

Charity Registration No: 1137471

HUGHES HALL

**RECOMMENDED CAMBRIDGE
COLLEGE ACCOUNTS**

FOR THE YEAR ENDED

31 JULY 2015

HUGHES HALL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2015

The College

The College owes its origins to the Cambridge Training College for Women founded in 1885 which was subsequently incorporated under the Companies Acts and changed its name to the Elizabeth Phillips Hughes Hall Company on 1 October 1950. It continued to admit only women training to become teachers until 1968 when it admitted other women graduates and, in that same year, became an Approved Society in the University. In 1973 it admitted its first male students and in 1985 became an Approved Foundation of the University. It petitioned for the grant of a Charter of Incorporation which was given under the title of 'The President and Fellows of Hughes Hall in the University of Cambridge' in July 2006; it is now known as 'Hughes Hall' and is one of 31 self-governing colleges within the University of Cambridge.

It is registered with the Charity Commission (Registered No. 1137471).

Objectives

The objectives of the College are to:

- Endow, maintain and carry on a College in Cambridge for graduates and for mature-age students qualified to be matriculated in the University of Cambridge.
- Promote education, learning and research in the University of Cambridge and elsewhere.

Public Benefit

The College aims to attract students from a wide range of backgrounds, both home (UK and EU) and overseas, graduate, undergraduate and affiliated; all are of mature age.

In terms of Access, the University maintains a target figure of 61-63% for maintained sector students. In 2015, 87.9% of successful UK applicants to Hughes Hall were from the maintained sector, compared with 69.1% for the University as a whole.

It would be not be cost effective for the College to run an outreach programme on its own (Home students are accepted from all regions of the United Kingdom) and there are currently students from about 70 different nations within the College undertaking a wide range of courses. We do, however, participate in a joint programme financed by the four 'mature age' colleges.

Administration of the College

Governing Body

The Governing Body, comprising the President and Fellows, is responsible for the governance of the College; it meets formally once or twice per term and on other occasions if necessary. The President and Fellows are accountable to the Governing Body and are the trustees.

All Fellows are elected by the Governing Body to a Fellowship in one of six classes and, unless they have served as the trustee of a charity previously, are required to undergo training which is administered by the College; the training comprises a written briefing with an accompanying CD and a recorded delivery of a PowerPoint presentation. In addition, they are given a copy of the Statutes and Ordinances on appointment, a note drawing attention to the policy of the College for the management of conflicts of interest, and a copy of Charity Commission Leaflet CC3a.

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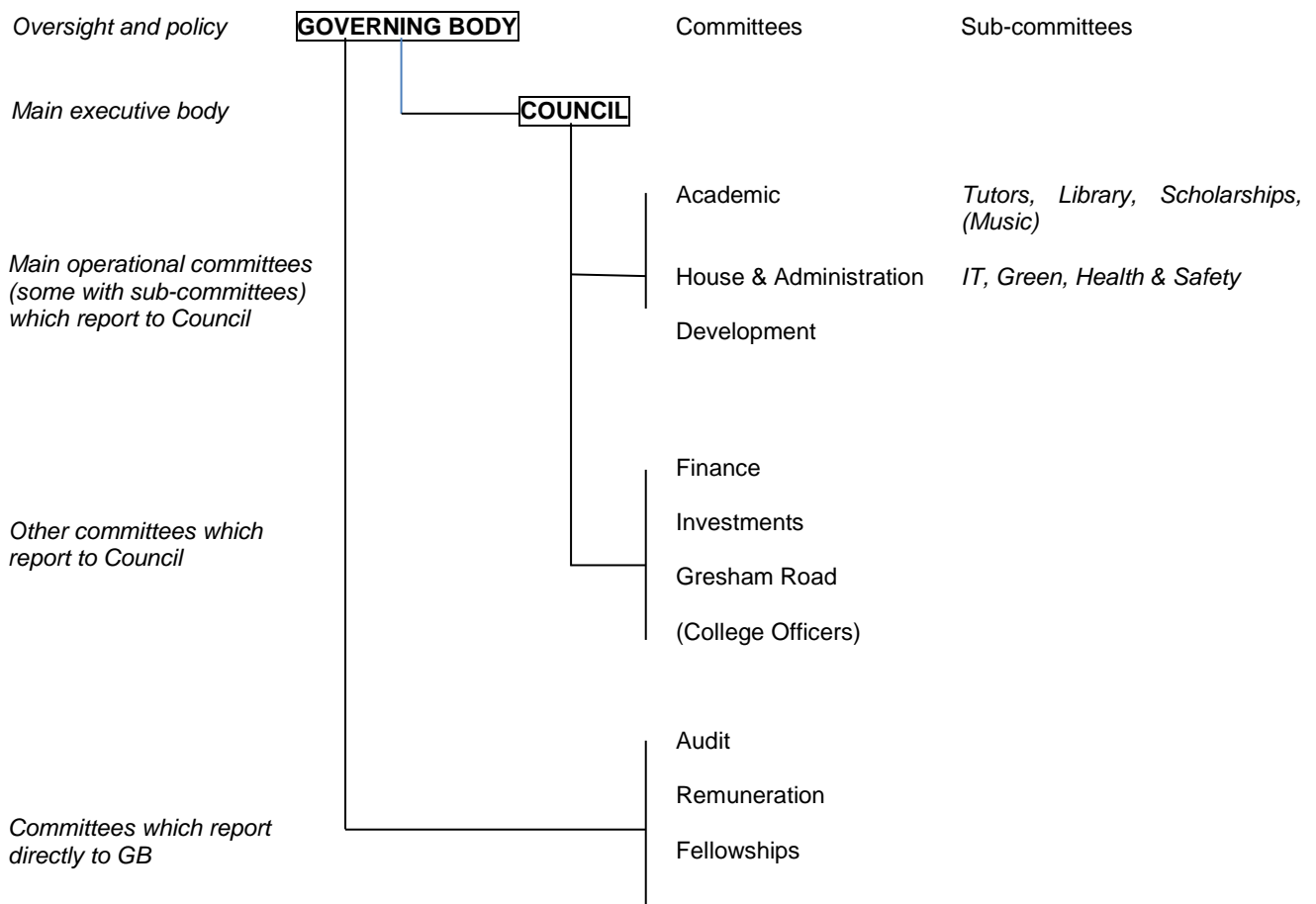
REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

Governing Body (continued)

Members of the Governing Body are expected to act in accordance with the Nolan Principles for those in public life. In accordance with Charity Commission rules they have responsibility for ensuring that the charity has the money it needs; spends its money sensibly on the activities it was raised for; follows the law, including preparing reports and accounts to send to the Charity Commission; and doesn't break the rules in its Statutes.

Although the College is a legally autonomous body it exists within the federal structure of the University. Matters of concern to all colleges are discussed and enacted through a system of University-wide committees including the Colleges' Committee of which all Heads of House 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. The committees aim to build consensus though their decisions are not constitutionally binding.

The following diagram shows the new Committee structure which came into effect in October 2013:



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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

REVISED COMMITTEE STRUCTURE

Under the revised trial scheme reporting to the Governing Body is an Audit Committee, a Remuneration Committee, a Fellowships' Committee and a Governance Committee.

College Council

The College Council comprises the President, Vice President, Pro-Vice-President, Deputy Vice-President, Senior Tutor, Bursar, Development Director and eight other members of the Governing Body (the latter each elected by the Governing Body for periods of three years). The President and Secretary of the Middle Common Room (MCR) attend for Unreserved Business if in residence (otherwise another member of the MCR Committee is appointed to serve in their stead). It meets formally twice per term and on other occasions if necessary. The College Council is responsible to the Governing Body for all matters relating to the administration of the College.

Reporting to the College Council is the Academic Committee, the House and Administration Committee, the Development Committee, Finance Committee, Investments Committee, Estates Committee (renamed temporarily as the Gresham Road Committee to reflect a current building project) and the College Officers Management Committee.

Academic Committee

An Academic Committee meets termly. Sub-committees reporting to the Academic Committee are Scholarships and Learning Resources.

House and Administration Committee

The House and Administration Committee meets termly. Sub-committees reporting to it are the IT, 'Green' and Health & Safety.

Development, Finance and Investments Committees

The Development, Finance and Investments Committees meet termly.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

Trustees

The trustees of the College as at 31 July 2015 were:

Head of House Dr A Freeling (President)*

Fellows

Affara, Professor Nabeel A*	Mercure, Dr Jean-François
Barrett, Professor Michael	Mogull, Mr Marc
Berg Rust, Mr Richard (Development Director)*	Nuttall, Professor William
Bonaccorso, Dr Francesco	J Parlikad, Dr Ajith
Bruna, Dr Matteo	Piccirillo, Dr Sara G M
Burton, Dr Hilary*	Powell, Professor Jonathan
Devereux, Dr Bernard J (Deputy-Vice-President)*	Redmond, Dr Aisling
Franklin, Dr Michael J (Praelector)*	Rough, Dr Sarah
Gould, Dr Andrew	Roughley, Dr Corinne
Ironside, Miss Rowena*	Ruthven, Professor Kenneth B H
Johnston, Dr Philip (Senior Tutor)*	Sargent, Dr Carole A
Kaufman, Professor James F	Sengupta, Dr Kishore
Lockhart, Dr Alastair S*	Shwageraus, Dr Eugene
Mercer, Professor Neil M (Vice-President)	Siklos, Dr Paul W L
Barker, Dr John H	Singal, Dr Nidhi
Dr Martin Bellamy	Skopek, Dr Jeffrey
Blackmore, Dr Heather L	Smith, Professor Gordon
Bosworth, Dr David	Swann, Dr Elizabeth
Buckley, Professor Mary (Pro-Vice-President)*	Taylor, Mr Neil E (Bursar)*
Charnley, Mr William F	Turner, Dr Suzanne
Du, Professor Ming-Qing	Veal, Dr Robyn
Gehring, Dr Markus W*	Weller, Professor Marc
Hodge, Professor Ian D	White, Dr Jessica
Iwasiewicz-Wabnig, Dr Agnieszka*	Winter, Dr Robert
Jupp, Dr Bianca	Yandell, Dr Nigel
Lemons, Mr Anthony D	Ypma, Dr Rolf J
Melville, Dr Sara E	

Those members of the Governing Body marked * (together with the student President and Secretary of the Middle Common Room) are members of the College Council.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

Advisers

Auditors Price Bailey LLP
Chartered Accountants & Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Solicitors Ashton KCJ
Chequers House
77-81 Newmarket Road
Cambridge
CB5 8EU

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

Mills & Reeve
Francis House
112 Hills Road
Cambridge
CB2 1PH

Bankers HSBC Bank plc
Vitrum
St John's Innovation Park
Cambridge
CB4 0DS

Allied Irish Bank (GB)
PO Box 52496
Hampstead
London
NW3 9ED

Fund Managers Cazenove Fund Management Ltd
12 Moorgate
London
EC2R 6DA

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

Academic Report

As an academic institution, the primary purpose of Hughes Hall is to provide a first class physical and academic environment for its students and other members. As a college of Cambridge University, it does not itself provide lecturing, assessment, or certification, although it does provide supervision for undergraduate courses and Directors of Studies for these and some postgraduate courses. However, Hughes Hall provides all the other aspects of a good academic environment: accommodation, dining, tutorial support and academic community.

Student Numbers

In 2014-15 Hughes Hall had 540 fee-paying students across the full range of courses: Bachelors, 1-year postgraduate including Masters, and doctoral courses. Most students were full-time, but c. 40 were part-time (M Ed, Executive MBA and part-time PhD).

Financial Support

Hughes Hall has several funds to assist students with financial support:

Scholarships and Bursaries

This fund is administered by the Academic Committee. Awards are made on the criteria of academic merit and contribution to college life, with annual review of both. In 2014-15 Hughes Hall contributed £26,287 to the funding of 10 students. The college also contributed £7,384 to student recipients of Cambridge Bursaries.

Travel Fund

A travel fund is administered by the Senior Tutor on behalf of and in consultation with the tutorial team, with awards of normally £250 per applicant per year. This is mostly for students doing PhD research or a medical elective, and is very occasionally offered to others for whom travel is a requirement of the course. In 2014-15, awards were made to c. 50 students totalling c. £14,100.

President's Discretionary Fund and Senior Tutor's Innominate Fund

These funds are for specific needs as determined by the relevant officer. The budget for each fund is £10 per full time student which is drawn from College Fees. In 2014-15, the amounts spent were £7,094 and £5,883 respectively.

Community Life

The main strength of the Cambridge collegiate system is that it provides not only residence and dining facilities but also a genuine thriving academic and cultural life. Here aspiring scholars can mix with others from different disciplines, both students and fellows, and develop their minds through stimulus and challenge. In 2014-15 events in College included:

- 'Hat Club': occasional presentations by students and Fellows, organised by the student body.
- Margaret Wileman Music Society concerts.
- Zimmern Medical Lecture.
- Honor Chapman Memorial Lecture.
- City Lecture.
- Kathleen Hughes Memorial Lecture, in co-operation with Dept of Anglo-Saxon, Norse & Celtic.
- Academic Evening, organised by the student body.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

It also hosted lectures and seminars of other institutions, inviting college students to attend, notably:

PHG Foundation: Life Sciences & Society Seminars
Cambridge-Africa Seminars

In addition, the College actively encourages the student body in many of its activities, in terms of help with organisation, publicity and costs.

It also provides special dinners for invited students and guests:

Five Matriculation Dinners (one paid for by a benefactor)
Zimmern Medical Dinner (paid for by a benefactor)
Charnley Law Dinner (paid for by a benefactor)
Honor Chapman Dinner (Land Economy; paid for by a benefactor)
City Dinner
Kathleen Hughes Dinner
Scholars' Dinner, for college scholars and prize-winners
PhD Dinner, for college PhD students and their supervisors
Completion Dinner and Graduation Dinner, for leaving students

Tutorial Support

In 2014-15 Hughes Hall had 9.5 tutors, each with responsibility for approximately 65 full-time students (including PHD students who are post-fee-paying and writing up). Tutors see undergraduates every term, and graduates at the start of their course and then on request. Tutors are an important source of support, both for regular matters like grant applications, and for occasional difficulties, whether personal, financial, or academic.

The tutors meet fortnightly in term-time, and discuss general issues relating to the student body and any individual issues where their collective wisdom can be of benefit. The tutorial team acts in strict confidence, as is appropriate.

In addition, tutors read termly supervision reports for their students. Tutors then follow up any issues raised.

The tutors are ably complemented by the hard work of the president and committee members of the student body, or MCR, and place on record their appreciation of the role played by these student leaders.

Computer Support

The College systems have been reviewed and an extensive program of improvements to the IT facilities is underway. The improvements are to both the cabling infrastructure and the Server hardware, improving resiliency and reliability. Consolidation of equipment will reduce the total cost of ownership while removing some of the bespoke systems, decreasing risk. Continued development of the in-house "Portal" management system is aiding College administration. Wireless Internet provision is a key area for improvement to aid student learning and, as such, the next year will see a greater deployment of the University Information Service "Lapwing" wireless system. Significant extra funds have been allocated to pay for the upgrades.

Sport

There are several college sports clubs, and a number of students participate in university teams. Hughes Hall supports the college boats, and individual students in university clubs. As often, in 2014-15 Hughes Hall was well represented in the two best known sports of rugby and rowing.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

Financial Review

Income and Expenditure

The Income and Expenditure account for the College over the last 5 years is shown below:

Year ended 31 July	2015	2014	2013 *	2012	2011
	£	£	£	£	£
Student Numbers	540	604	538	539	565
Income (£)					
Academic Fees	1,552,179	1,620,156	1,389,993	1,501,660	1,486,641
Residences, catering and conferences	2,091,681	2,066,598	1,946,458	1,824,945	1,705,529
Endowment income and donations	902,584	670,807	375,517	197,009	525,036
Other income	102,195	91,662	140,134	55,096	52,196
Total Income	4,648,639	4,449,223	3,852,102	3,578,710	3,769,402
Expenditure (£)					
Education	2,072,117	1,725,685	1,652,311	1,529,654	1,519,220
Residences, catering and conferences	2,189,745	2,020,418	1,833,586	1,874,372	1,672,224
Other	23,370	24,937	24,497	25,617	12,962
Total expenditure	4,285,232	3,771,040	3,510,394	3,429,643	3,204,406
Operating Surplus for the year (£)	363,407	678,183	341,708	149,067	564,996
Contribution under Statute G,II	0	0	0	0	0
	363,407	678,183	341,708	149,067	564,996
Transfer to Accumulated Income Within Restricted Capital	(182,521)	(131,702)	(121,519)	(186,808)	(311,967)
Net surplus	180,886	546,481	220,189	(37,741)	253,029
Add back: depreciation	258,974	247,263	278,045	277,859	282,497
Net surplus before depreciation (£)	439,860	793,744	498,234	240,118	535,526

Note: The figures above for 2013, 2014 and 2015 are group figures i.e. they include amounts imported from Hughes Hall Ltd and Hughes Hall (Hong Kong) Ltd. The figures for 2013* have been restated to take this account.

The year's financial outturn was down on the previous year due to a reduction in student numbers therefore generating lower fees. Overall income increased due to a substantial donation to the College and investment returns were maintained. A reduced surplus was achieved as expenditure increased at a faster rate than income mainly as a result of some strategic changes in the staffing structure.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

Academic Fees

Academic fees consist of the college fee and grants to support teaching and research. The fee paid to the College on behalf of the students by the University from its HEFCE grant towards the cost of admitting and supervising publicly-funded undergraduate, PGCE students and clinical medical students amounted to £362,961 for 109 students, which equated to 22% of total academic fees. The College received £4,500 for each publicly-funded undergraduate and set a fee of £5,316 for those privately funded. The College also received a fee for each graduate student. The graduate fee was 22% of the combined course fees for all graduate students in the University divided by the total number of graduate students giving a per capita College fee of £2,474.32.

The Colleges' Fund

The College received a grant of £621,000 towards the College's Endowment; this has been added to existing funds managed by the Fund Managers, Cazenove Capital. This sum is not shown in the numbers above as it goes straight into Restricted non-expendable funds. The Governing Body recognises that it cannot rely on the Colleges' Fund to continue making annual contributions to its invested Endowment indefinitely and adopts prudent financial management of all its activities.

Conferences

The College attracts modest conference activity, which generates a positive cash surplus. This contributes to the overall operating surplus. There has been a move, within the last couple of years, to expand our residential conferencing during the summer Long Vacation. In addition to the long-standing arrangements with Carleton College and TWCU, we are targeting smaller, one-off conferences. We have also opened up our accommodation to Alumni and others with a connection to the College during July, August and September and this has generated significant income for the College and is a source of tax revenue for HMRC.

Investments

The College holds investments in an Endowment Fund and an Amalgamated Fund, which are managed by its Cazenove Fund Management Ltd.

The Endowment Fund was valued at £10.3 million on 31 July and is invested as permanent capital on a total return basis. To date, the dividends have been re-invested for growth.

The Amalgamated Fund was valued at £4.63 million on the 31 July and comprises a number of individual investments (some Restricted some Unrestricted) as general reserves. The managers have been set target return on Investments of 5%. It is intended to maintain the real value of the fund by drawing down 3% of the return to subsidize research fellows, assist students in genuine hardship and offer travel grants and bursaries.

Cazenove maintains a Socially Responsible Investment policy, which includes conducting research into the social, environmental, ethical and corporate governance stance of the companies selected for investment

Cazenove has been asked to ensure that sufficient cash is available within the funds on an agreed schedule for drawdown to fund the Gresham Road development (see below).

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

Private Placement Funding

Together with a number of other colleges the Governing Body agreed that Hughes Hall would raise money for a new infrastructure project (the purchase of the former University's site on Gresham Road) to enable it to construct, ideally, a further 85 single, en-suite student rooms. A company, Cambridge Colleges Funding plc, was set up as the lender and private placement money was borrowed at an interest rate of 4.4%. The College's share of the total borrowing was £4.34 million from Cambridge Colleges Funding plc (CCF) and £3.16 million from Cambridge Colleges Funding II plc (CCF II). Tranche 1 of CCF (£2.41 million) is due for repayment in full on 30 October 2043 and Tranche 2 (£1.93 million) on 30 October 2053. A second placement (Cambridge Colleges Funding II (CCF II)) was agreed in January 2014 with the College borrowing an additional £3.16 million at 4.45% repayable in full on 31 January 2044. The total annual interest and administrative charges for the combined borrowing is £332,786.

The terms and conditions are set out in a 'Bible of Documents' issued by Mills & Reeve the solicitors for the colleges in respect of CCF and CCF II. These include a clear policy statement in the event of a default. In this respect, each of the colleges is a stand-alone entity; there is no collective responsibility for repayment.

Payment of the interest and administrative charges is made by Standing Order and is payable on the 16th day of the month on a quarterly basis.

Cash Flow

Given the College's modest income and resources, it has aimed to generate an operating surplus each year on its activities, which necessarily constrains some of its ambitions. It operates with a prudent number of staff. Over the next two years, when the interest for the bonds will be payable but rent from the new building in Gresham Road has not yet been received, cash flow will inevitably be reduced. However, since the Gresham Road project has a strong financial return on its own, the College will aim to generate an operating surplus from its "business as usual" activities, rather than overall.

Remuneration

The Remuneration Committee is required by the Governing Body to make recommendations on the level of remuneration and other direct and indirect benefits of the President, and College Officers of Hughes Hall, and to have oversight of the overall processes used to determine all other salaries within the College. The Committee made its third report to the Governing Body in June 2014.

Reserves

The College maintains two funds: an Endowment Fund and an Amalgamated Fund which together constitute its reserves. The College takes a long-term view of the investments portfolio within the Endowment Fund and to date has reinvested the dividend for growth. The Amalgamated Fund comprises a number of either restricted or unrestricted funds. In respect of the restricted funds, it has set its Investment Managers a target growth figure of 5% per annum and draws down 3% of the funds each year to support the aims of the College. The remainder is held in reserves to cover possible variations in student fee income and room rent income. Within the Amalgamated Fund there is also cash invested to support the estate and College IT infrastructure.

This policy, therefore, aims to protect the values of the portfolios in real terms by striking a balance between the interests of the present members of the College and future generations.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

Risk Management

The Governing Body has previously approved a comprehensive Risk Assessment and maintains a Risk Register which is reviewed on a regular basis.

The key potential financial uncertainties and risks are:

- Reduction in income from students due to either a reduction in student numbers or to changes in the student financing
- Increases in the costs of providing future student support
- The long-term cost of pension provisions
- Movements in investment markets reducing the value of the Endowment and other investment assets;
- An uncertain economic and financial environment putting pressure on our ability to raise development funds.

Development and Fundraising

The College maintains an active Development Office with responsibility for fundraising, alumni relations, events and external communications, with the objective of benefiting all College students and the wider academic community of the College. It manages a database of over 7,000 alumni and friends of Hughes Hall.

Fundraising activity relates to capital developments and student support. The main focus this year has been a fundraising campaign for Gresham Road including charitable trust applications, a major donors' campaign and a room naming initiative through which 28 rooms have been named at £5,000 each.

Many College alumni live overseas and regular visits are made to Europe, US, Canada and Hong Kong and Malaysia for alumni and fundraising events. In 2011, the College established Hughes Hall Hong Kong Ltd as a vehicle for tax-efficient giving for our many supporters there. The Development Office works closely with Cambridge in America to promote Hughes Hall to US alumni.

The Development Office also has operational responsibility for College communications. The College magazine Hughes is distributed to all alumni globally and an e-bulletin is sent twice each term to alumni with known e-mail addresses. The Office also produces a range of literature and manages social media activity as well as working with the Web Fellow on the College website.

Five major dinners and lectures are held each year under the auspices of Development Office: the Ogden Trust PGCE Dinner, the Zimmern Medical Dinner, the Charnley Law Dinner, the City Lecture, and the Honor Chapman Lecture on 'Cities and Society' (Land Economy). The office works in partnership with the University on the Alumni Weekend in September, staging a variety of events including a lecture and dinner for Hughes alumni and stages several alumni gatherings throughout the year including a Summer Garden Party.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

The Environment

The College complies fully with environmental legislation and officially approved codes of practice. A 'Green' Committee reports to the Governing Body through the House Committee to monitor compliance and to prompt further initiatives.

- The aim has been to reduce gross energy consumption by 20% over five years (effective start date was 1 April 2010) based on consumption figures for 2008-09. To date, an 18% reduction in electricity consumption and a 7% reduction in gas consumption by value have been achieved; the significant increase in the price of gas, however, has meant that the full financial benefit has not been realised.
- A 33kW photo-voltaic array has been installed on the Fenner's Building.
- It has installed additional metering to provide data on energy consumption.
- It is working towards implementing a strict recycling policy and moved to mixed-waste recycling in October 2012.
- A survey of all buildings has been carried out to assess energy efficiency; a programme of remedial action is in hand.
- New, more efficient boilers have been installed in both Wollaston Lodges and the Margaret Wileman Building in the last two years and likewise in the Fenner's Building where both boilers need to be replaced prematurely because of failures.
- A number of windows in the Margaret Wileman Building have been upgraded to improve draught-proofing. There is a plan in place to upgrade the remaining windows in this building over the next few years.

Assets Held on Behalf of Other Charities

The College holds, on loan from the Fitzwilliam Museum, a copy of a painting of a Game Market by Frans Snyders 1610, one of the foremost Flemish still life painters, the original of which was once in the collection of Robert Walpole (England's first PM) at Houghton Hall, Norfolk. It is insured by the College for a sum agreed with the Director.

Capital Programme

Buildings

Year	Location	No. of Student Rooms
1896	Margaret Wileman Building	38
	Wollaston Lodges	23
1992	Chancellor's Court	35
1995	Centenary Building	33
	College Houses	75
2004	Fenner's Building	77
TOTAL		275 rooms (including 6 double rooms)

Restoration and Major Refurbishment

Year	Location	No. of Student Rooms
2007	Margaret Wileman Building	38
2009-13	College Houses	71
2010	Wollaston Lodges	23

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2015

Capital Programme (continued)

The largest capital investment in the College's history, the development of the University's former Physical Education Building on Gresham Road, has been approved by the Governing Body. The College has received Planning Consent to re-develop the site. The aim is to build 85 single en-suite graduate student rooms with associated domestic support facilities for occupation in October 2016. While the building itself will cost around £7m, the total cost of the land, building, access and other related requirements, including professional advisers, will be in the region of £12.5m.

Proper maintenance of all buildings, which have an insured value of £38,656,115 is an essential investment in the College's future. For the past decade, a rolling programme of maintenance and refurbishment has been instituted to bring the buildings up to modern standards. All College Rooms meet the Houses in Multiple Occupancy standards and 45% are en-suite.

Responsibilities of the Governing Body

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

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

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

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

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

N E Taylor
Bursar, for and on behalf of the Board of Trustees
Date: 28 October 2015

HUGHES HALL

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF HUGHES HALL FOR THE YEAR ENDED 31 JULY 2015

Responsibilities of the Governing Body

We have audited the financial statements of Hughes Hall for the year ended 31 July 2015 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and college balance sheet, the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of the Governing Body and Auditors

As explained more fully in the Governing Body's Responsibilities Statement set out on page 14, the Governing Body is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 2011 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group and the College's affairs as at 31 July 2015 and of the group's income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes, and the Statutes of the University of Cambridge;
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge

HUGHES HALL

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF HUGHES HALL (CONTINUED) *FOR THE YEAR ENDED 31 JULY 2015*

Matters on which we are required to report by exception

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

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

Price Bailey LLP

**Chartered Accountants
Statutory Auditors**

**Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ**

Dated: 7 December 2015

Price Bailey LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2015

Basis of preparation

The financial statements have been prepared in accordance with 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 income and expenditure account includes activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to the use of public funds. The analysis required by the SORP is set out in note 7.

Basis of accounting

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

Consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 9. Intra-group balances are eliminated on consolidation. The consolidated financial statements do not include the activities of student societies.

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.

Restricted grant income

Grants received for restricted purposes are recognised as income to the extent that relevant expenditure has been incurred.

Income from research grants

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

Donations and benefactions

Charitable donations are recognised on receipt or where there is certainty of future receipt and the value can be measured reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. Donations with no substantial restrictions are recognised as income in the income and expenditure account. Donations which are to be retained for the future benefit of the College, and other donations with substantially restricted purposes, other than for the acquisition or construction of tangible fixed assets, are recognised in the statement of total recognised gains and losses as new endowments.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

Capital grants and donations

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

Other income

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

Endowment and investment income

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

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

Pension schemes

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee administered fund. Because of the mutual nature of the scheme, the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the scheme in respect of the accounting period.

In addition, the College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

The College also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the College. The annual contributions payable are charged to the Income and Expenditure Account.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

Tangible fixed assets

a. Land and buildings

The original part of the main College site is stated at valuation as at 31 July 1985. Other land and buildings are stated at cost. Where buildings have been revalued, they are valued using open market value basis. The valuation was carried out by Messrs Heap and Rodgers, Chartered Surveyors. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 70 years. Depreciation is calculated on the cost/valuation of both land and buildings but the land element is not considered material.

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

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

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

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

b. Maintenance of premises

The cost of major refurbishment is capitalised and depreciated over the useful economic life of the asset concerned. The cost of routine maintenance is charged to the Income and Expenditure Account as it is incurred.

c. Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £2,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	20% per annum on the straight line basis
Kitchen equipment	12½% per annum on the straight line basis

Tangible fixed assets (continued)

d. Rare books, silver, works of art and other assets not related to education

Rare books, silver, works of art and other assets not related to education, which are deemed to be inalienable, are not included in the balance sheet.

Investments

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

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

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.

Taxation

The College is a registered charity (number 1137471) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

Contribution under Statute G,II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. The contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants.

HUGHES HALL

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2015

	Note	2015 £	2014 £
Income			
Academic fees and charges	1	1,552,179	1,620,156
Residences, catering and conferences	2	2,091,681	2,066,598
Investment income	3	343,154	271,618
Donations and beneficiaries	4	559,430	399,189
Other income		102,195	91,662
Total income		4,648,639	4,449,223
Expenditure			
Education	5	2,077,926	1,725,685
Residences, catering and conferences	6	1,756,548	1,709,075
Loan interest		94,115	97,813
Bond interest		333,276	213,530
Other		23,367	24,937
Total expenditure	7	4,285,232	3,771,040
Operating surplus		363,407	678,183
Transfer to accumulated income within restricted expendable capital (unspent income for the year from Trust Funds carried forward)		(182,521)	(131,702)
SURPLUS/(DEFICIT) FOR THE YEAR		180,886	546,481

All of the above results derive from continuing operations.

HUGHES HALL

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2015

	Note	Restricted Funds Collegiate Purposes £	Unrestricted Funds £	Total 2015 £	Total 2014 £
Balance as at start of year		2,098,988	26,384,855	28,483,843	26,833,524
Retained surplus for the year		-	180,885	180,885	546,481
Increase on market value of investments	10	13,168	486,519	499,687	350,522
Unspent trust or other restricted fund income retained by funds	18	182,521	-	182,521	131,702
Capital grant received from College Fund	18	-	621,000	621,000	569,000
New endowments	18	-	-	-	85,000
Foreign currency adjustment		-	14,996	14,996	(2,207)
Actuarial gains / (losses) on pension scheme assets and liabilities	21	-	15,098	15,098	(30,179)
Transfers		(2,889)	2,889	-	-
Total recognised gains for the year		192,800	1,321,387	1,514,187	1,650,319
Balance as at end of year		2,291,788	27,706,242	29,998,030	28,483,843

The above figures exclude a Deferred Capital Grant of £100,000 (2014: £100,000), shown on the Balance Sheet.

HUGHES HALL

BALANCE SHEET AS AT 31 JULY 2015

	Note	Group 2015 £	College 2015 £	Group 2014 £	College 2014 £
Fixed assets					
Tangible assets	9	20,676,920	20,731,460	19,486,454	19,486,454
Investments	10	8,207,843	8,207,843	9,971,745	9,971,745
		<u>28,884,763</u>	<u>28,939,303</u>	<u>29,458,199</u>	<u>29,458,199</u>
Endowment assets	11	4,106,551	4,106,551	3,224,988	3,224,988
Current assets					
Stock and work in progress	12	360,703	13,380	293,556	13,397
Debtors	13	262,478	915,797	139,380	436,416
Cash	14	7,238,161	6,202,527	5,837,788	5,795,884
		<u>7,861,342</u>	<u>7,131,704</u>	<u>6,270,724</u>	<u>6,245,697</u>
Creditors: amounts falling due within one year	15	(1,559,553)	(1,210,704)	(1,081,662)	(1,081,626)
Net current assets		<u>6,301,789</u>	<u>5,921,000</u>	<u>5,189,062</u>	<u>5,164,071</u>
Total assets less current liabilities		<u>39,293,103</u>	<u>38,966,854</u>	<u>37,872,249</u>	<u>37,847,258</u>
Creditors: amounts falling due after more than one year	16	(9,026,661)	(9,026,661)	(9,108,903)	(9,108,903)
Net assets excluding pension liabilities/asset		<u>30,266,442</u>	<u>29,940,193</u>	<u>28,763,346</u>	<u>28,738,355</u>
Pension liability	21	(168,412)	(168,412)	(179,503)	(179,503)
NET ASSETS including pension liability		<u><u>30,098,030</u></u>	<u><u>29,771,781</u></u>	<u><u>28,583,843</u></u>	<u><u>28,558,852</u></u>

HUGHES HALL

BALANCE SHEET (continued)

AS AT 31 JULY 2015

Represented by

	Note	Restricted funds 2015 £	Un- restricted funds 2015 £	Group Total 2015 £	College Total 2015 £	Group Total 2014 £	College Total 2014 £
Deferred capital grants	17	100,000	-	100,000	100,000	100,000	100,000
Endowments							
Expendable endowments	18	751,922	-	751,922	751,922	568,268	568,268
Permanent endowments	18	1,539,866	1,814,763	3,354,629	3,354,629	2,656,720	2,656,720
Total Endowments		<u>2,291,788</u>	<u>1,814,763</u>	<u>4,106,551</u>	<u>4,106,551</u>	<u>3,224,988</u>	<u>3,224,988</u>
Reserves							
Operational property reserve	19	-	3,501,918	3,501,918	3,501,918	3,501,918	3,501,918
General reserves	19	-	22,544,721	22,544,721	22,231,724	21,938,186	21,911,449
Pension reserve	19	-	(168,412)	(168,412)	(168,412)	(179,503)	(179,503)
Foreign currency translation Reserve	19	-	13,252	13,252	-	(1,746)	-
Total Reserves		<u>-</u>	<u>25,891,479</u>	<u>25,891,479</u>	<u>25,565,230</u>	<u>25,258,855</u>	<u>25,233,864</u>
Total Reserves and Endowments		<u>2,291,788</u>	<u>27,706,242</u>	<u>29,998,030</u>	<u>29,671,781</u>	<u>28,483,843</u>	<u>28,458,852</u>
Balance as at 31 July 2015		<u><u>2,391,788</u></u>	<u><u>27,706,242</u></u>	<u><u>30,098,030</u></u>	<u><u>29,771,781</u></u>	<u><u>28,583,843</u></u>	<u><u>28,558,852</u></u>

The accompanying notes are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 28 October 2015 and signed on their behalf by:

Dr A Freeling

Member of College Council and Governing Body

HUGHES HALL

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2015

	2015 £	2014 £
A. Operating Activities		
Net surplus on continuing operations	363,407	678,183
Depreciation	258,974	247,263
Foreign currency adjustment	14,996	(2,207)
Investment income	(343,154)	(271,618)
Loan interest payable	94,115	97,813
Bond interest payable	333,276	213,530
Pension contributions paid/FRS17 adjustment	4,009	4,891
(Increase)/decrease in stocks	(67,147)	(281,559)
(Increase) in debtors	(123,098)	(28,074)
Increase in creditors	472,666	332,027
Net cash inflow from operating activities	<u>1,008,044</u>	<u>990,249</u>
B. Returns on Investment and Servicing of Finance		
Loan interest paid	(94,115)	(213,530)
Bond interest paid	(333,276)	(97,813)
Investment income	343,154	271,618
Net cash inflow from returns on investment and servicing of finance	<u>(84,237)</u>	<u>(39,725)</u>
C. Capital Expenditure and Financial Investment		
Payments to acquire tangible fixed assets	(1,449,440)	(3,073,756)
Net purchase of long term investments	1,382,022	(2,516,646)
Capital grant received from Colleges Fund	621,000	569,000
Deferred capital grant received	-	100,000
New endowments received	-	85,000
Net cash outflow from capital expenditure and financial investment	<u>553,582</u>	<u>(4,836,402)</u>
Net cash (outflow)/inflow before financing	<u>1,477,389</u>	<u>(3,885,878)</u>
D. Financing		
New bond arrangements	-	7,500,000
Net cash inflow from financing	<u>-</u>	<u>7,500,000</u>

HUGHES HALL

CASH FLOW STATEMENT (continued) FOR THE YEAR ENDED 31 JULY 2015

	Note	2015 £	2014 £
D. Reconciliation of Net Cash Flow to Movement in Net Debt			
Increase in cash in the period		1,400,373	3,540,804
(Increase)/decrease in debt in the period		77,016	(7,426,682)
		<hr/>	<hr/>
		1,477,389	(3,885,878)
Net funds at 1 August 2014		<hr/>	<hr/>
		(3,348,130)	537,748
Net (debt)/funds at 31 July 2015	20	<hr/> <hr/>	<hr/> <hr/>
		(1,870,741)	(3,348,130)

HUGHES HALL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2015

1. Academic fees and charges

	£	2015 £	2014 £
College Fees			
Fee income paid on behalf of undergraduates eligible for student support			
Undergraduate rate (per capita fee £4,185 / £4,500)	112,185		
Graduate medical (per capita £4,185 / £4,500)	132,480		
	<u>244,665</u>		361,968
Other undergraduates fee income			
Overseas and Privately funded UK and EU (per capita £5,166 / £5,400)	268,830		
	<u>268,830</u>		210,744
Graduates fee income			
Graduates (per capita £2,474)	927,870		
M Ed students (per capita £483)	-		
MASt students (per capita £5,400)	97,200		
Other	13,614		
	<u>1,038,684</u>		1,047,444
Total		<u>1,552,179</u>	<u>1,620,156</u>

2. Residences, catering and conference income

		2015 £	2014 £
Accommodation	College members	1,482,551	1,443,257
	Conferences (including meeting rooms)	123,665	125,745
Catering	College Members and staff	393,046	408,204
	Conferences	92,419	89,392
Total		<u>2,091,681</u>	<u>2,066,598</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

3. Investment income

	2015 Income from restricted funds for collegiate purposes £	2015 Income from unrestricted funds £	Total 2015 £	Total 2014 £
Income from:				
Freehold land and buildings	-	64,666	64,666	33,305
Unit trusts	59,552	171,778	231,330	222,744
Cash	-	47,158	47,158	15,569
Total	<u>59,552</u>	<u>283,602</u>	<u>343,154</u>	<u>271,618</u>

Investment management costs:

	2015 £	2014 £
Unit trusts	9,813	11,519
Cash	2,511	805
Total	<u>12,324</u>	<u>12,324</u>

4. Donations

	2015 £	2014 £
Restricted donations	270,139	119,554
Unrestricted donations	289,291	279,635
Total	<u>559,430</u>	<u>399,189</u>

5. Education expenditure

	2015 £	2014 £
Teaching	1,258,168	1,060,909
Tutorial	348,508	290,008
Admissions	194,487	142,172
Research	71,903	58,642
Scholarships and awards	81,349	61,867
Other educational facilities	123,511	112,087
Total (Note 7)	<u>2,077,926</u>	<u>1,725,685</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

6. Residences, catering and conferences expenditure

		2015 £	2014 £
Accommodation	College members	1,150,515	1,102,842
	Conferences (including meeting rooms)	132,548	128,148
Catering	College Members and staff	424,575	428,315
	Conferences	48,914	49,770
Total (Note 7)		<u>1,756,552</u>	<u>1,709,075</u>

7a. Analysis of 2015 expenditure by activity

	Staff costs (Note 8) £	Other Operating Expenses £	Depreciation £	Total £
Education (Note 5)	942,296	1,135,630	-	2,077,926
Residences, catering and conferences (Note 6)	692,378	805,195	258,975	1,756,548
Loan interest	-	94,115	-	94,115
Bond interest	-	333,276	-	333,276
Other	-	23,367	-	23,367
Total	<u>1,634,674</u>	<u>2,391,583</u>	<u>258,975</u>	<u>4,285,232</u>

7b. Analysis of 2014 expenditure by activity

	Staff costs (Note 8) £	Other Operating Expenses £	Depreciation £	Total £
Education (Note 5)	834,733	890,952	-	1,725,685
Residences, catering and conferences (Note 6)	655,264	806,548	247,263	1,709,075
Loan interest	-	97,813	-	97,813
Bond interest	-	213,530	-	213,530
Other	-	24,937	-	24,937
Total	<u>1,489,997</u>	<u>1,798,092</u>	<u>247,263</u>	<u>3,771,040</u>

Fundraising costs amounted to £283,295 (2014: £250,706)

7c. Auditors remuneration

Other operating expenses include:	2015 £	2014 £
Audit fees payable to the College's external auditors	12,500	12,500
Other fees payable to the College's external auditors	20,464	22,656
Total	<u>32,964</u>	<u>35,156</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

8. Staff costs

	Academic 2015 £	Non Academic 2015 £	Total 2015 £	Total 2014 £
Staff costs:				
Emoluments	309,171	1,140,685	1,449,856	1,327,128
Social Security costs	23,848	78,493	102,341	92,693
Other pension costs (see note 21)	31,303	51,174	82,477	70,176
	<u>364,322</u>	<u>1,270,352</u>	<u>1,634,674</u>	<u>1,489,997</u>

Average number of staff (full time equivalents)

Stipendiary fellows	6	8
Other staff	44	36
	<u>50</u>	<u>44</u>

At 31 July 2015 The Governing Body comprised of 52 Fellows of which the 6 declared above are stipendiary.

No officer or employee of the College, including the Head of House, received emoluments of over £100,000 in either the current or preceding year.

9. Tangible assets

Group	Freehold land and buildings £	Assets under construction £	Fixtures and fittings £	Kitchen equipment £	Total £
Cost/valuation					
At 1 August 2014	21,931,872	-	740,176	15,489	22,687,537
Additions	1,449,440	-	-	-	1,449,440
Transfers	(4,523,195)	4,523,195	-	-	-
At 31 July 2015	<u>18,858,117</u>	<u>4,523,195</u>	<u>740,176</u>	<u>15,489</u>	<u>24,136,977</u>
Accumulated depreciation					
At 1 August 2014	2,461,112	-	724,482	15,489	3,201,083
Charge for the year	255,116	-	3,858	-	258,974
At 31 July 2015	<u>2,716,228</u>	<u>-</u>	<u>728,340</u>	<u>15,489</u>	<u>3,460,057</u>
Net book value					
At 31 July 2015	<u>16,141,889</u>	<u>4,523,195</u>	<u>11,836</u>	<u>-</u>	<u>20,676,920</u>
At 31 July 2014	<u>19,470,760</u>	<u>-</u>	<u>15,694</u>	<u>-</u>	<u>19,486,454</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

9. Tangible assets (continued)

College	Freehold land and buildings £	Assets under construction £	Fixtures and fittings £	Kitchen equipment £	Total £
Cost/valuation					
At 1 August 2014	21,931,872	-	740,176	15,489	22,687,537
Additions	1,503,980	-	-	-	1,503,980
Transfers	(4,577,735)	4,577,735	-	-	-
At 31 July 2015	<u>18,858,117</u>	<u>4,577,735</u>	<u>740,176</u>	<u>15,489</u>	<u>24,191,517</u>
Accumulated depreciation					
At 1 August 2014	2,461,112	-	724,482	15,489	3,201,083
Charge for the year	255,116	-	3,858	-	258,974
At 31 July 2015	<u>2,716,228</u>	<u>-</u>	<u>728,340</u>	<u>15,489</u>	<u>3,460,057</u>
Net book value					
At 31 July 2015	<u>16,141,888</u>	<u>4,577,735</u>	<u>11,836</u>	<u>-</u>	<u>20,731,460</u>
At 31 July 2014	<u>19,470,760</u>	<u>-</u>	<u>15,694</u>	<u>-</u>	<u>19,486,454</u>

The insured value of freehold land and buildings as at 31 July 2015 was £38,656,115 (2014: £36,258,938)

The College's original freehold property was revalued on 31 July 1985 by Messrs Heap and Rodgers, Chartered Surveyors using open market value basis in accordance with the guidelines issued by the Royal Institute of Chartered Surveyors, at £2,300,000. The historical cost of the property at that date was £98,082. In addition to this, after the surrender of long leases on accommodation buildings in 1997, the value of the freehold of the buildings was introduced by the Governing Body's valuation of £1,300,000 and this also represents part of the revaluation surplus shown in note 19.

The College has adopted the transitional provisions of Financial Reporting Standard Number 15 in respect of revaluation policy of freehold land and buildings. Accordingly, the revaluation has not been updated. A full impairment review of the assets concerned has been carried out and in the opinion of the Governing Body the market values of freehold land and buildings are not lower than their carrying values.

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

10. Investments

	2015	2014
	£	£
As at 1 August 2014	13,196,533	10,329,564
Additions	783,495	1,974,104
Disposals	(591,877)	(595,647)
Appreciation /(diminution) on revaluation	499,687	350,522
Increase/(decrease) in cash balances held at fund managers	(1,573,440)	1,138,190
	<u>12,314,398</u>	<u>13,196,733</u>
Assets shown as endowment assets (note 11)	(4,106,555)	(3,224,988)
As at 31 July 2015	<u><u>8,207,843</u></u>	<u><u>9,971,745</u></u>
Represented by:		
Quoted securities	8,207,843	8,398,102
Cash	-	1,573,643
	<u><u>8,207,843</u></u>	<u><u>9,971,745</u></u>

The College is the sole member of three companies that are limited by guarantee, Hughes Hall Limited ("HHL"), Hughes Hall (Hong Kong) Limited ("HHHKL") and Elizabeth Phillips Hughes Hall Company ("EPHHC").

At 31 July 2015, HHL had net assets totalling £nil (2014: net liabilities: £60) and the profit for the year then ended was £60 (2014: loss £60).

At 31 July 2015, HHHKL had net assets totalling £326,309 (2014: £25,050) and the profit after tax for the year then ended was £286,261 (2014: £6,045).

At 31 July 2015, EPHHC has reserves of £nil and had no profit or loss for the year then ended.

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

11. Endowment assets

	Group 2015 £	College 2015 £	Group 2014 £	College 2014 £
Long term investments:				
Quoted securities - equities	4,106,551	4,106,551	3,224,988	3,224,988

12. Work in progress

	Group 2015 £	College 2015 £	Group 2014 £	College 2014 £
Work in progress	347,323	-	280,159	-
Stock	13,380	13,380	13,397	13,397
	<u>360,703</u>	<u>13,380</u>	<u>293,556</u>	<u>13,397</u>

13. Debtors

	Group 2015 £	College 2015 £	Group 2014 £	College 2014 £
Trade debtors	79,610	79,610	49,713	49,713
Amount due from subsidiary undertaking	-	763,464	-	343,830
Other debtors	182,868	72,723	89,667	42,873
Total	<u>262,478</u>	<u>915,797</u>	<u>139,380</u>	<u>436,416</u>

14. Cash

	Group 2015 £	College 2015 £	Group 2014 £	College 2014 £
Bank deposits	4,932,791	4,932,791	5,428,089	5,428,089
Current accounts	2,305,076	1,269,442	409,488	367,584
Cash in hand	294	294	211	211
Total	<u>7,238,161</u>	<u>6,202,527</u>	<u>5,837,788</u>	<u>5,795,884</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

15. Creditors: amounts falling due within one year

	Group 2015 £	College 2015 £	Group 2014 £	College 2014 £
Bank loan	82,241	82,241	77,016	77,016
Trade creditors	124,005	124,005	112,185	112,185
Student prepayments	39,750	39,750	31,250	31,250
Other taxes and social security	56,745	56,745	35,870	35,870
Accruals	650,310	301,461	65,936	65,900
Deferred income	606,502	606,502	759,405	759,405
Total	<u>1,559,553</u>	<u>1,210,704</u>	<u>1,081,662</u>	<u>1,081,626</u>

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

	Group 2015 £	College 2015 £	Group 2014 £	College 2014 £
Bank loan and overdrafts	1,526,661	1,526,661	1,608,903	1,608,903
Private Placement Bonds	7,500,000	7,500,000	7,500,000	7,500,000
	<u>9,026,661</u>	<u>9,026,661</u>	<u>9,108,903</u>	<u>9,108,903</u>

The outstanding bank loan of £1.7m attracts a fixed rate of interest of 5.647% and is repayable in full by 31 July 2029.

Private Placement Bonds

Private placement money of £4.34 million was borrowed at a fixed interest rate of 4.4% and £3.16 million was borrowed at a fixed interest rate of 4.45%. Of the Bond for £4.34 million, £2.41 million is due for repayment in full on 30 October 2043 and £1.93 million is due for repayment on 30 October 2053. The additional Bond for £3.16 million at 4.45% is repayable in full on 31 January 2044. The money was raised to fund a new infrastructure project. These Bonds are unsecured.

Repayments on the bank loan and private placement bonds can be analysed as follows:

	Group 2015 £	College 2015 £	Group 2014 £	College 2014 £
Due within one year	82,241	82,241	77,016	77,016
Between one and two years	86,732	86,732	82,241	82,241
Between two and five years	267,828	267,828	275,491	275,491
Due after more and five years	8,589,860	8,589,860	8,674,155	8,674,155
Total repayments	<u>9,026,661</u>	<u>9,026,661</u>	<u>9,108,903</u>	<u>9,108,903</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

17. Deferred capital grants

Group and college	2015 Total £	2014 Total £
Balance at beginning of year: Buildings	100,000	-
Grants and donations received: Buildings	-	100,000
Released to income and expenditure account: Buildings	-	-
Balances at end of year: Buildings	100,000	100,000

18. Endowments

Group and college	Unrestricted Permanent £	Restricted Permanent £	Total Permanent £	Restricted Expendable £	2015 Total £	2014 Total £
Balance at beginning of year:						
Capital and unspent income	1,126,000	1,530,720	2,656,720	568,268	3,224,988	2,542,883
New endowment received	621,000	-	621,000	-	621,000	654,000
Income receivable from endowment asset investment	-	-	-	317,159	317,159	227,944
Expenditure	-	-	-	(134,638)	(134,638)	(96,242)
Net transfer from income and Expenditure account	-	-	-	182,521	182,521	131,702
Transfer share of investment income	12,258	-	12,258	-	12,258	-
Other transfer	2,889	(2,889)	-	-	-	(140,000)
Increase in market value of investments	52,616	12,035	64,651	1,133	65,784	36,403
Balance at end of year	1,814,763	1,539,866	3,354,629	751,922	4,106,551	3,224,988
Comprising:						
Capital and unspent income	1,814,763	1,539,866	3,354,629	751,922	4,106,551	3,224,988
Representing						
Research funds	-	41,472	41,472	7,275	48,747	43,772
Student support	-	417,950	417,950	175,756	593,706	523,960
Bursaries	-	994,938	994,938	374,138	1,369,076	1,325,865
Other funds	1,814,763	85,506	1,900,269	194,753	2,095,022	1,331,391
College total	1,814,763	1,539,866	3,354,629	751,922	4,106,551	3,224,988

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

19. Reserves

	General reserves £	Operational property revaluation reserve £	Foreign Currency translation reserve £	2015 Total £	2014 Total £
Group					
Balance at beginning of year	21,758,683	3,501,918	(1,746)	25,258,855	24,290,641
Surplus retained for the year	180,885	-	-	180,885	546,481
Actuarial loss	15,098	-	-	15,098	(30,179)
Increase in market value of investments	433,901	-	-	433,901	314,119
Foreign currency movement	-	-	14,998	14,998	(2,207)
Reallocations	-	-	-	-	140,000
Transfer share of investment income	(12,258)	-	-	(12,258)	-
Balance at end of year	<u>22,376,309</u>	<u>3,501,918</u>	<u>13,252</u>	<u>25,891,479</u>	<u>25,258,855</u>

	General reserves £	Operational property revaluation reserve £	2015 Total £	2014 Total £
College				
Balance at beginning of year		21,731,946	25,233,864	24,269,429
Surplus retained for the year		(105,375)	(105,375)	540,495
Actuarial loss		15,098	15,098	(30,179)
Increase in market value of investments		433,901	433,901	314,119
Reallocations		-	-	140,000
Transfer share of investment Income		(12,258)	(12,258)	-
Balance at end of year		<u>22,063,312</u>	<u>25,565,230</u>	<u>25,233,864</u>

20. Analysis of Net (Debt)/Funds

	At beginning of year £	Cashflow £	Other movements £	At end of year £
Cash at bank and in hand	5,837,788	1,400,373	-	7,238,161
Debts due within one year	(77,016)	77,016	(82,251)	(82,251)
Debts falling due after more than one year	(9,108,902)	-	82,251	(9,026,651)
Net (debt)/funds	<u>(3,348,130)</u>	<u>1,477,389</u>	<u>-</u>	<u>(1,870,741)</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

21. Pension Schemes

The following information regarding the USS pension scheme has been provided by the actuary.

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

Contingent liabilities and assets

A contingent liability exists in relation to the pension valuation recovery plan, since the College is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the reimbursement of the company's expenditure is similarly not recognised.

Pension costs

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The company is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the company's employees. In 2015, the percentage was 16% (2014: 16%). The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the profit and loss account is £152,268 (2014: £141,104). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The 2014 valuation has recently been finalised and the audit process is in progress. Therefore the latest available audited triennial actuarial valuation of the scheme was at 31 March 2011 ("the valuation date"), which was carried out using the projected unit method. The 2014 valuation indicates that employer contributions will increase to 18% from 1 April 2016.

The 2011 valuation was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £32.4 billion and the value of the scheme's technical provisions was £35.3 billion indicating a shortfall of £2.9 billion. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

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NOTES TO THE ACCOUNTS (CONTINUED) YEAR ENDED 30 JUNE 2015

FRS 17 liability numbers have been produced for the using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

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 S1NA ["light"] YoB tables – No age rating

Female members' mortality 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 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6
	2015	2014
Scheme assets	£49.0bn	£41.6bn
FRS17 liabilities	£67.6bn	£55.5bn
FRS17 deficit	£18.6bn	£13.9bn
FRA17 funding level	72%	75%

The total pension cost for the College was £43,620 (2014: £38,594). The contribution rate payable by the College was 16% of pensionable salaries.

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

21. Pension Schemes (continued)

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College is a member of a multi-employer defined benefits scheme, the Cambridge Colleges' Federated Pension Scheme. A full valuation was undertaken as at 31 March 2014 and updated to 30 June 2015 by a qualified independent Actuary. The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	30 June 2015 % p.a.	30 June 2014 % p.a.
Discount rate	3.7	4.2
Expected long-term rate of return on Scheme assets	3.7	6.2
Increase in salaries	2.75 **	2.8 **
Retail Prices Index (RPI) assumption	3.25	3.3
Consumer Prices Index (CPI) assumption	2.25	2.3
Pension increases (RPI linked)	3.25	3.3
Pension increases (capped RPI linked)	3.05	3.1

* 1.5% in 2014 to 2016, 2.8% thereafter

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

The underlying mortality assumption is based upon the standard table known as S2 mortality tables for average normal pensioners projected in line with the CMI_2014 projection and a target long-term improvement rate of 1.0% p.a. (2014: same base table and an allowance for improvements using the CMI_2013 projection table with a long term improvement rate of 1.0% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 22.3 years (previously 22.3)
- Female age 65 now has a life expectancy of 24.4 years (previously 24.3)
- Male age 45 now and retiring in 20 years would have a life expectancy then of 23.6 years (previously 23.6)
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.9 years (previously 25.8)

The following results were measured in accordance with the requirements of FRS17:

	2015 £	2014 £	2013 £	2012 £
Total market value of assets	486,344	442,818	422,343	379,924
Present value of Scheme liabilities	(654,756)	(622,321)	(566,776)	(492,469)
Deficit in the Scheme	<u>(168,412)</u>	<u>(179,503)</u>	<u>(144,433)</u>	<u>(112,545)</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

21. Pension Schemes (continued)

The amounts recognised in income and expenditure are as follows:

	30 June 2015 £	30 June 2014 £
In staff costs:		
Current service cost (net of employee contributions)	17,320	15,961
In endowment and investment income:		
Interest cost	25,910	26,071
Expected return on pension scheme assets	(26,911)	(25,991)
Net return	<u>16,319</u>	<u>16,041</u>
Actual return on pension scheme assets	<u><u>60,662</u></u>	<u><u>25,762</u></u>

Changes in the present value of the Scheme liabilities are as follows:

	30 June 2015 £	30 June 2014 £
Present value of Scheme liabilities at beginning of year	622,321	566,776
Service cost (including employee's contributions)	21,239	19,967
Interest cost	25,910	26,071
Actuarial losses (gains)	18,653	29,950
Benefits paid	(33,367)	(20,443)
Present value of Scheme liabilities at end of year	<u><u>654,756</u></u>	<u><u>622,321</u></u>

Changes in the fair value of the Scheme assets are as follows:

	30 June 2015 £	30 June 2014 £
Market value of Scheme assets at beginning of year	442,818	422,343
Expected return	26,911	25,991
Actuarial gains and (losses)	33,751	(229)
Contributions by employer	12,312	11,150
Additional contributions by members (including AVCs)	3,919	4,006
Benefits (and expenses) paid	(33,367)	(20,443)
Market value of Scheme assets at end of year	<u><u>486,344</u></u>	<u><u>442,818</u></u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

21. Pension Schemes (continued)

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

	30 June 2015 £	30 June 2014 £	30 June 2013 £	30 June 2012 £	31 March 2011 £
Present value of Scheme liabilities	(654,756)	(622,321)	(566,776)	(492,469)	(439,036)
Market value of Scheme assets	486,344	442,818	422,343	379,924	416,682
Surplus/(deficit)	<u>(168,412)</u>	<u>(179,503)</u>	<u>(144,433)</u>	<u>(112,545)</u>	<u>(22,354)</u>
Experience adjustments on Scheme liabilities	15,250	1,478	596	(18,493)	5,377
Experience adjustments on Scheme assets	33,751	(229)	23,922	(72,110)	10,680
Change in assumptions underlying present value of Scheme liabilities	(33,903)	(31,428)	(51,120)	(12,305)	21,086

Stakeholder Scheme

The College also operates a defined contribution scheme under the stakeholder rules for employees. The pension charge for the year was £30,361 (2014: £23,533).

The total pension cost for the College for the year to 31 July 2015 (see note 8) was as follows:

	2015 £	2014 £
USS: Employer contributions	43,620	38,594
CCFPS: Charged to Income and Expenditure Account	8,496	8,049
Stakeholder Scheme: Employer contributions	30,361	23,533
	<u>82,477</u>	<u>70,176</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

22. Financial Commitments

	2015 £	2014 £
Capital commitments		
Authorised by the Governing Body and contracted for the development project	<u>8,032,941</u>	<u>-</u>

23. Related Party Transactions

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

No disclosure of transactions with Hughes Hall Limited or Hughes Hall Hong Kong Limited has been made as those financial statements at 31 July 2015 have been consolidated.