

Charity Registration No: 1137471

HUGHES HALL

**RECOMMENDED CAMBRIDGE
COLLEGE ACCOUNTS**

FOR THE YEAR ENDED

31 JULY 2017

HUGHES HALL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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REFERENCE AND ADMINISTRATION DETAILS FOR THE YEAR ENDED 31 JULY 2017

Name of College:

The President and Fellows of Hughes Hall in the University of Cambridge

Address: Hughes Hall
Cambridge
CB1 2EW

Charity Commission Registered No: 1137471

Advisors:

Auditors

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

Solicitors

Ashton KCJ LLP
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

Lloyds Bank
3 Sidney Street
Cambridge
CB2 3HQ

Fund Managers

Cazenove Fund Management Ltd
12 Moorgate
London
EC2R 6DA

Senior officers:

Head of House	Dr Anthony Freeling
Bursar	Mrs Victoria Espley
Senior Tutor	Dr Philip Johnston

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REFERENCE AND ADMINISTRATION DETAILS FOR THE YEAR ENDED 31 JULY 2017

Charity Trustees* (Members of the Governing Body or Council)

The trustees of the College during the period 1 August 2016 to 31 July 2017 were:

Head of House Dr A Freeling (President)*

Fellows:

Professor, Nabeel Affara*	Dr, Arne Jungwirth (Appointed 01 October 2016)
Dr, Mark Bale	Dr, Bianca Jupp
Dr, John Barker	Professor, James Kaufman*
Professor, Michael Barrett	Dr, Alastair Lockhart
Dr, Martin Bellamy	Dr, Sara Melville
Mr, Richard Berg Rust (Development Director) (Died 11 April 2017)*	Professor, William Nuttall
Dr, Heather Blackmore	Dr, Ajith Parlikad
Dr, Francesco Bonaccorso (Resigned 31 December 2016)	Dr, Zinaida Perova (Resigned 31 May 2017)
Dr, Dave Bosworth (Resigned 30 September 2016)	Dr, Charles Pigott
Professor, Mary Buckley	Professor, Jonathan Powell*
Dr, Hilary Burton*	Dr, Aisling Redmond
Mr, William Charnley	Dr, Sarah Rough
Dr, Paula De Oliveira-Banca (Appointed 01 April 2017)	Dr, Corinne Roughley*
Dr, Bernard Devereux	Professor, Ken Ruthven
Professor, Gishan Dissanaikie	Dr, Carole Sargent
Professor, John Doorbar (Appointed 01 April 2017)	Dr, Kishore Sengupta
Dr, Lydia Drumright	Dr, Eugene Shwageraus
Professor, Ming-Qing Du	Dr, Nidhi Singal
Dr, Pete Dudley	Dr, Jeffrey Skopek
Mrs, Victoria Espley (Bursar)*	Professor, Gordon Smith
Dr, Markus Gehring*	Dr, Jacob Stegenga (Appointed 27 October 2016)
Dr, Miguel Gonzalez Zalba (Appointed 01 April 2017)	Dr, Martin Steinfeld*
Dr, Andrew Gould	Dr, Elizabeth Swann
Mr, Nick Gray	Professor, Paul Tracey
Dr, Sara Hennessy*	Dr, Caroline Trotter
Dr, Danika Hill	Dr, Suzanne Turner
Professor, Ian Hodge*	Dr, Robyn Veal (Resigned 30 September 2016)
Dr, Sonia (Ioana) Ilie	Professor, Marc Weller (Resigned 27 September 2016)
Miss, Rowena Ironside (Resigned 30 September 2016)*	Dr, Clive Wells
Dr, Agnieszka Iwasiewicz-Wabnig*	Dr, Jessica White
Dr, Philip Johnston (Senior Tutor)*	Dr, Nigel Yandell

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 FOR THE YEAR ENDED 31 JULY 2017

Operating and Financial Review

Introduction

The College owes its origins to the Cambridge Training College for Women founded in 1885 which was subsequently incorporated under the Companies Acts. In October 1950 the College changed its name to the Elizabeth Phillips Hughes Hall Company. 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. The College 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. Our vision for Hughes Hall is to be a recognized leader in the University of Cambridge by 2056: a pioneering college for the third millennium. We are dynamic in our approach, developing a unique global impact at the cutting-edge of the academic, professional and commercial worlds.

From its earliest days the College has been pioneering and innovative. The College's Victorian benefactors were unique in admitting women graduates and offering provision for graduate students specifically. Once Cambridge finally admitted women undergraduates the College became an integral part of the drive to develop post-graduate education, as the University expanded the range of post-graduate degrees from the 1960s. During this period the College grew to nearly 400 students and developed its estate, extending the Margaret Wileman Building, building Chancellors' Court, the Centenary building and Fenner's.

By the time it received its Royal Charter in 2006 the College was already developing its distinctive intellectual strengths and reputation as a 'bridge' between academia and the wider world, a nexus of open, transformative practice and research. Since then, it has continued to evolve whilst retaining its tradition of a diverse, friendly atmosphere that rewards fresh thinking. Key developments include the College's growth from 400 to 600 students, the election of a stronger and more diverse Fellowship, and an increase in staff to enhance both academic and pastoral support. Over the last ten years the College has raised more than £2m for scholarships, and expanded its library and study facilities, as well as increasing its student accommodation by over 100 rooms.

As a group, the formal "Fellows" of the College form the Governing Body, the highest authority in the College – they are also the College's charity trustees. However, the broader senior membership, made up of Honorary, Life, and Quondam Fellows, as well as Senior Members, Associates, and Research Associates incorporates a wide range of scholars and professionals into the intellectual and communal life of the College. As a group, referred to collectively as the "senior membership", these individuals represent the core academic, cultural and institutional leadership of the College community.

Hughes Hall is proud of its unique City Fellows scheme, which appoints Fellows who are active in the City of London and other areas of professional life to foster the College's links to the UK business and policy community and to enhance the professional range of the College's senior membership.

An important feature of collegiate life at Hughes Hall is that students and the senior membership mix freely, with no separate provision at regular meals or in the use of the College's recreational facilities. In a distinctive way, fostered by the egalitarian and mature atmosphere of the College, all members, whether student, Fellow or Senior Member, have opportunities to share interests and learn from one another in the relaxed interdisciplinary environment of the College.

Most of the College's senior membership work in highly interdisciplinary ways, and have research interests that cross traditional boundaries and disciplines.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2017

Scope of the financial statements

The consolidated financial statements cover the activities of Hughes Hall, Hughes Hall Ltd, Hughes Hall (Hong Kong) Ltd and the dormant company Elizabeth Phillips Ltd.

Hughes Hall Limited is a wholly owned subsidiary of Hughes Hall and its principal activity is to design and build new residential accommodation at Hughes Hall. The Directors are all trustees of Hughes Hall.

Hughes Hall (Hong Kong) Limited is a wholly owned subsidiary of Hughes Hall, incorporated and domiciled in Hong Kong. Its principal activity is the promotion of learning and education at Hughes Hall, University of Cambridge. It was set up to facilitate the processing of donations from Hong Kong based benefactors.

Hughes Hall (Hong Kong) Ltd is audited separately in Hong Kong by local accountants to satisfy Hong Kong regulations and the Hughes Hall consolidated accounts include the management accounts for Hughes Hall (Hong Kong) Ltd for the period 1 August 2016 to 31 July 2017.

Objectives of the College

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, in conjunction with the University of Cambridge, provides an education for mature undergraduate (those aged 21 and above) and graduate students, which is recognised internationally as being of the highest standard.

This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

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

The College advances research through:

- providing Research Fellowships to outstanding young academics in the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting the research work of its students and Fellows by promoting interaction across disciplines, providing facilities for seminars and developing a community of researchers; and
- fostering academic networking by encouraging visits from outstanding academics as Visiting Fellows and Visiting Scholars.

The College maintains a Library which provides a valuable resource for students and Fellows of the College.

The College admits students who have the highest potential for benefiting from the education provided by the College and the University, regardless of their gender or their financial, social, religious or ethnic background.

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2017

In 2016/17 Hughes Hall had 9 tutors, each with responsibility for a student group. 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. In addition, tutors read termly supervision reports for their students. Tutors then follow up any issues raised.

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.

As part of its strategy of providing the highest standard of education, the College arranged five major lectures in 2016/17 for students, senior members and invited guests. The lectures cover five subject areas: Ogden (Education), Charnley (Law) City (Business), Zimmern (Medical), Kathleen Hughes (Anglo-Saxon, Norse and Celtic). The lectures allow participants to hear distinguished invited speakers from the College and the wider world present engaging, stimulating, and sometimes provocative talks on their areas of expertise.

The College's Development Office works in partnership with the University of Cambridge on the Alumni Weekend in September, staging a variety of events including a lecture and dinner for Hughes alumni. It also holds several alumni gatherings throughout the year and around the world including Hong Kong, Singapore and the United States.

The College hosted a programme of musical events in 2016/17 which included:

- Margaret Wileman Series - early evening formal concerts open to all students and senior members as well as the local community;
- Music in the Pavilion Room – designed to have wider appeal, and particularly to engage the local community;
- Music Cafés – designed specifically to encourage students to participate in informal musical evenings with repertoire across a wide range of styles; and
- Stradivari Trust concerts – given by some of the leading young string soloists and chamber groups currently working in the UK

Funding

The College funds its activities from academic fees, charges for student residences and catering, income from its conferencing business, income from investments and donations. The two most significant ordinary income streams are income from student residences of £2.17m (£1.56m in 2015/16) and fees for graduate students of £1.52m (£1.2m in 2015/16). The College received £0.73m (£1.62m in 2015/16) in donations. The income from investments is relatively modest at £0.30m (£0.27m in 2015/16).

Structure, Governance and Management

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 Officers are accountable to the Governing Body. The Governing Body is constituted and regulated in accordance with the College statutes and is the body responsible for the strategic direction of the College, and its members are the Charity's trustees.

The College Council is delegated responsibility by the Governing Body for all matters relating to the administration of the College. The College Council comprises the President, Vice President, Pro-Vice-President, Senior Tutor, Bursar, Development Director, seven other members of the Governing Body (the latter each elected by the Governing Body for periods of three years) and the President and Secretary of the Middle Common Room (MCR). The Officers of the MCR participate for Unreserved Business. It meets formally twice per term and on other occasions if necessary.

Declarations of interest are made systematically at every meeting of Governing Body and Council.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2017

The College has a number of sub-committees of Governing Body and of Council which are listed in the Governance section of this report. These include Audit Committee and Finance Committee. The responsibilities of Finance Committee include setting the strategy and processes for financial regulation within the College and the Audit Committee is responsible for ensuring that those processes are followed.

The College appoints an Academic Convenor who is responsible for establishing a programme of events to enliven the academic life of the college and to build academic links between junior and senior members.

In 2016/17 Hughes Hall had 629 (597 in 2015/16) fee-paying students across the full range of courses: Bachelors, 1-year postgraduate including Masters, and doctoral courses. Most students were full-time, but approximately 67 were part-time (M Ed, Executive MBA and part-time PhD). For fees purposes the number of students on a full time equivalent basis was 562 in 2016/17 compared to 530 in 2015/16.

The College student body was made up of students of 72 nationalities in 2016/17. The largest groups were British (211), Chinese (52), American (44), Singaporean (24), German (20), Indian (19), Canadian (18), French (15), Malaysian (13), and Hong Kong (12) and Nigerian (10).

Hughes Hall has several funds to assist students with financial support including funds for both Scholarships and Bursaries, Travel Funds and Senior Tutor's Innominate Fund.

Scholarships

Scholarship funds are administered by the Scholarships Committee and are awards made on academic grounds to individual students of the College. In 2016/17 Hughes Hall allocated awards to the value of £38,797 to students of the College and administered awards to the value of £233,100 from external benefactors.

Prizes

In 2016/17 the College awarded prizes for outstanding academic achievement to the value of £2,900 (£2,750 in 2015/16) as follows:

- 11x E.M. Burnett Prizes for Distinction in MAST or First Class in LLM/MCL or in final year BA
- 13x E.M. Burnett Prizes for Merit in MAST or First Class in non-final year BA
- 1x E.M. Burnett Prize for award of a faculty/department prize
- 2x William Charnley Prizes for Law
- 2x Godwin–Raffan Prizes for Medicine and Education
- 1x Lowman Prize for Education

Travel Fund

A travel fund is administered by the Senior Tutor on behalf of and in consultation with other Tutors, with awards normally of £250 per applicant per year. This is for students undertaking a doctorate, a masters or a medical elective, and is occasionally offered to others for whom travel is a requirement of the course. In 2016/17, travel awards totalling £21,628 (£12,275 in 2015/16) were made.

Varsity Sports

For many years Hughes Hall has contributed to the expenses of athletes participating in University of Cambridge sports teams. Previously this was done through the Senior Tutor's Innominate Fund, but in 2016-17 a separate budget line was set up, and Hughes Hall contributed £4,915 to 37 athletes.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2017

Hardship and other grants

There are a number of funds for students experiencing hardship or requiring additional support that are administered by the Senior Tutor. In 2016/17, the amount spent from these funds was £23,164 (£24,776 in 2015/16).

Fundraising and Alumni Relations

The year was dramatically affected by the sudden death of the Development Director, Mr Richard Berg Rust in April 2017. The Development team however continued with his projects including a planned survey of alumni and the employment of a Regular Giving Officer.

The team continued to build on its international alumni groups with overseas meetings. Alumni events were held in London, Hong Kong, Singapore and New York together with a number of successful academic events in College that enabled us to engage both alumni, students and guests in pursuit of our broader objectives.

The fundraising received in the year focused on funding for Research and Travel grants as well as Scholarships and Bursaries.

The College continued to raise funds for Gresham Court with room naming including one in memory of Richard Berg Rust. We continue to encourage the naming of rooms by alumni and others as part of our fund raising efforts. The College has also raised funds for the naming of two of its terraces in the Fenner's building.

The launch of the revitalised website was a welcoming refreshment of our main communications link with students, members and alumni and the inclusion of new images shows the cultural diversity of the College. We are now using and monitoring all the key social media and this aids the development of Student and Alumni engagement with the College as the numbers continue to expand.

Income and Expenditure

For the financial year from 1 August 2016 to 31 July 2017 the Group recorded a surplus of £2.71m (£2.11m in 2015/16). Total income was £5.73m (£4.38m in 2015/16) before donations of £0.73m (£1.62m in 2015/16) and endowment grant of £0.74m (£0.72m in 2015/16).

Within the £5.73m, income from academic fees and charges increased to £2.35m as at 31 July 2017 (£1.78m as at 31 July 2016) as student numbers increased. Income from accommodation and catering for College Members increased to £2.63m (£1.97m in 2016). Income from accommodation and catering for Conference guests increased to £0.35m (£0.27m in 2016). There was £0.40m in investment and other income (£0.37m in 2016).

Ordinary expenditure during the year was £5.25m (£4.30m in 2015/16) which included a £0.39m (£0.22m in 2015/16) charge for depreciation. Capital funding costs were £0.45m (£0.83m in 2015/16).

	2017	2016
	Total	Total
	£	£
Ordinary Income	5,728,099	4,384,386
Ordinary Expenditure	(5,248,538)	(4,304,609)
Surplus on ordinary income	479,561	79,777
Donations received	725,171	1,624,548
Capital Grant from Colleges Fund for endowment	735,000	718,000
Funding costs (including refinancing charge)	(445,324)	(831,663)
Effect of other gains, losses and charges	1,210,973	515,249
Total comprehensive income for the year	2,705,381	2,105,911

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2017

Endowment and investment performance

The College holds investments in two funds, the Endowment Fund and Amalgamated Fund, which are managed by its investment managers, Cazenove Fund Management Ltd. The investment portfolio is monitored and reviewed by the College's Investment Committee, which includes in its membership Fellows and others with significant investment management expertise.

The Endowment Fund was valued at £10.57m (£9.19m in 2015/16) on 31 July 2017 and is invested as permanent capital. The managers have been set target return on Investments of RPI +3% over rolling 5 year periods. To date, the dividends have been re-invested for growth.

The Amalgamated Fund was valued at £4.96m (£4.56m in 2015/16) on the 31 July 2017 and comprises a number of individual investments (some Restricted some Unrestricted) as general reserves. The managers have been set target return on Investments of RPI +3% over rolling 5 year periods. It is intended to maintain the real value of the fund by drawing down up to 3% of the return to subsidize research fellows, assist students in genuine hardship and offer travel grants and bursaries.

Total funds held by Cazenove at 31 July 2017 were £15.53m (£13.75m in 2015/16)

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.

Capital Expenditure

The College is actively seeking to improve its provision for accommodating students. It is doing this by increasing the number of rooms available as well as improving the quality of accommodation provided. In September 2016 the College opened Gresham Court, an 85 bedroom student accommodation building adjacent to the main College site. The opening of Gresham Court represents an important milestone in the development of Hughes Hall. Occupying a prominent site on the historic sporting space of Fenner's opposite the main College buildings, the new building is linked by a pathway across Fenner's which runs to the Pavilion Room garden. The main façade on Gresham Road provides the College with a significant public frontage for the first time in its 131 year history, greatly enhancing its physical presence in Cambridge as well as enriching its academic community. The new facility includes fourteen spacious kitchen dining rooms and a comfortable and well-equipped study centre for the building's residents.

In 2017 the College undertook improvements to its Chancellor's Court accommodation, replacing the electrical heating system with more efficient gas boilers and installing new kitchen areas. In the Centenary Building new kitchens were installed and the bedrooms were redecorated throughout that accommodation. The College continued with its programme to improve facilities in its external houses, ensuring that these homes for students provide comfortable, well-maintained accommodation.

As at 31 July 2017 the College had 385 rooms available to students to rent. 290 rooms were in buildings on the central college site surrounding the cricket field, and a further 95 were in houses or developments owned or managed by the College and located in the residential streets in the local area.

Reserves Policy

As the College intends to continue to pursue its objectives in perpetuity, it views its investments strategically over the long term. The principal aim is to protect and maintain the real value of its permanent corporate and trust capital, and to continue to increase its unrestricted funds and reserves as much as possible over that extended period, whilst seeking an equitable funding balance between the interests and aspirations of present members and those yet to come, and the retention of an ability to cope with sudden unforeseen financial upheavals and opportunities.

In order to achieve this objective, the College sets strategies for its two funds, the Endowment and Amalgamated Funds. The Endowment Fund is invested for long-term growth helping to protect the future of the College. 3% of the Amalgamated Fund is available to draw down each year to support the aims of the College and the remainder is held in reserves to cover possible variations in income.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2017

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.

Remuneration Policy

No Trustee receives any remuneration, or any other benefit, for acting as a trustee of the College. Trustees only receive out-of-pocket expenses, incurred in the course of carrying out their duties as trustees. Outside of their role as a Trustee of the College, the President and any Fellow of the College may receive such remuneration and any other benefits in respect of any employment, or College Office or College Post, or other post or appointment, as the College's Ordinances authorise.

The College has a Remuneration Committee made up of five non-conflicted trustees. The Remuneration Committee acts as an independent advisory body to the Governing Body. The Remuneration Committee is charged with the scrutiny and management of College policies on remuneration and benefits payable to the President and Fellows of the College.

The Remuneration Committee makes recommendations to the Governing Body in respect of:

- (a) remuneration and benefit policies;
- (b) salary and stipend scales;
- (c) honoraria, including bonuses;
- (d) terms and conditions of employment; and
- (e) any scheme of allowances and benefits.

Details of remuneration for key management personnel are outlined on page 27. Details of related party transactions with trustees are outlined on page 40.

Principal risks and uncertainties

The Governing Body 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 student financing;
- reduction in income or increase in costs resulting from the UK's departure from the European Union;
- 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 investment assets; and
- an uncertain economic and financial environment putting pressure on the College's ability to raise development funds.

The College constantly monitors these risks looking at ways to mitigate the effect on the College's financial position.

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2017

Plans for the future

Hughes Hall is harnessing its potential for global impact in a number of crucial ways, including the upcoming launch of The Bridge, a strategic initiative to provide support to researchers, both students and Fellows, when they seek to translate research into policy, practice or products. The Bridge will not be an addendum to Hughes Hall, but a vibrant centrepiece to which all research students and Senior Members can find appropriate connection. The Bridge will complement the two existing Study Centres: Oracy@Cambridge (the Hughes Hall Centre for Effective Spoken Communication) and the Cambridge Centre for Digital Innovation. The College expects that these new hubs of academic and professional innovation will have a wide-reaching influence, drawing global attention to Hughes Hall.

The College plans to ensure that its physical infrastructure matches and facilitates its aspirations. It aims to do this initially by extending and refurbishing accommodation and public spaces, building a Porters' Lodge to provide a safer and more welcoming environment for students and visitors and providing study rooms for Fellows.

In the short term, the College has the following priorities:

- **Academic** Develop a distinctive academic profile for the college as it continues to grow, based on translation of research into practice in our focus areas, building on previous initiatives to attract, develop and support all members of the academic community;
- **Operations** Continue to strengthen the finances and operations; so that we have the executional capability, financial strength and strategic adaptability to take advantage of the opportunities we identify.

Estates

Prepare for a potential expansion of College over the next 50 years, by developing a long-term vision of College grounds and buildings commensurate with our strategy, while simultaneously ensuring the current buildings are refurbished as required in the shorter-term;

- **Development** Refine the fund-raising priorities with the new Development Director in light of recent success and changes in the fund-raising environment and bring in new major donors and increase participation of small donors; and

Communications Build our profile by communicating our distinctive nature, and connecting better with potential and current students, academics, the University and the outside world.

Corporate Governance

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137471) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2017

3. The Governing Body members are advised in carrying out its duties by a number of Committees:

Admissions Committee
Audit Committee
Development Strategy Group
Estates Committee
Fellowships Committee
Finance Committee
Governance Committee
House Committee
Investments Committee
Prevent Committee
Remuneration Committee
Scholarships Committee
Staff Strategy Committee
Study Centres Committee

All Committees meet at least twice per academic year.

4. The principal officers of the College are: Dr A Freeling (President), Mrs V Espley (Bursar) and Dr P Johnston (Senior Tutor).
5. It is the duty of the Audit Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Governing Body on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Audit Committee consists of Mr N Brown, Dr M Bellamy, Dr S Melville, Dr K Sengupta, Mr W Charnley and Mr N Gray.
6. There are Registers of Interests of Trustees, the Finance Committee and of the Audit Committee. Declarations of interest are made systematically at meetings.
7. The College's Trustees during the year ended 31 July 2017 are set out on page 3.

Statement of Internal Control

1. Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.
3. The systems of internal control are designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 31 July 2017 and up to the date of approval of the financial statements.
4. Governing Body is responsible for reviewing the effectiveness of the system of internal control. In 2016 Governing Body agreed to the implementation of a new internal audit process. This is being developed through Audit Committee.
5. Governing Body's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2017

of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

6. The College's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:
- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Finance Committee;
 - regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
 - setting targets to measure financial and other performance;
 - clearly defined purchasing (asset purchase or capital investment) guidelines;
 - delegation of authority and segregation of duties; and
 - identification and management of risks.

Responsibilities of the Governing Body

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 members of Governing Body are 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.

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.

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.



Dr. A Freeling
Member of College Council and Governing Body
Date: 29.11.2017

HUGHES HALL

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF HUGHES HALL FOR THE YEAR ENDED 31 JULY 2017

Opinion

We have audited the financial statements of Hughes Hall for the year ended 31 July 2017 which comprise the Statement of principal Accounting Policies, the Consolidated Income and Expenditure Account, the Consolidated and College Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 31 July 2017, and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education; and
- 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.

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 annual report, 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.

HUGHES HALL

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF HUGHES HALL (continued) FOR THE YEAR ENDED 31 JULY 2017

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 Trustees' annual report is inconsistent in any material respect with the financial statements;
- sufficient accounting records have not been kept;
- 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.

Responsibilities of trustees

As explained more fully in the Responsibilities of the Governing Body, set out in the Trustee's Report, the Governing Body are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Governing Body 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 Governing Body is 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 Governing Body 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 the Charities Act 2011, s. 144 and report in accordance with regulations made under section 154 of that Act, in accordance with the College's Statutes and the Statutes of the University of Cambridge. 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.



Price Bailey LLP
Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date 15 December 2017

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

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 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 2015 (the SORP) and with Financial Reporting Standard FRS102 (FRS102).

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 7.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and certain operational properties which is 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.

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. Charitable donations are recognised on receipt or when the College is entitled to the income and the value can be measured reliably. 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.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2017

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.

Other income

Income is received from a range of activities including residences, catering conferences and other services rendered and is recognised in the period in which the goods or services are delivered

Cambridge Bursary Scheme

In 2016-17, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). The College reimbursed the SLC for the full amount and the University of Cambridge and other Colleges paid their shares to the College.

Each College shows the gross payment made to eligible students within education expenditure and the contribution from the University and other Colleges as income within academic fees and charges.

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 comprehensive income and expenditure for the financial year.

Fixed assets

Land and buildings

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to 1 August 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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. Freehold buildings are depreciated on a straight line basis over their expected useful lives of 70 years.

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.

The cost of additions to operational property shown in the balance sheet includes the cost of land. 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	20.0% per annum
Kitchen equipment	12.5% per annum
Computer equipment	20.0% per annum

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2017

Leased assets

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 holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1 August 2014 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis.

Investments

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

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 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. 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.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2017

Pension costs

Universities Superannuation Scheme (USS)

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

FRS 102 makes the distinction between a Group 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 that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The Governing Body is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. There are no current member of staff in the 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.

Other pension schemes

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.

Critical accounting estimates and areas of judgement include investments (as noted earlier)

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In order to calculate the discounted pension liability the College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the USS and CCFPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2014 has been used by the actuary in valuing the pensions liability at

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2017

31 July 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

Going concern

The Group's activities and financial position, together with the factors likely to affect its future development, performance and position, are set out in the Operating and Financial Review which forms part of the Annual Report. The Governing Body has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

HUGHES HALL

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 JULY 2017

	Note	2017			2016				
		Unrestricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Endowment £	Total £
Income									
Academic fees and charges	1	2,314,508	39,541	-	2,354,049				1,775,565
Residences, catering and conferences	2	2,974,996	-	-	2,974,996				2,235,025
Investment income	3	239,149	57,395	-	296,544				271,140
Other income		102,510	-	-	102,510				102,656
Total income before donations and endowments		5,631,163	96,936	-	5,728,099				4,334,429
Donations									
Legacy Donations		175,800	549,371	-	725,171				359,701
Capital grant from Colleges Fund		-	-	735,000	735,000				149,870
Total income		5,806,963	646,307	735,000	7,188,270				4,844,000
Expenditure									
Education	4	2,404,289	264,934	-	2,669,223				2,052,101
Residences, catering and conferences	5	2,579,315	-	-	2,579,315				2,034,555
Other expenditure	6	366,102	96,250	-	462,352				500,560
Total expenditure before exceptional item	7	5,349,706	361,184	-	5,710,890				4,587,216
Exceptional item	25	-	-	-	-				424,678
Total expenditure after exceptional item		5,349,706	361,184	-	5,710,890				5,011,894
Surplus/(deficit) before other gains and losses		457,257	285,123	735,000	1,477,380				(167,894)
Gain on investments	10	1,170,630	19,251	100,355	1,290,236				633,720
Surplus for the year		1,627,887	304,374	835,355	2,767,616				465,826
Other comprehensive income									
Actuarial (loss) / gain in respect of pension schemes	21	(62,235)	-	-	(62,235)				24,695
Total comprehensive income for the year		1,565,652	304,374	835,355	2,705,381				490,521
									870,951
									744,439
									2,105,911

HUGHES HALL

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2017

Group	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted	Restricted	Endowment		
	£	£	£	£	£
Balance at 1 August 2016	22,925,604	1,792,118	4,065,241	10,097,103	38,880,066
Surplus from income and expenditure statement	1,627,887	304,374	835,355	-	2,767,616
Other comprehensive income	(62,235)	-	-	-	(62,235)
Other transfers	1,055,876	(1,055,876)	-	-	-
Balance at 31 July 2017	25,547,132	1,040,616	4,900,596	10,097,103	41,585,447

College	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted	Restricted	Endowment		
	£	£	£	£	£
Balance at 1 August 2016	22,958,144	1,792,118	4,065,241	10,097,103	38,912,606
Surplus from income and expenditure statement	2,018,351	101,820	835,355	-	2,955,526
Other comprehensive income	(62,235)	-	-	-	(62,235)
Other transfers	1,068,155	(1,068,155)	-	-	-
Balance at 31 July 2017	25,982,415	825,783	4,900,596	10,097,103	41,805,897

Group	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted	Restricted	Endowment		
	£	£	£	£	£
Balance at 1 August 2015	22,401,490	920,659	3,354,903	10,097,103	36,774,155
Surplus- from income and expenditure statement	465,826	870,951	744,439	-	2,081,216
Other comprehensive income	24,695	-	-	-	24,695
Other transfers	33,593	508	(34,101)	-	-
Balance at 31 July 2016	22,925,604	1,792,118	4,065,241	10,097,103	38,880,066

College	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted	Restricted	Endowment		
	£	£	£	£	£
Balance at 1 August 2015	22,075,241	920,659	3,354,903	10,097,103	36,447,906
Surplus from income and expenditure statement	824,615	870,951	744,439	-	2,440,005
Other comprehensive income	24,695	-	-	-	24,695
Other transfers	33,593	508	(34,101)	-	-
Balance at 31 July 2016	22,958,144	1,792,118	4,065,241	10,097,103	38,912,606

The notes on pages 25 to 40 form part of these accounts.

HUGHES HALL

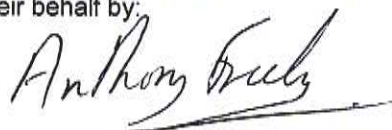
CONSOLIDATED AND COLLEGE BALANCE SHEET

AS AT 31 JULY 2017

		2017	2017	2016	2016
		Consolidated	College	Consolidated	College
	Note	£	£	£	£
Non-Current Assets					
Fixed assets	9	37,786,337	38,230,597	37,187,260	37,597,352
Investments	10	12,222,705	12,222,705	11,937,262	11,937,262
Current Assets					
Stocks	11	18,088	18,088	88,221	18,769
Trade and other receivables	12	437,887	370,679	576,937	182,763
Cash and cash equivalents	13	4,397,210	4,170,673	2,497,552	2,419,124
Creditors: amounts falling due within one year	14	(1,825,022)	(1,755,087)	(2,006,973)	(1,842,471)
Net current assets		3,028,163	2,804,353	1,155,737	778,185
Total assets less current liabilities		53,037,205	53,257,655	50,280,259	50,312,799
Creditors: amounts falling due after more than one year	15	(11,160,830)	(11,160,830)	(11,172,832)	(11,172,832)
Provisions					
Pension provisions		(290,928)	(290,928)	(227,361)	(227,361)
				-	-
Total net assets		41,585,447	41,805,897	38,880,066	38,912,606
Restricted reserves					
Income and expenditure reserve – endowment reserve	16	4,900,596	4,900,596	4,065,241	4,065,241
Income and expenditure reserve – restricted reserve	17	1,040,616	825,783	1,792,118	1,792,118
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		25,547,132	25,982,415	22,925,604	22,958,144
Revaluation reserve		10,097,103	10,097,103	10,097,103	10,097,103
Total Reserves		41,585,447	41,805,897	38,880,066	38,912,606

The accompanying notes on pages 25 to 40 are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 29 November 2017 and signed on their behalf by:



Dr A Freeling
Member of College Council and Governing Body

HUGHES HALL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2017

		2017	2016
	Note	£	£
Net cash inflow from operating activities	18	2,090,794	2,520,060
Cash flows from investing activities	19	297,964	(8,788,335)
Cash flows from financing activities	20	(489,100)	1,527,666
Increase/(decrease) in cash and cash equivalents in the year		1,899,658	(4,740,609)
Cash and cash equivalents at beginning of the year		2,497,552	7,238,161
Cash and cash equivalents at end of the year	13	4,397,210	2,497,552

The notes on pages 25 to 40 form part of these accounts

HUGHES HALL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2017

1. Academic fees and charges

	2017 £	2016 £
College Fees		
Fee income received at the Regulated Undergraduate rate	280,125	267,750
Fee income received at the Unregulated Undergraduate rate	319,200	283,500
Fee income received at the Graduate rate	1,519,169	1,209,315
	<u>2,118,494</u>	<u>1,760,565</u>
Other income		
Research Fellow Support	27,541	-
Bursaries	196,014	15,000
Teaching and Other Income	12,000	-
	<u>2,354,049</u>	<u>1,775,565</u>

2. Residences, catering and conference income

	2017 £	2016 £
Accommodation		
College members	2,173,070	1,556,893
Conferences (including meeting rooms)	147,294	161,124
Catering		
College Members and staff	453,565	408,518
Conferences	201,067	108,490
	<u>2,974,996</u>	<u>2,235,025</u>

3. Investment income

	Total 2017 £	Total 2016 £
Income from:		
Freehold land and buildings	43,074	29,987
Quoted securities	251,762	233,202
Income from short-term investments	1,708	7,951
	<u>296,544</u>	<u>271,140</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

4. Education expenditure

	2017 £	2016 £
Teaching	1,525,344	1,365,451
Tutorial	397,959	364,886
Admissions	206,037	202,029
Research	83,695	72,955
Scholarships and awards	310,155	131,301
Other educational facilities	146,033	133,432
Total (Note 7)	<u>2,669,223</u>	<u>2,270,054</u>

5. Residences, catering and conferences expenditure

		2017 £	2016 £
Accommodation	College members	1,678,496	1,305,052
	Conferences (including meeting rooms)	222,613	179,026
Catering	College Members and staff	596,394	493,608
	Conferences	81,812	56,869
Total (Note 7)		<u>2,579,315</u>	<u>2,034,555</u>

6. Other expenditure

	2017 £	2016 £
Loan interest	112,426	74,094
Bond interest	332,898	332,891
Other expenditure	17,028	174,556
Total (Note 7)	<u>462,352</u>	<u>581,541</u>

7a. Analysis of 2017 expenditure by activity

	Staff costs (Note 8) £	Other Operating Expenses £	Depreciation £	Total £
Education (Note 4)	1,135,287	1,533,936	-	2,669,223
Residences, catering and conferences (Note 5)	783,478	1,402,136	393,701	2,579,315
Other (Note 6)	-	462,352	-	462,352
Total	<u>1,918,765</u>	<u>3,398,424</u>	<u>393,701</u>	<u>5,710,890</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

7b. Analysis of 2016 expenditure by activity

	Staff costs (Note 8) £	Other Operating Expenses £	Depreciation £	Total £
Education (Note 4)	1,039,251	1,230,803	-	2,270,054
Residences, catering and conferences (Note 5)	775,613	1,019,861	239,081	2,034,555
Other (Note 6)	-	581,541	-	581,541
Total	1,814,864	2,832,205	239,081	4,886,150

Fundraising costs amounted to £238,105 (2016: £246,786). This expenditure includes £34,440 (2016: £29,025) towards the costs of alumni relations.

7c. Auditors remuneration

Other operating expenses include:	2017 £	2016 £
Audit fees payable to the College's external auditors	16,800	12,500
Other fees payable to the College's external auditors	8,112	27,778
Total	24,912	40,278

8. Staff costs

	College Fellows 2017 £	Academic 2017 £	Non Academic 2017 £	Total 2017 £	Total 2016 £
Staff costs:					
Emoluments	351,789	135,807	1,209,544	1,697,140	1,598,101
Social Security costs	35,067	9,577	78,849	123,493	117,923
Other pension costs (see note 21)	56,374	6,146	35,612	98,132	98,840
	443,230	151,530	1,324,005	1,918,765	1,814,864

Average number of staff (full time equivalents):

Academic	11	11
Non-academic	40	37
	51	48

At 31 July 2017 The Governing Body comprised of 55 Fellows (excluding the President) of which 7 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.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. During the year there were 4 (2016: 4) members of the key management team and total remuneration and benefits were £260,673 (2016: £282,942).

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

9. Tangible assets

Group	Freehold land and buildings	Assets under construction	Fixtures, fittings & Equipment	Kitchen equipment	Total
	£	£	£	£	£
Cost/valuation					
At 1 August 2016	27,971,078	12,033,658	813,656	15,489	40,833,881
Additions	-	916,863	78,850	7,659	1,003,372
Transfer	12,950,521	(12,950,521)	-	-	-
At 31 July 2017	40,921,599	-	892,506	23,148	41,837,253
Accumulated depreciation					
At 1 August 2016	2,886,104	-	745,028	15,489	3,646,621
Charge for the year	370,655	-	32,108	1,532	404,295
At 31 July 2017	3,256,759	-	777,136	17,021	4,050,916
Net book value					
At 31 July 2017	37,664,840	-	115,370	6,127	37,786,337
At 31 July 2016	25,084,974	12,033,658	68,628	-	37,187,260
College					
	£	£	£	£	£
Cost/valuation					
At 1 August 2016	27,971,078	12,443,752	813,656	15,489	41,243,975
Additions	-	951,031	78,850	7,659	1,037,540
Transfer	13,394,783	(13,394,783)	-	-	-
At 31 July 2017	41,365,861	-	892,506	23,148	42,281,515
Accumulated depreciation					
At 1 August 2016	2,886,106	-	745,028	15,489	3,646,623
Charge for the year	370,655	-	32,108	1,532	404,295
At 31 July 2017	3,256,761	-	777,136	17,021	4,050,918
Net book value					
At 31 July 2017	38,109,100	-	115,370	6,127	38,230,597
At 31 July 2016	25,084,972	12,443,752	68,628	-	37,597,352

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

9. Tangible assets (continued)

The insured value of freehold land and buildings as at 31 July 2017 was £33,040,688 (2016: £36,622,002)

The consolidated cost of freehold buildings and assets in construction consists of the costs incurred by the College less the surplus recorded in the accounts of Hughes Hall Limited, a subsidiary undertaking, and eliminated on consolidation.

10. Investments – College and Group

	2017 £	2016 £
As at 1 August 2016	11,937,262	12,314,398
Additions	1,107,500	2,735,702
Disposal proceeds	(2,106,363)	(3,772,582)
Gain	1,290,236	665,110
Decrease in cash balances held at fund managers	(5,930)	(5,366)
As at 31 July 2017	12,222,705	11,937,262
Represented by:		
Quoted securities - equities	12,222,705	11,937,262
	<u>12,222,705</u>	<u>11,937,262</u>

11. Stocks and work in progress

	Group 2017 £	College 2017 £	Group 2016 £	College 2016 £
Goods for resale	13,188	13,188	14,490	14,490
Work in progress	-	-	69,452	-
Other stocks	4,900	4,900	4,279	4,279
	<u>18,088</u>	<u>18,088</u>	<u>88,221</u>	<u>18,769</u>

12. Trade and other receivables

	Group 2017 £	College 2017 £	Group 2016 £	College 2016 £
Members of the College	240,172	240,172	78,819	78,819
Other receivables	109,416	42,209	479,501	85,327
Prepayments and accrued income	88,299	88,298	18,617	18,617
Total	437,887	370,679	576,937	182,763

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

13. Cash and cash equivalents

	Group 2017 £	College 2017 £	Group 2016 £	College 2016 £
Short-term money market investments	3,621,370	3,621,370	2,119,827	2,119,827
Bank deposits	28,952	28,952	28,934	28,934
Current accounts	745,094	518,557	348,461	270,033
Cash in hand	1,794	1,794	330	330
Total	4,397,210	4,170,673	2,497,552	2,419,124

14. Creditors: amounts falling due within one year

	Group 2017 £	College 2017 £	Group 2016 £	College 2016 £
Bank loan	156,197	156,197	295,400	295,400
Trade creditors	259,915	259,915	224,141	197,854
Members of the College	71,188	71,188	138,674	138,674
Amounts due to subsidiary undertakings	-	-	-	381,119
University fees	734,248	734,248	560,663	560,663
Other taxes and social security	71,291	71,291	55,004	55,004
Accruals and deferred income	532,183	462,248	733,091	213,757
Total	1,825,022	1,755,087	2,006,973	1,842,471

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

	Group 2017 £	College 2017 £	Group 2016 £	College 2016 £
Bank loan and overdrafts	3,660,830	3,660,830	3,672,832	3,672,832
Private Placement Bonds	7,500,000	7,500,000	7,500,000	7,500,000
	11,160,830	11,160,830	11,172,832	11,172,832

Loan

The College restructured its loan arrangements, a new loan facility with Lloyds Bank and refinancing the previous loan with AIB into the new facility in 2016. The Lloyds facility allowed the College to purchase new student accommodation near to the main site. See note 25.

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.

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

16. Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent endowments £	Unrestricted permanent endowments £	2017 Total £	2016 Total £
Group and College				
Balance at beginning of year	1,565,796	2,499,445	4,065,241	3,354,903
New donations and endowments	-	735,000	735,000	718,000
Increase / (decrease) in market value of investments	100,355	-	100,355	26,439
Transfer between funds	-			(34,101)
Balance at end of the year	1,666,151	3,234,445	4,900,596	4,065,241
Analysis by type of purpose:				
Fellowship fund	44,787	-	44,787	42,225
Student support funds	451,371	-	451,371	425,548
Scholarship	1,084,993	-	1,084,994	1,013,023
Other funds	85,000	-	85,000	85,000
General endowments	-	3,234,445	3,234,445	2,499,445
	1,666,151	3,234,445	4,900,596	4,065,241
Analysis by asset				
Property			1,781,445	1,781,445
Investments			3,119,151	2,283,796
Cash			-	-
			4,900,596	4,065,241

HUGHES HALL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

17. Restricted Reserves

Reserves with restrictions are as follows:

Group

	Capital grants unspent £	Restricted income £	Restricted expendable endowment £	2017 Total £	Restate 2016 Total £
Balance at beginning of year	100,000	-	1,692,118	1,792,118	920,659
New donations	-	266,508	282,863	549,371	1,114,977
Investment income	-	-	57,395	57,395	49,957
Increase in market value of investments	-	-	19,251	19,251	4,951
Expenditure	-	(22,739)	(298,904)	(321,643)	(298,934)
Transfer	(100,000)	62,278	(1,018,154)	(1,055,876)	508
Balance at end of year	-	306,047	734,569	1,040,616	1,792,118

Analysis of other restricted funds/donations by type of purpose:

Fellowship Funds	-	-	11,863	11,863	11,526
Scholarship Funds	-	-	428,040	3,868	446,213
Prize Funds	-	-	18,895	18,895	18,283
Student Support Funds	-	-	131,541	131,541	123,950
Travel Funds	-	-	(177)	423,995	2,184
Other Funds	-	235,251	144,407	379,658	1,189,962
Study Centres	-	70,796	-	70,796	
	-	306,047	734,569	1,040,616	1,792,118

Analysis by asset

Property				-	946,124
Investments				305,451	242,240
Cash				735,165	603,754
				1,040,616	1,792,118

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

17. Restricted Reserves (continued)

College

	Capital grants unspent £	Restricted income £	Restricted expendable endowment £	2017 Total £	Restate 2016 Total £
Balance at beginning of year	100,000	-	1,692,118	1,792,118	920,659
Prior year adjustments	-	-	-	-	-
Capital grant	-	-	-	-	-
New donations	-	63,952	282,864	346,816	1,114,977
Investment income	-	-	57,395	57,395	49,957
Increase/(decrease) in market value of investments	-	-	19,251	19,251	4,951
Expenditure	-	(22,738)	(298,904)	(321,642)	(298,934)
Transfer	(100,000)	50,000	(1,018,155)	(1,068,155)	508
Balance at end of year	-	91,214	734,569	825,783	1,792,118
Analysis of other restricted funds/donations by type of purpose:					
Fellowship Funds	-	-	11,863	11,863	11,526
Scholarship Funds	-	-	3,868	3,868	65,296
Prize Funds	-	-	18,895	18,895	18,283
Student Support Funds	-	-	131,541	131,541	123,950
Bursary Funds	-	-	423,995	423,995	383,101
Other Funds	-	20,418	144,407	164,825	1,189,962
Study Centres	-	70,796	-	70,796	-
	-	91,214	734,569	825,783	1,792,118
Analysis by asset					
Property				-	946,124
Investments				305,451	242,240
Cash				520,332	603,754
				825,783	1,792,118

The transfer from the Restricted funds to the General Reserve largely relates to the donations received of £1,018,155 for the Gresham Court. As the Gresham Court is fully completed, the restriction attached to the fund has been discharged and this fund has been transferred to the unrestricted General Reserve.

The transfer of £50,000 from the unrestricted General Reserve to Restricted Reserve relates to the agreed funding for two Study Centres described on page 11.

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

18. Reconciliation of consolidated surplus for the year to net cash inflow from operating activities

	2017 £	2016 £
Surplus for the year	2,705,381	2,105,911
Adjustment for non-cash items:		
Depreciation	404,295	239,081
Gain on endowments	(1,290,236)	(665,110)
Decrease in stock	70,133	272,482
Decrease / (Increase) in debtors	139,051	(314,459)
(Decrease) / Increase in creditors	(150,176)	300,869
Decrease in provisions	63,567	20,762
Adjustment for investing or financing activities:		
Investment Income	(296,544)	(271,140)
Loan interest payable	112,426	498,773
Bond interest payable	332,898	332,891
Net cash inflow from operating activities	2,090,794	2,520,060

19. Cash flows from investing activities

	2017 £	2016 £
Non current investment disposal	2,106,363	3,772,582
Investment income	296,544	271,140
Endowment funds invested	(1,107,500)	(2,735,702)
Withdrawal of deposits	5,929	5,366
Payments to acquire tangible fixed assets	(1,003,372)	(10,101,721)
Net cash inflow / (outflow) from investing activities	297,964	(8,788,335)

20. Cash flows from financing activities

	2017 £	2016 £
Loan interest paid	(112,426)	(498,773)
Bond interest paid	(332,898)	(332,891)
New secured loans	-	4,000,000
Repayment of amounts borrowed	(43,776)	(1,640,670)
Net cash (outflow) / inflow from financing activities	(489,100)	1,527,666

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

21. Pension Schemes

Universities Superannuation Scheme (USS)

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

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

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

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

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

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

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% 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%

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

21. Pension Schemes (continued)

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme.

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 based on results at 30 June and not considered to be materially different to values at 31 July. These are as follows:

	30 June 2017 % p.a.	30 June 2016 % p.a.
Discount rate	2.6	2.8
Increase in salaries	2.85	2.4 *
Retail Prices Index (RPI) assumption	3.35	2.9
Consumer Prices 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% p.a.)	1.85	1.7

* 1.5% in 2016, 2.4% thereafter

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

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2016 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2016: S2PA with CMI_2015 future improvement factors and a long-term future improvement rate of 1.0% p.a.). This results in the following life expectancies:

- Male age 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 has a life expectancy of 25.4 years (previously 25.4 years).

Employee Benefit Obligations:

The amounts recognised in the Balance Sheet as at 31 July are as follows:

	30 June 2017 £	30 June 2016 £
Present value of plan liabilities	(810,977)	(709,435)
Market value of plan assets	600,982	563,403
Net defined benefit liability	<u>(209,995)</u>	<u>(146,032)</u>

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

21. Pension Schemes (continued)

The amounts recognised in income and expenditure are as follows:

	30 June 2017 £	30 June 2016 £
In staff costs:		
Current service cost (net of employee contributions)	7,079	14,889
In endowment and investment income:		
Interest cost	4,179	6,332
Net return	<u>11,258</u>	<u>21,221</u>
Actual return on Scheme assets	<u><u>77,017</u></u>	<u><u>83,134</u></u>

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

	30 June 2017 £	30 June 2016 £
Present value of Scheme liabilities at beginning of the year	709,435	654,756
Service cost (including employee's contributions)	3,320	17,887
Interest cost	19,273	23,987
Actuarial losses (gains)	122,389	40,784
Benefits paid	(43,440)	(27,979)
Present value of Scheme liabilities at end of the year	<u><u>810,977</u></u>	<u><u>709,435</u></u>

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

	30 June 2017 £	30 June 2016 £
Market value of Scheme assets at beginning of year	563,403	486,344
Expected return	61,923	65,479
Interest on plan assets	15,094	17,655
Contributions by the College	9,530	18,906
Employee contributions	-	2,998
Benefits paid	(48,968)	(27,979)
Market value of Scheme assets at end of year	<u><u>600,982</u></u>	<u><u>563,403</u></u>

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

21. Pension Schemes (continued)

The major categories of Scheme assets as a percentage of total Scheme assets for the year is as follows:

	2017	2016
Equities	67%	59%
Bonds and cash	27%	35%
Property	6%	6%

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

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) is as follows:

	2017	2016
	£	£
Actual return less expected return on plan assets	61,923	65,479
Experience gains and losses arising on plan liabilities	(57,004)	1,872
Changes in assumptions underlying the present value of plan liabilities	(67,154)	(42,656)
Actuarial gain recognised in OCI	(62,235)	24,695

Movement in deficit is as follows:

	2017	2016
	£	£
Deficit in Scheme at beginning of the year	(146,032)	(168,412)
Recognised in Profit and Loss	(11,258)	(21,221)
Contributions by the College	9,530	18,906
Actuarial gain/(loss) recognised in OCI	(62,235)	24,695
Deficit in Scheme at end of the year	(209,995)	(146,032)

Funding Policy

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as 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 actuarial 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 3 June 2015 and are as follows:

Annual contributions of not less than £6,111 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.

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

21. Pension Schemes (continued)

Stakeholder Scheme

The College also operates a defined contribution scheme under the stakeholder rules for employees. The pension charge for the year was £42,787 (2016: £32,767).

The total pension cost for the College for the year to 31 July 2017 (see note 8) was as follows:

	2017 £	2016 £
USS: Employer contributions	57,598	57,271
CCFPS: Charged to Income and Expenditure Account	-	8,802
Stakeholder Scheme: Employer contributions	40,534	32,767
	<u>98,132</u>	<u>98,840</u>

22. Financial Commitments

	2017 £	2016 £
Capital commitments		
Authorised by the Governing Body and contracted for the development project	-	850,868
	<u>-</u>	<u>850,868</u>

23. Subsidiary Undertakings

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 2017, HHL had net assets totalling £nil (2016: net assets: £nil) and the profit for the year then ended was £nil (2016: £ nil).

At 31 July 2017, HHHKL had net assets totalling £223,807 (2016: £22,003) and the profit after tax for the year then ended was £203,972 (loss after tax 2016: £347,583).

At 31 July 2017, EPHHC has reserves of £nil and had no profit or loss for the year then ended.

Below is the summary activity of each subsidiary undertaking:

Undertaking	Activity	Incorporation	%
Hughes Hall Limited (HHL)	Design and build of new residential accommodation	United Kingdom	100%
Hughes Hall (Hong Kong) Limited (HHHKL)	Providing advancement and promotion of learning and education at Hughes Hall, University of Cambridge	Hong Kong	100%
Elizabeth Phillips Hughes Hall Company (EPHHC)	Dormant	United Kingdom	100%

HUGHES HALL

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2017

24. Related Party Transactions

During the year property rentals were paid to one Fellow of the College totalling £95,851 (2016: £94,248). Also during the year 3 Trustees waived their right to remuneration totalling £51,429 (2016: 3 Trustees waived £50,266). The cost of the salaries have been included within these accounts and a matching donation shown within income.

No disclosure of transactions with Hughes Hall Limited or Hughes Hall Hong Kong Limited has been made as those financial statements at 31 July 2017 have been consolidated.

25. Exceptional item

During the year 2015/16, the College refinanced the AIB loan with Lloyds Bank. The AIB loan was redeemed and repaid in full. As a result, a one-off breakage cost of £424,678 was incurred during the year.

