography	36	25	21	30	42
History	35	11	20	14	21
History of Art	6	8	2	2	2
Human, Social & Political Sciences	34	36	48	30	35
Land Economy	24	10	12	15	17
Law	102	72	75	84	81
Linguistics	6	3	2	3	1
Mathematics	35	24	32	43	35
Medicine	57	59	75	76	91
Modern & Medieval Languages	7	10	15	19	17
Music	—	1	1	1	4
Natural Sciences (Biological)	64	52	37	67	77
Natural Sciences (Physical)	66	41	51	54	84
Philosophy	6	5	5	5	5
Psychological & Behavioural Sciences	13	19	29	47	24
Theology	2	3	2	2	9
Veterinary Medicine	13	7	6	8	20

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2017	2016	2015	2014	2013
Ratio of Applications to Offers	4.7:1	3.6:1	4.9:1	4.8:1	6.2:1
% Applicants who are admitted	15.9%	23.3%	18.3%	17.2%	14.1%
% South-West Applicants who are admitted	20.0%	27.2%	20.0%	9.1%	16.0%
Total University Full-Time Undergraduates	11,926	11,820	11,786	11,781	11,820
% Female: % Male	47:53	46:54	46:54	46:54	47:53
Total Full-Time Downing Undergraduates	447	437	441	446	436
% Female: % Male	43:57	42:58	40:60	41:59	41:59
Numbers of Undergraduates leaving before graduating	—	2	1	4	4
Total University Full-Time Postgraduates ⁴	6,548	6,486	6,444	6,579	6,451
% Female: % Male	46:54	44:56	44:56	44:56	44:56
Total Downing Full-Time Postgraduates ⁴	167	164	148	163	154
% Female: % Male	50:50	49:51	43:57	44:56	39:61
Total University numbers admitted to current course in the previous twelve months which attract undergraduate fees ⁴	3,647	3,634	3,651	3,617	3,536
% Female: % Male	49:51	48:52	48:52	47:53	48:52
Downing numbers admitted to current course in the previous twelve months which attract undergraduate fees ⁴	144	140	131	137	130
% Female: % Male	47:53	48:52	37:63	42:58	40:60
Total University numbers admitted to full-time postgraduate courses in the previous twelve months ⁹	3,962	3,812	3,853	4,015	3,930
% Female: % Male	47:53	46:54	45:55	46:54	46:54
Downing numbers admitted to full-time postgraduate courses in the previous twelve months ⁹	105	98	77	88	76
% Female: % Male	48:52	50:50	48:52	48:52	33:67
3. Composition of Full-time Students ⁴					
Undergraduates					
Home	355	351	363	370	370
EU	28	31	27	31	26
Overseas	64	55	51	45	40
Total	447	437	441	446	436

⁴ Cambridge Student Statistics Office figures (excluding incoming exchange and visiting students).

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2017	2016	2015	2014	2013
Postgraduates					
Home	52	61	56	58	61
EU	36	34	39	41	40
Overseas	79	69	53	64	53
Total	167	164	148	163	154

4. Financial Support

Financial Support for Students: Number of Students Receiving Grants

Cambridge Bursary Scheme	84	87	99	106	111
Cambridge Commonwealth, European and International Trust	8	10	9	32	17
Gates Cambridge Trust	2	1	1	2	—
Average value of Cambridge Bursary Scheme Grants	£2,787	£2,870	£2,737	£2,644	£2,508

5. Accommodation

Average Weekly Rent Undergraduate Study Bedroom	£157.50	£143.26	£134.06	£130.43	£119.92
Average Weekly Rent Graduate Study Bedroom	£166.23	£142.77	£135.26	£131.72	£115.46
Undergraduates Housed in College Accommodation	403	379	375	374	378
Graduates Housed in College Accommodation	126	115	96	108	120
Total Units of Student Accommodation	537	494	489	488	515

6. Student Catering Income

Lunch	£86,317	£76,659	£80,581	£86,013	£79,144
Dinner	£70,941	£77,540	£78,311	£88,769	£90,412
Café	£129,086	£148,567	£144,740	£130,068	£74,890
Formal Hall	£54,661	£54,123	£57,970	£50,204	£52,362

7. Conference & Functions

Conference and Function Income	£2,353,233	£2,255,479	£2,218,512	£2,042,832	£2,130,084
Total Room nights	14,947	14,507	16,767	15,337	16,849
Capacity Utilisation Total Conference Rooms	39.6%	34.0%	34.2%	31.6%	35.0%
En-suite Rooms	42.5%	32.5%	30.5%	32.0%	33.2%
Average Price Achieved per Room Used	£67.15	£63.69	£53.07	£55.68	£52.46

8. Development and Fundraising

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2017	2016	2015	2014	2013
Development Campaign Cash Recognised (including by The Segreants Trust)	£2,181,170	£2,838,613	£1,382,303	£4,904,293	£3,150,706
Living donors as a % of members in contact	47%	40%	42%	42%	42%
Participation Rate this Financial Year of Living Members in Contact	19%	19%	16%	17%	19%
Direct Fundraising Costs:					
Donations Raised excluding Legacies and the Howard Gift	5:1	7:1	3:1	5:1	7:1
Donations Raised including Legacies but excluding the Howard Gift	5:1	7:1	4:1	13:1	9:1
Donations Raised including Legacies but excluding the Howard Gift (5-year average)	7:1	8:1	8:1	9:1	7:1
9. Income and Expenditure ⁵					
% Unrestricted Surplus (Deficit) before other gains and losses / Unrestricted Income	(2.8%)	6.7%	(4.2%)	—	—
% Unrestricted Surplus (Deficit) before other gains and losses / Free Reserves	(7.7%)	12.2%	(8.7%)	—	—
Staff costs as a % of Income before Donations and Endowments	51.0%	51.8%	52.4%	—	—
£ per sq.metre cost of upkeep of Buildings	£154.08	£151.19	£152.11	£150.87	£150.20
10. Charitable Funds					
Charitable Funds Invested (including Works of Art, etc.)	£51,883,719	£45,787,011	£44,773,846	£43,751,076	£42,860,536
Endowment Assets less loans per Full-Time Students	£62,474	£58,086	£58,032	£54,599	£63,323
Capital Value per Unit	£26.56	£24.10	£23.90	£22.69	£22.17
Spending Rule Amount ⁶	£1,796,347	£1,733,277	£1,673,712	£1,617,819	£1,543,197
Spending Rule Amount as % Income before Donations and Endowments	17.8%	18.3%	18.1%	—	—
Spending Rule Amount as % Investment Portfolio	4.4%	4.3%	4.3%	4.5%	4.4%
Performance of Core Securities Portfolio (net of fees)	16.2%	2.1%	12.1%	8.9%	10.8%
Annual Three-year Cumulative	10.0%	7.6%	10.6%	6.5%	8.1%
Annual Five-year Cumulative	9.9%	6.7%	9.1%	8.1%	1.2%
Performance of Property Portfolio	11.1%	11.2%	8.8%	5.8%	7.6%
Annual Three-year Cumulative	10.4%	8.6%	7.4%	8.3%	12.1%
Annual Five-year Cumulative	8.9%	9.0%	10.1%	11.2%	10.2%
11. Inflation Measurements					

⁵ Due to the change to FRS102 some of the figures prior to the 2014–15 year are not available.

⁶ 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:	2017	2016	2015	2014	2013
RPI	3.5%	1.6%	1.0%	2.6%	3.3%
RPIX	3.8%	1.7%	1.1%	2.7%	3.3%
Tender Price Inflation (October – October) Davis Langdon Tender Price Index	3.6%	4.9%	6.8%	4.9%	2.0%

12. The Fellowship

Fellowship (as of 1 October 2017)	48	50	50	47	50
University Principal Employer	38	38	37	33	36
Professors	15	15	14	13	14
Readers	2	2	3	3	4
Senior Lecturers	8	7	7	6	7
Lecturers	5	7	7	8	8
Other	8	7	6	3	3
College Teaching Officers	3	3	3	3	2
Research Fellowships	3	4	3	2	3
Stipendiary	3	3	2	1	2
Non-stipendiary	-	1	1	1	1
Administrative + Chaplain	2	3	4	4	4
Female	16	16	16	14	14
Male	32	34	34	33	36
Resident (including the Master)	2	4	3	3	5
Non-Resident	46	46	47	44	45

13. Support Staff

Support Staff Headcount	165	165	147	155	144
Female	100	98	88	90	82
Male	65	67	59	65	62
Turnover					
Appointments	41	49	32	36	23
Retirements	2	3	5	5	2
Resignations	36	35	33	19	13
Deceased	—	—	—	—	1
Dismissal/Redundancy	3	8	2	1	2
Days Sickness	1715	766	952	618	944
Reports under RIDDOR	3	—	—	—	—

14. Pensions

Members in the USS Pension Scheme	69	73	74	76	74
-----------------------------------	----	----	----	----	----

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2017	2016	2015	2014	2013
Members in Money Purchase Scheme	98	89	74	72	7
Members in the CCFPS Pension Scheme	1	1	1	2	2
Members of Previous College Staff Scheme (Retired)	3	4	5	5	5

15. Environmental Measures

Water Use	£92,840	£91,428	£86,832	£74,713	£84,706
Gas Use	£153,959	£142,429	£137,732	£167,491	£180,292
Electricity Use	£209,950	£204,516	£208,470	£178,146	£192,065
Gas unit price (p/kWh)	1.77p	1.76p	1.78p	2.32p	2.32p
Electricity unit price (p/kWh)	10.80p	10.33p	10.06p	9.236p	9.236p

16. Governance

Freedom of Information requests	30	42	56	61	25
---------------------------------	----	----	----	----	----



FINANCIAL STATEMENTS



STATEMENT OF RESPONSIBILITIES OF THE COLLEGE'S 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

OPINION

We have audited the financial statements of Downing College (the 'College') for the year ended 30 June 2017 which comprise the consolidated statement of comprehensive income and expenditure, the consolidated statement of changes in reserves, the consolidated and College balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the Report of the Governing Body other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the Report of the Governing Body; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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

PETERS ELWORTHY & MOORE



Chartered Accountants and Statutory Auditors
CAMBRIDGE

Date: 19 December 2017



STATEMENT
OF PRINCIPAL
ACCOUNTING
POLICIES



BASIS OF PREPARATION

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and 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 10. 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 2017 when measured against the previous year's market value was 4.4%.

Other income

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

Cambridge Bursary Scheme

In 2016-17, payment of the Cambridge Bursaries has been made by the College to eligible students via the Student Loans Company (SLC) and the University of Cambridge has reimbursed the College for their portion. The College has shown the gross payment made to eligible students via the SLC and a contribution from the University as Income under "Academic Fees and Charges".

The net payment of £92,895 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£143,875
Expenditure	£236,770

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 2017. 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

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.

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

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 and silver are shown in the accounts at their market value as assessed by Townley Valuation Services Limited on 7 November 2017.

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 2017.

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 2016-17, the College received £172,266 in refunds on purchases of £6.8 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). With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

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

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

EMPLOYMENT BENEFITS

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

RESERVES

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

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



PRINCIPAL ACCOUNTING STATEMENTS



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2017

	Note	Unrestricted £000	Restricted £000	Endowment £000	2017 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2016 Total £000
Income									
Academic fees and charges	1	3,096	—	—	3,096	2,899	—	—	2,899
Residences, catering and conferences	2	5,931	—	—	5,931	5,616	—	—	5,616
Investment income	3	2	—	888	890	5	—	910	915
Endowment return transferred	3	990	806	(1,796)	—	964	769	(1,733)	—
Other income		186	—	—	186	50	—	—	50
Total income before donations and endowments		10,205	806	(908)	10,103	9,534	769	(823)	9,480
Donations		201	98	—	299	1,191	49	—	1,240
New endowments		—	57	725	782	—	15	716	731
Capital grant from Colleges Fund		—	—	—	—	—	—	—	—
Other capital grants for assets		—	1,104	—	1,104	—	812	—	812
Total income		10,406	2,065	(183)	12,288	10,725	1,645	(107)	12,263
Expenditure									
Education	4	3,787	875	—	4,662	3,752	795	—	4,547
Residences, catering and conferences	5	6,459	4	—	6,463	6,050	8	—	6,058
Other expenditure		452	2	102	556	209	3	72	284
Total expenditure	6	10,698	881	102	11,681	10,011	806	72	10,889
Surplus/(deficit) before other gains and losses		(292)	1,184	(285)	607	713	839	(179)	1,373
Gain on investments		2,315	120	3,520	5,955	2,488	11	1,093	3,592
Surplus for the year		2,023	1,304	3,235	6,562	3,201	850	914	4,965
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		—	—	—	—	29,538	—	—	29,538
Actuarial (loss) / gain in respect of pension schemes	15	(16)	—	—	(16)	175	—	—	175
Total comprehensive income for the year		2,007	1,304	3,235	6,546	32,914	850	914	34,678

The notes on pages 88 to 113 form part of these accounts

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 JUNE 2017

	Note	Income and expenditure reserve				Total
		Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	£000
Balance at 1 July 2016		120,976	1,642	25,856	36,628	185,102
Surplus from income and expenditure statement		2,023	1,304	3,235	—	6,562
Other comprehensive income		(16)	—	—	—	(16)
Release of restricted capital funds spent in year		664	(664)	—	—	—
Transfers between reserves		366	—	—	(366)	—
Balance at 30 June 2017		124,013	2,282	29,091	36,262	191,648

	Note	Income and expenditure reserve				Total
		Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	£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 the 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

The notes on pages 88 to 113 form part of these accounts

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 £000	2016 £000
Non-current assets			
Fixed Assets	9	154,836	150,570
Investments	10	51,884	45,787
		206,720	196,357
Current Assets			
Stocks		167	163
Trade and other receivables	11	604	840
Cash and cash equivalents	12	1,169	3,436
		1,940	4,439
Creditors: amounts falling due within one year	13	(2,465)	(3,136)
Net current (liabilities) / assets		(525)	1,303
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	14	(12,500)	(10,500)
Provisions			
Pension provisions	15	(2,047)	(2,058)
Total net assets		191,648	185,102
Restricted reserves			
Income and expenditure reserve – endowment reserve	16	29,091	25,856
Income and expenditure reserve – restricted reserve	17	2,282	1,642
		31,373	27,498
Unrestricted reserves			
Income and expenditure reserve – unrestricted		124,013	120,976
Revaluation reserve		36,262	36,628
		160,275	157,604
Total reserves		191,648	185,102

The financial statements were approved by the Governing Body on 24 November 2017 and signed on its behalf by:

The notes on pages 88 to 113 form part of these accounts

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £000	2016 £000
Surplus for the year		6,562	4,965
Adjustment for non-cash items			
Depreciation		1,901	1,614
Gain on Endowments, Donations and Investment Property		(5,853)	(1,162)
Increase in stocks		(4)	(3)
Decrease in trade and other receivables		236	1
Decrease in creditors		(578)	(812)
Pension costs less contributions payable		(27)	26
Adjustment for investing or financing activities			
Investment income		(890)	(915)
Interest payable		514	492
Profit on disposal of non-current fixed assets		—	(2,357)
Net cash inflow from operating activities		1,861	1,847
Proceeds from sales of non-current fixed assets		—	5,028
Non-current investment disposal		1	1
Investment income		1,757	1,539
Endowment funds invested		(1,207)	(752)
Withdrawal of deposits		—	3,052
Payments made to acquire non-current assets		(6,167)	(7,798)
Cash flows from investing activities		(5,616)	1,071
Interest received		2	5
Interest paid		(514)	(492)
New unsecured loan		2,000	—
Cash flows from financing activities		1,488	(487)
(Decrease) / increase in cash and cash equivalents in the year		(2,267)	2,431
Cash and cash equivalents at beginning of the year		3,436	1,005
Cash and cash equivalents at end of the year	12	1,169	3,436

The notes on pages 88 to 113 form part of these accounts



NOTES TO THE ACCOUNTS



NOTES TO THE ACCOUNTS

1. Academic Fees and Charges

	2017 £000	2016 £000
College fees:		
Fee income received at the regulated undergraduate rate	1,696	1,680
Fee income received at the unregulated undergraduate rate	566	457
Fee income received at the graduate rate	605	498
	2,867	2,635
Cambridge Bursaries Income	144	186
Research/Teaching Grants	75	67
Other income	10	11
Total	3,096	2,899

2. Income from residences, catering and conferences

	2017 £000	2016 £000
Accommodation		
College Members	2,902	2,681
Conferences	1,222	1,133
International programmes	132	137
Catering		
College Members	676	679
Conferences	900	913
International programmes	99	72
Total	5,931	5,616

3. Endowment return and Investment Income

	2017 £000	2016 £000
3a. Analysis		
Total return contribution (see note 3b)	1,796	1,733
Other interest receivable	2	5
	1,798	1,738

NOTES TO THE ACCOUNTS CONTINUED

3b. Summary of Total Return

	2017 £000	2016 £000
Income from:		
Land and buildings	787	840
Quoted and other securities and cash	101	69
Gains on investment assets:		
Land & Buildings	839	700
Quoted and other securities and cash	4,348	530
Investment management costs (see note 3c)	(102)	(72)
Total return for year	5,973	2,067
Total return transferred to income and expenditure reserve	(1,796)	(1,733)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 18)	4,177	334

3c. Investment Management Costs

	2017 £000	2016 £000
Land and buildings	18	18
Quoted and other securities and cash	84	54
Total	102	72

4. Education expenditure

	2017 £000	2016 £000
Teaching	2,272	2,232
Tutorial	637	623
Admissions	586	530
Research	187	158
Scholarships and awards	486	501
Other educational facilities	494	504
Total	4,662	4,548

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £236,770 (2016 - £253,120).

NOTES TO THE ACCOUNTS CONTINUED

5. Residences, catering and conferences expenditure

		2017 £000	2016 £000
Residential Accommodation	College Members	3,029	2,678
	Conferences	1,428	1,446
Catering	College Members	944	905
	Conferences	1,062	1,029
Total		6,463	6,058

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 £975,926 (2016 - £879,305).

6. Analysis of Expenditure by Activity

6a) Analysis of 2016/2017 expenditure by activity	Staff Costs (Note 8) £000	Other Operating Expenses £000	Depreciation £000	Total 2015 £000
Education	2,138	2,055	469	4,662
Residences, Catering and Conferences	2,892	2,163	1,408	6,463
Other	122	417	17	556
	5,152	4,635	1,894	11,681

6b) Analysis of 2015/2016 expenditure by activity	Staff Costs (Note 8) £000	Other Operating Expenses £000	Depreciation £000	Total 2014 £000
Education	2,062	2,071	414	4,547
Residences, catering and conferences	2,758	2,122	1,178	6,058
Other	88	181	15	284
	4,908	4,375	1,607	10,889

The above expenditure includes £364,385 as the direct cost of fundraising (2016 - £405,053). This expenditure includes the costs of alumni relations.

NOTES TO THE ACCOUNTS CONTINUED

7. Auditors' remuneration

	2017 £000	2016 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	19	18
Other fees payable to the College's external auditors	3	3

8. Staff Costs

	College Fellows £000	Non-Academics £000	Total 2017 £000	Total 2016 £000
Staff Costs				
Emoluments	911	3,614	4,525	4,306
Social Security Costs	57	267	324	285
Other Pension Costs	81	222	303	317
	1,049	4,103	5,152	4,908
Average Staff Numbers (Full-time Staff Equivalents)				
	No	No	No	No
Academic	48	—	48	47
Non-Academic	2	135	137	130
Total	50	135	185	177

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.

	2017 £000	2016 £000
Aggregate Emoluments	202	266

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	Furniture fittings and equipment £000	Library Books £000	Total £000
Cost				
As at 1 July 2016	148,108	7,543	863	156,514
Additions at cost	5,362	777	28	6,167
Disposals	—	—	—	—
As at 30 June 2017	153,470	8,320	891	162,681
Depreciation				
As at 1 July 2016	24	5,553	367	5,944
Charge for the year	1,379	491	31	1,901
Disposals	—	—	—	—
As at 30 June 2017	1,403	6,044	398	7,845
Net Book value				
As at 30 June 2017	152,067	2,276	493	154,836
As at 1 July 2016	148,084	1,990	496	150,570

The insured value of freehold land and buildings as at 30 June 2017 was £134,538,078 (2016 - £122,017,320).

The value of the land, included in College Buildings and Site, as at 30 June 2017 was £53,445,272 (2016 - £52,538,000).

NOTES TO THE ACCOUNTS CONTINUED

10. Investments Consolidated and College

	2017 £000	2016 £000
As at 1 July	45,787	44,774
Additions	5,136	10,328
Disposals	(5,481)	(9,219)
Gains	6,684	1,822
(Decrease)/Increase in cash balances held at fund managers	(242)	(1,918)
As at 30 June	51,884	45,787

Represented by:

Property	15,170	13,904
Securities	30,064	25,757
Cash with agents	338	404
Works of art	5,232	4,635
Over distribution of market value of funds	620	796
Investment in Cambridge Colleges Funding Plc	5	5
Investment in Cambridge Colleges Funding II Plc	5	5
Loan to Joint Colleges' Nursery Scheme	—	1
Land	450	280
Total	51,884	45,787

Subsidiary Company

At 30 June 2017 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 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
Members of the College	84	84	114	114
Amounts due from subsidiary companies	—	853	—	—
University fees	4	4	—	—
Other receivables	420	207	589	1,101
Prepayments	96	96	137	137
Total	604	1,244	840	1,352

12. Cash and cash equivalents

	Consolidated 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
Bank deposits	1	1	2,753	2,753
Current accounts	1,165	273	682	(31)
Cash in hand	3	3	2	2
Total	1,169	277	3,436	2,724

13. Creditors: amounts falling due within one year

	Consolidated 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
Trade creditors	1,078	837	1,038	990
Members of the College	195	195	182	182
Amounts due to subsidiary companies	—	—	—	35
University fees	—	—	5	5
Other creditors	1,192	1,183	1,911	1,725
Total	2,465	2,215	3,136	2,937

NOTES TO THE ACCOUNTS CONTINUED

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

	Consolidated 2017 £000	College 2017 £000	Consolidated 2016 £000	College 2016 £000
Long term bank loan	5,500	5,500	5,500	5,500
Other loans	7,000	7,000	5,000	5,000
Total	12,500	12,500	10,500	10,500

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

During 2013-14 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.

During 2016-17, the College borrowed £2m from the bank as an unsecured loan for a period of 10 years at a fixed interest rate of 3.07%.

15. Pension provisions

Group and College	CCFPS £000	USS £000	2017 £000	2016 £000
Balance at beginning of year	1,576	482	2,058	2,207
Movement in year:				
Current service cost	13	—	13	17
Contributions	(53)	(35)	(88)	(69)
Change in expected contribution	—	(9)	(9)	1
Other finance cost	44	13	57	77
Actuarial gain	16	—	16	(175)
Total	1,596	451	2,047	2,058

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	2017 Total £000	2016 Total £000
Balance at beginning of year				
Capital	17,151	8,705	25,856	24,940
New donations and endowments	374	351	725	716
Increase in market value of investments	1,754	756	2,510	198
Transfer	—	—	—	2
Balance at end of year	19,279	9,812	29,091	25,856
Analysis by type of purpose:				
Fellowship Funds	5,805	—	5,805	5,231
Scholarship Funds	6,513	514	7,027	6,357
Prize Funds	417	22	439	399
Hardship Funds	1,414	—	1,414	1,239
Bursary Funds	43	—	43	37
Grant Funds	3,502	9	3,511	2,870
Other Funds	1,585	1,531	3,116	2,902
General endowments	—	7,736	7,736	6,821
	19,279	9,812	29,091	25,856
Analysis by asset				
Property	6,211	3,161	9,372	8,798
Investments	12,926	6,578	19,504	16,803
Cash	142	73	215	255
	19,279	9,812	29,091	25,856

NOTES TO THE ACCOUNTS CONTINUED

17. Restricted funds

Consolidated and College

	Capital grants unspent £000	Permanent unspent and other restricted income £000	2017 Total £000	2016 Total £000
Balance at beginning of year				
Capital	—	1,180	1,180	1,244
Accumulated income	—	462	462	362
	—	1,642	1,642	1,606
New grants	1,104	—	1,104	812
New donations	—	155	155	64
Investment income	—	806	806	769
Increase in market value of investments	—	120	120	11
Expenditure	—	(881)	(881)	(806)
Capital grants utilised	(664)	—	(664)	(812)
Transfer	—	—	—	(2)
Balance at end of year	440	1,842	2,282	1,642
Comprising Capital	—	1,304	1,304	1,180
Accumulated income	440	538	978	462
	440	1,842	2,282	1,642

Analysis of other restricted funds/donations by type of purpose

Fellowship Funds	—	174	174	121
Scholarship Funds	—	279	279	240
Prize Funds	—	19	19	19
Hardship Funds	—	2	2	—
Bursary Funds	—	1,073	1,073	876
Other Funds	440	295	735	386
	440	1,842	2,282	1,642

NOTES TO THE ACCOUNTS CONTINUED

18. Memorandum of Unapplied Total Return

	2017 £000	2016 £000
Unapplied total return at beginning of year	10,718	10,384
Unapplied total return for the year	4,177	334
Unapplied total return at end of year	14,895	10,718

19. Capital commitments

	2017 £000	2016 £000
Capital commitments at 30 June 2017 are as follows -		
Authorised and contracted	1,157	1,083
Authorised but not yet contracted for	567	723

20. Financial Commitments

	2017 £000	2016 £000
At 30 June 2017, 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	8
Expiring between two and five years	7	12

NOTES TO THE ACCOUNTS CONTINUED

21. 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:

	2017 £000	2016 £000
USS: Contributions	278	270
CCFPS: Charged to income and expenditure account	57	80
Other pension schemes: Contributions	60	49
	395	399

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. The valuation as at 31 March 2017 is underway.

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

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

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

	2017	2016
Discount rate	2.57%	3.6%
Pensionable salary growth	n/a	n/a
Price inflation (CPI)	2.41%	2.2%

NOTES TO THE ACCOUNTS CONTINUED

21. 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:

	2017	2016
Males currently aged 65 (years)	24.4	24.3
Females currently aged 65 (years)	26.6	26.5
Males currently aged 45 (years)	26.5	26.4
Females currently aged 45 (years)	29.0	28.8
	2017	2016
Scheme assets	£60.0bn	£49.8bn
Total scheme liabilities	£77.5bn	£58.3bn
FRS 102 total scheme deficit	£17.5bn	£8.5bn
FRS 102 total funding level	77%	85%

NOTES TO THE ACCOUNTS CONTINUED

21. 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 2017 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:

	2017 % p.a.	2016 % p.a.
Discount rate	2.6	2.8
Increase in salaries	2.85	2.4
Retail Price Index (RPI) assumption	3.35	2.9
Consumer Price Index (CPI) assumption	2.35	1.9
Pension increases in payment (RPI max 5% p.a.)	3.25	2.7
Pension increases in payment (CPI max 2.5%)	1.85	1.7

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2016 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2016: S2PA with CMI_2015 future improvement factors and a long term future improvement rate of 1% p.a.). This results in the following life expectancies:

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

NOTES TO THE ACCOUNTS CONTINUED

21. Pension Schemes continued

Employee Benefit Obligations

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

	2017 £000	2016 £000
Market value of scheme assets	(6,560)	(6,084)
Present value of scheme liabilities	4,964	4,508
Net defined benefit (liability)	(1,596)	(1,576)

The amounts recognised in the income and expenditure account for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £000	2016 £000
Current service cost	13	16
Interest on net defined benefit liability	44	64
Total	57	80

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

	2017 £000	2016 £000
Present value of scheme liabilities at beginning of period	6,085	5,712
Current service cost (including employee contributions)	13	17
Benefits paid	(209)	(236)
Interest on scheme liabilities	168	208
Actuarial losses	503	384
Present value of Scheme liabilities at end of period	6,560	6,085

NOTES TO THE ACCOUNTS CONTINUED

21. Pension Schemes continued

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

	2017 £000	2016 £000
Market value of scheme assets at beginning of period	4,509	3,990
Contributions paid by the College	53	51
Employee contributions	1	1
Benefits paid	(209)	(236)
Interest on scheme assets	123	144
Return on assets, less interest included in profit and loss	487	559
Market value of Scheme assets at end of period	4,964	4,509
Actual return on scheme assets	611	702

The major categories of scheme assets as a percentage of total Scheme assets at 30 June 2017 (with comparative figures at 30 June 2016) are as follows:

	2017	2016
Equities	67%	59%
Bonds & Cash	27%	35%
Properties	6%	6%
Total	100%	100%

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

NOTES TO THE ACCOUNTS CONTINUED

21. 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 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £000	2016 £000
Actuarial return less expected return on scheme assets	487	558
Experience gains and losses arising on scheme liabilities	155	95
Changes in assumptions underlying the present value of scheme liabilities	(658)	(478)
Actuarial gain recognised in OCI	(16)	175

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

	2017 £000	2016 £000
Deficit in scheme at beginning of year	(1,576)	(1,722)
Recognised in Profit and Loss	(57)	(80)
Contributions paid by the College	53	51
Actuarial gain recognised in SOCIE	(16)	175
Deficit in scheme at the end of the year	(1,596)	(1,576)

NOTES TO THE ACCOUNTS CONTINUED

21. Pension Schemes continued

Funding Policy

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

The last such valuation was as at 31 March 2014. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 16 December 2016 and are as follows:

- Annual contributions of not less than £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 £59,970 (2016 - £48,987) of which £11,904 (2016 - £22,470) was outstanding at the year end.

NOTES TO THE ACCOUNTS CONTINUED

22. Contingent Liabilities

As disclosed in note 21, 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.

23. 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.

24. 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 2016	5,874	224
Income	163	10
Expenditure	—	(10)
Change in Market Value of Investments	381	23
Closing Balance at 30 June 2017	6,418	247

NOTES TO THE ACCOUNTS CONTINUED

25. Analysis of Movement in Total Funds

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Alcan Prize Fund	—	10
Angharad John Fellowship	—	330
Alwyn W Heong Fund	—	282
Barry Moore Economics Prize Fund	—	15
Bathey Fund	—	10
Beinan Lu Fund	—	3
Bill Willetts Fund	—	—
B J Everitt Prize Fund	—	17
Blankenship Book Fund	—	13
Blankenship Law Fund	—	27
Bradbrook Fund	—	13
Buchanan Fund	—	273
Charles Campbell Book Fund	—	4
S M and H Haniff Prize	—	30
Cockerell Fund	—	25
Collins Fund	—	216
Darley Fund	63	336
Darley Sands Postgraduate Studentship	—	105
Downing Association Fund	—	43
Edward Collins Fund	—	127
Ernest William Denham Fund	—	30
Everitt Fund	—	2
Everitt Butterfield Fund	11	850
Fahrenwaldt Fund	—	14
Ferreras Willetts Fund	—	309
Carried forward	74	3,086

NOTES TO THE ACCOUNTS CONTINUED

25. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	74	3,086
Florence & David Jacobs Memorial Prize	—	8
Fritsch Fund	—	431
Fu Fund	—	5
Gamlingay Fund	—	86
Geoffrey Grimmett Prize	—	6
Graystone Fund	—	194
Gulbenkian Fund	—	2
Hall Fund	—	12
Harold Hargreaves Prize	—	6
Harris Fund	—	491
Harrison Fund	—	—
Harrison Prize Fund	—	3
Hopkins Parry Fund	1	1,180
Hugh Brammer Fund	16	70
Ivor Evans Fund	—	23
Jan Hruska Fund	125	282
Jean Ruhman Fund	—	11
John Hawkins Mays Wild Fund	—	9
John Maples America Fund	—	167
Joseph Tcheng Prize	—	7
Johnston Fund	—	2
Judy Petty Book Prize & Scholarship	—	24
Percy Lander Research Fund	—	279
Lander Fund	13	12
Carried forward	228	6,395

NOTES TO THE ACCOUNTS CONTINUED

25. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	228	6,395
Landrum & Brown Scholarship Fund	—	15
Lord Butterfield Fund	—	179
Mays Wild Fund	—	616
Alfred Monk Fund	—	245
John H Morrison Prize in Law	10	28
Moullin Fund	—	3
Oon Khye Beng Ch'hia Tsio Memorial Fund	20	425
Oon Khye Beng Ch'hia Tsio Memorial Prize Fund	—	147
Osler Fund	—	110
Owens Fund	—	416
Peter Mathias Economics Prize Fund	—	2
Pilley Fund	—	393
Platt Fund	—	32
Professor Audus Botanical Fund	—	18
Professor Gabriel Oon Prize	—	6
Richards Fund	—	57
Robertson Research Fellowship Fund	—	775
Robson Physics Prize	—	7
Robson Postgraduate Fund	—	326
Saint Fund	—	46
Saunders Fund	—	47
Savile Fund	—	146
Schreiner Fund	—	70
Seton Fund	—	82
Carried forward	258	10,587

NOTES TO THE ACCOUNTS CONTINUED

25. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	258	10,587
Seton Cavendish Fund	—	2,004
Sir Arthur Watts Choral Awards	—	14
Stephen Peel Fellowship Fund	—	331
Stevens Fund	—	5
Susan & Geoffrey Eggington Scholarship	—	18
TG Jones Fund	—	806
Thomas Fund	—	21
Thrower Fund	28	44
Treherne Fund	—	102
Unwin Fund	—	64
Verjee Fund	—	299
Verney Fund	—	1
Warner-Lambert Fund	—	262
Whitby Memorial Fund	—	436
White Fund	—	8
Whitelegg Fund	—	62
Whitworth Fund	—	2,269
Wicks Travel Fund	—	15
Wilsey & Lerch Scholarship in Economics	—	22
Wyatt Fund	—	2
Student Hardship Endowment	16	356
Student Support Endowment	61	389
1970's Grant Fund	—	81
Alumni Sport Fund	—	57
Carried forward	364	18,255

NOTES TO THE ACCOUNTS CONTINUED

25. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	364	18,255
Fundraising - Teaching	—	191
Fundraising - Access	—	642
Catalysis - Teaching & Learning	3	173
Catalysis - Research & Discovery	—	15
Catalysis - Heritage & Environ	2	30
Catalysis - Support & Services	4	212
Catalysis - Culture & Community	—	11
Other	1	62
<i>Restricted expendable</i>		
Bartram Fund	—	139
Colin Hill Fund	—	1
Colonel Anderson Trust Fund	—	113
Goodey Fund	—	181
Richens Fund	—	639
Treherne Prize Fund	—	18
The Great Tradition	57	89
Catalysis Conference Fund	25	—
Catalysis Research Fund	—	120
Fundraising – Buildings	—	51
Other	1,177	621
	1,259	1,972
Total Restricted Funds	1,633	21,561

NOTES TO THE ACCOUNTS CONTINUED

25. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Unrestricted Permanent Funds</i>		
Clark Fund	—	2
French Fund	—	36
Goodey Fund	—	—
Jarvis Fund	—	44
Library Endowment Fund	—	1,222
Richmond Fund	—	229
Stenning Fund	—	61
Stevenson Fund	—	1
Whalley-Tooker Fund	—	18
Yates Fund	—	9
Young Fund	—	205
Singer Fund (Pension Trust)	—	247
Smyth Bequest	—	550
Fleet Bequest	—	59
Deryk Prosser Fund	—	472
Corporate Capital Fund	—	1,010
General Capital	—	5,647
	—	9,812
Total Restricted Funds	1,633	31,373

NOTES TO THE ACCOUNTS CONTINUED

25. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Unrestricted</i>		
Designated Buildings	—	115,805
Corporate Capital Fund	—	18,056
Singer Fund (Will Trust)	—	6,418
General Capital and Other	511	(18,647)
Revaluation Reserves	—	40,690
Pension Reserves	—	(2,047)
Total Unrestricted Funds	511	160,275
Total Reserves	2,144	191,648