



**TRINITY HALL
CAMBRIDGE**

ACCOUNTS FOR THE YEAR ENDED

30 June 2008

TRINITY HALL
Index to the accounts
For the Year Ended 30 June 2008



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TRINITY HALL
Governing Body and Advisers
For the Year Ended 30 June 2008



Governing Body

Master: Professor Martin Daunton
Bursar: Mr Paul ffolkes Davis
Senior Tutor: Dr Nick Bampos

Professor Colin Austin	Dr John Bradley	Mr Oliver Williams
Mr David Fleming	Dr Clare Jackson	Dr William O'Reilly
Professor Tom Körner	Dr Jan Schramm	Dr Isabelle McNeill
Dr Peter Hutchinson	Dr Louise Haywood	Dr Lucia Prauscello
Dr Christopher Padfield	Revd Dr Jeremy Morris	Mr Heiko Ziebell
Professor Paul Julian Smith	Dr Cristiano A Ristuccia	Dr Teresa Shawcross
Professor Alison Liebling	Dr Ian B Wilkinson	Mr Frederik Tilman
Professor Michael Kelly	Dr Graham Pullan	Dr Albert Guillen i Fabrigas
Dr Simon Guest	Dr Richard Miles	Miss Lejla Demiri
Dr Mike Hobson	Dr Matthew D Conaglen	Dr Anne-Sophie Kaloghiros
Professor John Clarkson	Dr John F Pollard	Dr Patricia Londono
Professor James Montgomery	Dr Kylie Richardson	Dr Jane Partner
Dr Florian Hollfelder	Dr Jerome Jarrett	Dr Ciara Fairley
Dr Drew Milne	Dr David Runciman	Mr Martin Ruehl
Professor Brian Cheffins	Dr Tadashi Tokieda	Dr Lorand Bartels
Dr Simon Moore	Dr Nigel Chancellor	Dr Damien Crowther
Dr Vasant Kumar	Dr Edmund R S Kunji	Dr Andrew Murray
Mr Angus Johnston	Mr Francois-David Todd	

Auditors

Chater Allan LLP
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

Bankers

Barclays Bank plc
Bene't Street Business Centre
Cambridge
CB2 3PZ

Solicitors

Taylor Vinters	Mills & Reeve
Merlin Place	Francis House
Milton Road	112 Hills Road
Cambridge	Cambridge
CB4 0DP	CB2 1PH

Principal Investment Managers

AXA Framlington Investment Management Ltd
155 Bishopsgate
London
EC2M 3XJ

Principal Property Advisers

Carter Jonas
6-8 Hills Road
CB2 1NH

TRINITY HALL

Bursar's Report

For the Year Ended 30 June 2008



Introduction

There are three main themes underlying Trinity Hall's results for the year ended 30th June 2008. These are: the surprising nature of the deficit showing on the Income and Expenditure Account, the treatment of a long-dated loan marking the College's first foray into borrowing in its history, and a disconcerting jump in the liabilities being faced in CCFPS, the support staff's pension scheme.

Themes from the Accounts

This year's results are characterised by a trend that has been developing for some while: costs rising more rapidly than income. Academic fees were actually slightly lower than last year, while the College's Residences, Catering & Conference performance continues to be disappointing, especially the latter's. The Other income line contained the long-term loan deposit interest (discussed below), a gain of £210,000 on the sale of land at Newnham Croft, and a very strong performance from the Development side of £2,015,423, compared to £1,270,832 a year earlier (Note 4). The main explanation for this improvement was two legacies received in the year from the Henry Jones Will Trust and the estate of Professor Janusz Rydzewski. These two gifts were completely unexpected but obviously very welcome. Together they totalled approximately £1.2 million and the College decided to place them in the Endowment, consistent with our policy of trying to grow this vital resource from which all College funding flows. Due to the vagaries of RCCA accounting rules, despite both gifts having been helpfully left for college discretion, we were required to put them through the Income account, rather than straight into the Statement of Recognised Gains and Losses as we would for a legacy left directly to the Endowment – there were an additional £2.59 million of gifts in this latter category in the year. This accounting treatment made it hard to create a strategic reserve out of this unlooked for generosity, something we wished to do given the radical shift in economic outlook we all face.

On the Expenditure account everything was up dramatically. The Education costs have risen 13.3% and Residences, Catering and conference by 4.6%. The principal reason for these rises was increased staff costs, caused by salary inflation following the national academic pay settlement agreed in the summer of 2006 and the need to hire more people to operate the last of the three new Wychfield accommodation buildings which came into use in Michaelmas 2007. The completion of this project, plus the balance of the now completed work in Front Court, also increased our depreciation charge by £157,060 to £1,863,692 (Note 9). Education costs have risen more than the simple rise in staff costs, due to a change in the basis of allocation away from strict adherence to square footage ratios necessitated by the coming on stream of the extra capacity at Wychfield.

As before, the Other expenditure line is swollen by the costs of set-up and servicing the long-term loan (see below). If these are stripped out, and notwithstanding a lower University contribution than last year and continued improved access to our Restricted Funds requiring a lower transfer, the college still cost 9.6% more to run than a year earlier – a far more genuine measure of inflation than any government statistic.

The very real increase in our costs made me redouble my efforts to find a way of creating a strategic buffer against the much lower investment return, and hence dividend from the endowment, that we must expect over the next few years of recessionary strains on the portfolios. The answer was in the dividend (or 'total return' as the misnomer terms it). Our total return is calculated using the endowment values as at 30th June the previous year – this is to give Funds certainty in their forward budgeting. In 2006/7 the Endowment had enjoyed a buoyant rise of 15.4% to £84.3 million. In the year under review, investments had fallen 11.4% to £74.7 million (or £78.9 million, if you include new monies added to the Endowment over the period. See Note 9). This downturn was exacerbated by the decision to prudentially write-off £2 million of, as yet healthy, early stage investments, but even without this, the Endowment would have lost £7.5 million or 9% of its value. It should be remembered that this deterioration was suffered long before the markets seized up and collapsed in September 2008 – the storm is fully upon us now.

TRINITY HALL
Bursar's Report
For the Year Ended 30 June 2008



Had the college taken the 4% dividend that has become customary over the last few years, the accounts would be showing surpluses of £818,000 and £621,000 respectively before and after transfers to restricted funds. This would not have been a fair reflection of economic reality. So, a strategic cushion of approximately £1.1 million has been created by reducing our dividend rate to 2.5% which produces £2,087,798 against last year's number of £2,877,430. There is a further amount of roughly £134,500 held in the Restricted Fund surplus. The effect of this adjustment preserves the benefit of our unexpected legacy gains and produces a net deficit before transfers of £435,333 or one of £488,932 afterwards, a worsening of 30% over last year's result of £374,832. We have thus turned an improbable surplus into a predictable deficit and created a reserve for the future as we enter very troubled waters economically.

Long-dated debt

In two tranches, September 2007 and March 2008, Trinity Hall has borrowed a total of £25 million for forty years initially (there is an option for a further ten) from Barclays on unsecured terms at a blended fixed interest rate of 4.87%. We have done this to take advantage of the recent extraordinarily inverse yield curve at the long end of the Gilt and sterling money markets, when it has been possible to borrow long term far more cheaply than overnight or for six months to a year. Trinity Hall and Trinity College were the first to pioneer a revolutionary bank loan structure (resembling a long-dated bond but without the associated documentation and many of the costs of the fixed-interest markets). This lead has now been followed by several other colleges in both Cambridge and Oxford. It is gratifying that in this period of profound credit contraction, Trinity Hall has been able to access markets at levels implying a rating far in excess of that which its size and cash-flow imply.

The accounts record interest and set-up costs for this loan of £691,226 (Note 8c) and interest earned by rolling over the cash on deposit of £809,487 (Note 4). So, in the period under review, we have taken all the one-off costs and still made £118,261 in positive carry. The College's fixed assets have swollen to in excess of £213 million as a result of the inclusion of this borrowing being included in the investment assets line. The degree of inversion of the long end of the sterling market, and, indeed, the ability to achieve a positive carry by placing funds borrowed this way on short-term deposit, have both been eroded by the Bank of England's exaggerated action to cut rates in Q4 2008 to meet the recession. The College's intention in borrowing these funds was always their reinvestment in financial instruments or deployment in commercial building projects and several opportunities are currently under evaluation.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The net pension liability faced on this scheme populated mainly by support staff and calculated under the actuarial requirements of FRS 17 has ballooned to £1,371,725 from £479,407 last year (Note 18). The schemes triennial valuation, carried out using different actuarial criteria, also confirmed a funding gap in excess of £1 million. Against these sums, the College's Pension Fund reserve declined to £652,496 from £791,943, largely as a result of declining investment returns (Note 19e).

All colleges still in CCFPS have been adversely affected by these developments. Although, as movements up and down over the last few years have shown, pension valuations are only a snapshot in time and are very susceptible to changes in actuarial assumptions, current rules require the College to close this gap over time. A consultative process with an elected staff body will be initiated to review and recommend courses of action to address this issue. Matters to be examined will need to include contribution rates, new joiners and existing members, and, perhaps, the future of the whole scheme as currently constituted.

P folkes Davis
15 December 2008

TRINITY HALL

Independent Auditors' Report to the Governing Body of Trinity Hall For the Year Ended 30 June 2008



We have audited the financial statements which comprise the parent and consolidated income and expenditure account, the parent and consolidated statement of total recognised gains and losses, the parent and consolidated balance sheet, the consolidated cash flow statement and related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the College's Governing Body, as a body, in accordance with 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Governing Body and Auditor

The Governing Body's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Governing Body. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the College's Statutes and the Statutes of the University of Cambridge. We also report to you if, in our opinion, the Bursar's Report is consistent with the financial statements, if the College has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Officers' remuneration and transactions with the College is not disclosed.

We read other information contained in the Bursar's Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

TRINITY HALL

Independent Auditors' Report to the Governing Body of Trinity Hall For the Year Ended 30 June 2008



Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Standards, of the state of the College and the Group's affairs as at 30 June 2008 and of the deficit of the College and the Group for the year then ended and have been properly prepared in accordance with the College's Statutes and the Statutes of the University of Cambridge.

In our opinion the contribution due from the College to the University has been correctly computed in accordance with the provisions of Statute G, II of the University of Cambridge.

In our opinion the information given in the Bursar's report is consistent with the financial statements.

CHATER ALLAN LLP
Registered Auditors

Beech House, 4A Newmarket Road, Cambridge

15 December 2008

TRINITY HALL

Responsibilities of the Governing Body



In accordance with the College's Statutes, the Governing Body is responsible for the administration and management of the College's affairs.

It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University.

In causing the financial statements to be prepared, the Governing Body has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

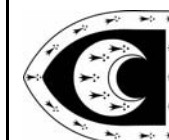
The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

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

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

TRINITY HALL
Parent Income and Expenditure Account
For the Year Ended 30 June 2008

	Note	Unrestricted Funds		Restricted Funds	Year Ended 30 June 08 Total	Year Ended 30 June 07 Total
		Undesignated Funds	Designated Funds			
		£	£	£	£	£
INCOME						
Academic Fees and Charges	1	1,619,430	-	-	1,619,430	1,627,196
Residences, Catering and Conferences	2	2,529,036	-	-	2,529,036	2,534,713
Endowment Income	3	985,091	514,420	588,287	2,087,798	2,877,430
Other Income	4	2,671,958	307,296	234,635	3,213,889	1,415,294
Total Income		7,805,515	821,716	822,922	9,450,153	8,454,633
EXPENDITURE						
Education	5	2,981,383	513,869	607,734	4,102,986	3,622,727
Residences, Catering and Conferences	6	4,082,515	-	-	4,082,515	3,903,910
Other Expenditure	8c	1,678,511	-	-	1,678,511	901,037
Total Expenditure		8,742,409	513,869	607,734	9,864,012	8,427,674
Operating Surplus/(Deficit) before exceptional items		(936,894)	307,847	215,188	(413,859)	26,959
Exceptional repairs		-	-	-	-	238,000
Operating Surplus/(Deficit) after exceptional items		(936,894)	307,847	215,188	(413,859)	(211,041)
Contribution Under Statute G,II		8,348	6,181	6,945	21,474	53,999
Net Surplus/(Deficit) before Transfers		(945,242)	301,666	208,243	(435,333)	(265,040)
Transfer between funds		899,827	(745,183)	(154,644)	-	-
Transfer of Restricted Fund Surplus to Reserves		-	-	(53,599)	(53,599)	(109,792)
Net Surplus/(Deficit) after Transfers		(45,415)	(443,517)	-	(488,932)	(374,832)



TRINITY HALL
Consolidated Income and Expenditure Account
For the Year Ended 30 June 2008



	Year Ended 30 June 08 £	Year Ended 30 June 07 £
INCOME		
Academic Fees and Charges	1,619,430	1,627,196
Residences, Catering and Conferences	2,529,036	2,534,713
Endowment Income	2,088,867	2,880,203
Other Income	3,213,889	1,415,294
Total Income	<u>9,451,222</u>	<u>8,457,406</u>
EXPENDITURE		
Education	4,102,986	3,622,727
Residences, Catering and Conferences	4,082,515	3,903,910
Other Expenditure	1,679,580	903,810
Total Expenditure	<u>9,865,081</u>	<u>8,430,447</u>
Operating Surplus/(Deficit) before exceptional items	(413,859)	26,959
Exceptional repairs	-	238,000
Operating Surplus/(Deficit) after exceptional items	<u>(413,859)</u>	<u>(211,041)</u>
Contribution Under Statute G,II	21,474	53,999
Net Surplus/(Deficit) before Transfers	<u>(435,333)</u>	<u>(265,040)</u>
Transfer of Restricted Fund Surplus to Reserves	(53,599)	(109,792)
Net Surplus/(Deficit) after Transfers	<u><u>(488,932)</u></u>	<u><u>(374,832)</u></u>

TRINITY HALL
Parent Balance Sheet
As at 30 June 2008



	Note	30 June 08 £	30 June 07 £
FIXED ASSETS			
Tangible Assets	9	109,587,945	109,726,762
Investments	9	103,869,443	84,312,513
		<u>213,457,388</u>	<u>194,039,275</u>
CURRENT ASSETS			
Stock		99,418	95,378
Debtors	10	1,352,908	2,086,260
Investments		-	82,260
Cash	11	1,999,943	2,897,367
		<u>3,452,269</u>	<u>5,161,265</u>
Creditors: Amounts Falling Due Within One Year	12	(1,874,967)	(1,559,943)
Net Current Assets/(Liabilities) before Pension Liability		<u>1,577,302</u>	<u>3,601,322</u>
Pension Liability	18	(1,371,725)	(479,407)
Net Current Assets/(Liabilities) after Pension Liability		<u>205,577</u>	<u>3,121,915</u>
Total Assets less Current Liabilities		213,662,965	197,161,190
Creditors: Amounts Falling Due After More Than One Year	13	(25,000,000)	-
NET ASSETS		<u><u>188,662,965</u></u>	<u><u>197,161,190</u></u>

		Income/ Expendable Capital Funds £	Permanent Capital Funds £	Total 30 June 08 £	Total 30 June 07 £
Capital and Reserves					
Restricted Funds Held For Collegiate Purposes	14	2,998,894	24,228,366	27,227,260	27,978,642
Restricted Funds Held For Non-collegiate Purposes	14	63,245	-	63,245	71,293
Unrestricted Funds	14	79,564,347	81,808,113	161,372,460	169,111,255
TOTAL		<u><u>82,626,486</u></u>	<u><u>106,036,479</u></u>	<u><u>188,662,965</u></u>	<u><u>197,161,190</u></u>

Approved by the Governing Body on 2 December 2008 and signed on their behalf by:

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P folkes Davis
Bursar

TRINITY HALL
Consolidated Balance Sheet
As at 30 June 2008



	Note	30 June 08 £	30 June 07 £
FIXED ASSETS			
Tangible Assets	9	109,587,945	109,726,762
Investments	9	103,859,014	84,302,085
		<u>213,446,959</u>	<u>194,028,847</u>
CURRENT ASSETS			
Stock		99,419	95,379
Debtors	10	1,382,718	2,071,945
Investments		-	82,260
Cash	11	2,013,986	2,921,195
		<u>3,496,123</u>	<u>5,170,779</u>
Creditors: Amounts Falling Due Within One Year	12	(1,908,392)	(1,559,029)
Net Current Assets/(Liabilities) before Pension Liability		<u>1,587,731</u>	<u>3,611,750</u>
Pension Liability	18	(1,371,725)	(479,407)
Net Current Assets/(Liabilities) after Pension Liability		<u>216,006</u>	<u>3,132,343</u>
Total Assets less Current Liabilities		213,662,965	197,161,190
Creditors: Amounts Falling Due After More Than One Year	13	(25,000,000)	-
NET ASSETS		<u><u>188,662,965</u></u>	<u><u>197,161,190</u></u>

		Income/ Expendable Capital Funds £	Permanent Capital Funds £	Total 30 June 08 £	Total 30 June 07 £
Capital and Reserves					
Restricted Funds Held For Collegiate Purposes	14	2,998,894	24,228,366	27,227,260	27,978,642
Restricted Funds Held For Non-collegiate Purposes	14	63,245	-	63,245	71,293
Unrestricted Funds	14	79,564,347	81,808,113	161,372,460	169,111,255
TOTAL		<u><u>82,626,486</u></u>	<u><u>106,036,479</u></u>	<u><u>188,662,965</u></u>	<u><u>197,161,190</u></u>

Approved by the Governing Body on 2 December 2008 and signed on their behalf by:

.....
P folkes Davis
Bursar

TRINITY HALL
**Consolidated & Parent Statement of Total Recognised Gains and Losses
For the Year Ended 30 June 2008**


	<u>Restricted Funds</u>		<u>Unrestricted Funds</u>		Total 30 June 08 £
	Collegiate Purposes £	Non- Collegiate Purposes £	Designated Funds £	Undesignated Funds £	
Balance as at 1 July 2007	27,978,645	71,292	25,837,925	143,273,328	197,161,190
Appreciation of Investment Assets	(3,135,562)	(8,032)	(2,654,967)	(3,769,113)	(9,567,674)
Capital growth treated as income	(257,022)	(657)	(217,073)	317,998	(156,754)
Retained Surplus/(Deficit) for the Year	154,644	-	301,666	(945,242)	(488,932)
Benefactions and Donations	2,588,242	-	-	3,115	2,591,357
Transfer of restricted fund surplus to reserves	52,957	642	-	-	53,599
Other Transfers	(154,644)	-	(745,183)	899,827	-
Actual return less expected return on pension scheme assets	-	-	-	(560,888)	(560,888)
Experience gains and losses arising on the scheme liabilities	-	-	-	(141,083)	(141,083)
Changes in assumptions underlying the present value of the scheme liabilities	-	-	-	(227,850)	(227,850)
Total Recognised Gains/(Losses) for the Year	<u>(751,385)</u>	<u>(8,047)</u>	<u>(3,315,557)</u>	<u>(4,423,236)</u>	<u>(8,498,225)</u>
Balance as at 30 June 2008	<u>27,227,260</u>	<u>63,245</u>	<u>22,522,368</u>	<u>138,850,092</u>	<u>188,662,965</u>

TRINITY HALL
Consolidated Cash Flow Statement
For the Year Ended 30 June 2008



		Year Ended 30 June 08	Year Ended 30 June 07
	£	£	£
A. Operating activities	Note		
Operating Surplus Before Tax		(413,859)	(211,041)
Depreciation	9	1,863,692	1,706,632
Profit on sale of investments	4	(210,000)	-
Less Endowment Income		(2,088,867)	(2,880,203)
Movement in pension deficit		(37,503)	(86,680)
(Increase)/Decrease in Stocks		(4,040)	3,003
(Increase)/Decrease in Debtors		689,227	803,370
Increase/(Decrease) in Creditors		25,349,363	(1,281,185)
Net Cash (Outflow)/Inflow from Operating Activities		25,148,013	(1,946,104)
B. Returns on investments and servicing of finance			
Investment Income		1,932,114	2,455,256
Net Cash Inflow from Returns on Investments and Servicing of Finance		1,932,114	2,455,256
C. Contribution to colleges fund	7	(21,474)	(53,999)
D. Capital transactions			
Drawdown of cash held for reinvestment	9	(29,069,703)	1,730,985
Donations and Benefactions		2,591,357	2,132,230
Sales of Tangible Fixed Assets		210,000	-
Total Capital Receipts		(26,268,346)	3,863,215
Purchase of Tangible Fixed Assets	9	(1,724,875)	(5,626,325)
Sale/(Purchase) of Investment Assets	9	27,359	(1,744,883)
Total Capital Payments		(1,697,516)	(7,371,208)
Net Cash Outflow from Capital Transactions		(27,965,862)	(3,507,993)
Net cash (outflow)/inflow before financing		(907,209)	(3,052,840)
E. (Decrease)/Increase in cash		(907,209)	(3,052,840)
Reconciliation of net cash flow to movement in net liquid assets			
Decrease in cash in the period	E	(907,209)	(3,052,840)
Net funds brought forward 1 July 2007		2,921,195	5,974,035
Net funds carried forward 30 June 2008		2,013,986	2,921,195



Basis of preparation

The accounts have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable Accounting Standards.

In addition, the accounts accord with the Statement of Recommended Practice for accounting in Further and Higher Education (the SORP) with the exception of the balance sheet which has been presented in the different format set out in the relevant section of the Statutes and Ordinances of the University of Cambridge (RCCA). The provisions of the SORP require Endowments, Deferred Grants and Revaluation Reserves to be disclosed on the face of the balance sheet whereas RCCA requires that part of this information be disclosed in the notes to the accounts.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the College and its subsidiary undertakings for the year ended 30th June 2008. The results of the subsidiary undertakings acquired or disposed of during the period are included in the Consolidated Income and Expenditure Account from the date of the acquisition or up to the date of disposal. The activities of student societies have not been consolidated.

Recognition of income

All income from short-term deposits and endowments and unrestricted donations and benefactions of an income nature are credited to the Income and Expenditure Account in the period which they are earned. Donations and benefactions accepted on condition that only the income may be spent or are of a non income nature are credited to the balance sheet as permanent capital funds, except restricted donations and benefactions. The income from a permanent capital fund that is not expended in the year in which it is receivable and restricted donations and benefactions are at the year-end, transferred from the Income and Expenditure Account to a restricted or unrestricted expendable capital fund, as appropriate. When there is subsequent expenditure of accumulated income from a restricted capital fund, income is credited back to the Income and Expenditure Account from the restricted expendable capital fund to match the expenditure.

Income taken to the Income and Expenditure Account under the recognition of income on a total return basis is 2.5% (2007: 4%) of the brought forward fund balances.

Pension Schemes

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 Ltd. Because of the 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.

Tangible fixed assets

a. Land and buildings

Land and buildings are stated at replacement cost. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 50 years. Freehold land is not depreciated. The Central Site land has not been included.

Subsequent additions and improvements to the College's buildings are accounted for at cost.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are normally 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 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 architects' certificates and other direct costs incurred to 30th June. They are not depreciated until they are brought into use.



Tangible fixed assets (Continued)

b. Maintenance of premises

The College has a rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to the Income and Expenditure Account as it is incurred or capitalised and depreciated over the useful economic life of the asset concerned. The College also sets aside sums on a regular basis to meet major maintenance costs which occur on an irregular basis. These are disclosed as designated funds.

c. Furniture, fittings, equipment and motor vehicles

Furniture, fittings and equipment (excluding motor vehicles) costing less than £10,000 is written off in the year of acquisition. The organ which is included within plant and equipment is depreciated at 2% per annum, this is the expected useful life. All other assets are capitalised and depreciated on a straight line basis over their expected useful life as follows:

Furniture and fittings	10% per annum
Motor vehicles	20% per annum
Plant and equipment	10%-20% per annum
Computer equipment	33% per annum

Where equipment is acquired with the aid of specific bequests or donations it is capitalised and depreciated as above. The related benefactions are normally 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.

d. Books

Library books are valued at insured value. All additions are written off in the year of acquisition.

e. Silver, works of art and other assets not related to education

Silver, works of art and other assets not related to education are valued at insured value.

Where silver, works of art and other assets not related to education are acquired with the aid of specific bequests or donations they are capitalised as above. The related benefactors are credited to expendable capital or permanent capital depending on the nature of the bequest or donation.

f. Leased assets

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure in equal amounts over the period of the leases.

Investments

Investments are included in the Balance Sheet at market value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Realised and unrealised capital gains and losses are recognised as increases/decreases of market value of investment assets within the Statement of Total Recognised Gains and Losses.

Stocks

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

Provisions

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

Foreign currencies

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



Taxation

The College is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and is 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 1998 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.

Contribution under Statute G,II

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

Policy on Reserves

a. Restricted Funds

These result from donations or benefactions subject to a legally binding restriction, such as a trust deed or will, on their use.

b. Unrestricted Funds

These result from donations or benefactions not subject to legally binding restrictions and from the accumulation of surplus income.

The Governing Body may decide to use part of the Unrestricted Funds for a particular purpose, in which case these are classified as 'Designated'.

Restricted and Unrestricted Funds are further analysed according to whether they comprise Permanent Capital or Income/Expendable Capital according to the following definitions:

Permanent Capital Funds are those that the Governing Body has no power to convert to income and apply as such.

Income/Expendable Capital Funds are those that the Governing Body has the power to convert to income and apply as such.

TRINITY HALL
NOTES TO THE ACCOUNTS



1. ACADEMIC FEES AND CHARGES		30 Jun 08	30 Jun 07
		£	£
COLLEGE FEES			
Fee Income paid on behalf of Undergraduates eligible for Student Support		1,167,670	1,157,616
Other Undergraduate Fee Income (per Capita Fee £4,071)		115,755	126,380
Graduate Fee Income (per Capita Fee £2,079)		336,005	343,200
Total		<u>1,619,430</u>	<u>1,627,196</u>
2. RESIDENCES, CATERING AND CONFERENCES INCOME		30 Jun 08	30 Jun 07
		£	£
Accommodation	College Members	1,511,627	1,388,215
	Conferences	106,385	174,652
Catering	College Members	809,369	779,144
	Conferences	101,655	192,702
Total		<u>2,529,036</u>	<u>2,534,713</u>
3. ENDOWMENT INCOME		Total	Total
		30 Jun 08	30 Jun 07
		£	£
		Income from Restricted Funds	Income From
		For Collegiate Purposes *	Unrestricted Funds
		£	£
		£	£
Income from:			
Non-investment fund income		-	582
Investment fund dividend		586,828	1,498,929
		<u>586,828</u>	<u>1,499,511</u>
			<u>2,087,798</u>
			<u>2,868,271</u>
			<u>2,877,430</u>
* As defined by University Statute G,II.			
Summary of Total Return		30 Jun 08	30 Jun 07
		£	£
Endowment income from:			
Assets included in the Investment fund		1,930,462	2,443,324
Assets not included in the Investment fund		582	9,159
Gains/(losses) on Endowment Assets:			
Land and buildings		(1,493,991)	1,469,910
Quoted and other securities and cash		(8,081,686)	9,831,878
Total return for the year		(7,644,633)	13,754,271
Total return transferred to Income and Expenditure Account (see above)		(2,087,798)	(2,877,430)
Unapplied Total Return for the year included within the Statement of Total Recognised Gains and Losses:		<u>(9,732,431)</u>	<u>10,876,841</u>
Liability to Contribution under Statute G,II:		30 Jun 08	30 Jun 07
		£	£
	Note		
Investment income		2,897,285	2,877,430
Less Capital growth treated as income during the year		(156,754)	(424,947)
Other allowable deductions		(600,616)	(551,725)
Endowment income liable to Contribution	7	<u>2,139,915</u>	<u>1,900,758</u>
Investment Management Costs		30 Jun 08	30 Jun 07
		£	£
Investment managers costs		<u>370,360</u>	<u>347,787</u>
4. OTHER INCOME		30 Jun 08	30 Jun 07
		£	£
Profit on sale of property		210,000	-
Donations received		2,015,423	1,270,832
Long dated borrowing income		809,487	-
Other income		178,979	144,462
		<u>3,213,889</u>	<u>1,415,294</u>

**TRINITY HALL
NOTES TO THE ACCOUNTS**



5. EDUCATION EXPENDITURE

	30 Jun 08	30 Jun 07
	£	£
Teaching	1,952,644	1,720,320
Tutorial	535,169	506,984
Admissions	263,851	243,231
Research	333,947	274,771
Scholarships and Awards	354,068	266,689
Other Educational Facilities	663,307	610,732
Total	<u>4,102,986</u>	<u>3,622,727</u>

6. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

	30 Jun 08	30 Jun 07
	£	£
Accommodation	2,440,155	2,138,099
College Members		
Conferences (incl. marketing costs)	171,733	268,995
Catering	1,306,530	1,200,021
College Members		
Conferences	164,097	296,795
Total	<u>4,082,515</u>	<u>3,903,910</u>

Expenditure has been allocated to the expenditure headings in direct proportion to the income in Note 3

7. CONTRIBUTION UNDER STATUTE G,II

	Note	30 Jun 08	30 Jun 07
		£	£
Endowment Income as per Income and Expenditure Account	3	2,139,915	1,900,758
Less: Deductible Items	19b	(1,582,023)	(1,050,763)
Net Assessable Income		<u>557,892</u>	<u>849,995</u>
Assessment:			
£300,000 @ 2%	2008	6,000	6,000
£257,892 @ 6%	2007	15,474	18,000
Nil @ 11%		-	29,999
Contribution Payable		<u>21,474</u>	<u>53,999</u>

8a. ANALYSIS OF 2007/08 EXPENDITURE BY ACTIVITY

	Note	Staff Costs	Depreciation	Other Operating Expenses	Total
		(Note 17)	(Note 9)	£	£
		£	£	£	£
Education	5	2,002,222	484,903	1,615,861	4,102,986
Residences, Catering and Conferences	6	1,838,647	1,378,789	865,079	4,082,515
Other	8c	335,753	-	1,342,758	1,678,511
		<u>4,176,622</u>	<u>1,863,692</u>	<u>3,823,698</u>	<u>9,864,012</u>

8b. ANALYSIS OF 2006/07 EXPENDITURE BY ACTIVITY

	Note	Staff Costs	Depreciation	Other Operating Expenses	Total
		(Note 17)	(Note 9)	£	£
		£	£	£	£
Education	5	1,706,349	420,571	1,495,807	3,622,727
Residences, Catering and Conferences	6	1,678,974	1,286,061	938,875	3,903,910
Other	8c	278,066	-	622,971	901,037
		<u>3,663,389</u>	<u>1,706,632</u>	<u>3,057,653</u>	<u>8,427,674</u>

8c. OTHER EXPENDITURE

	30 Jun 08	30 Jun 07
	£	£
Investment and property management		
Third party costs	370,360	347,787
Internal costs	90,110	82,181
	<u>460,470</u>	<u>429,968</u>
Long dated borrowing interest and set-up charges	691,226	-
Fundraising	411,382	373,425
Alumni	56,429	45,252
Endowment	59,004	52,392
	<u>1,678,511</u>	<u>901,037</u>

9. FIXED ASSETS (Parent & Consolidated)

Tangible Assets	Land & Buildings £	Furniture Fixtures & Fittings £	Works of Art Antique Furniture & College Silver £	Library £	IT & Computers £	Plant & Machinery £	Motor Vehicles £	Total £
COST/VALUATION								
At 1 July 2007	105,612,045	395,863	3,847,500	6,687,094	46,905	550,994	28,633	117,169,034
Additions	1,569,651	49,975	27,034	-	64,090	1	14,124	1,724,875
Disposals at Cost/Valuation	-	-	-	-	-	-	-	-
Revaluation During the Year	-	-	-	-	-	-	-	-
Cost/Valuation as at 30 June 2008	<u>107,181,696</u>	<u>445,838</u>	<u>3,874,534</u>	<u>6,687,094</u>	<u>110,995</u>	<u>550,995</u>	<u>42,757</u>	<u>118,893,909</u>
DEPRECIATION								
At 1 July 2007	7,274,311	39,586	-	-	11,178	92,516	24,681	7,442,272
Provided for the year	1,769,913	42,294	-	-	20,464	27,163	3,858	1,863,692
Eliminated on Disposal	-	-	-	-	-	-	-	-
Depreciation at 30 June 2008	<u>9,044,224</u>	<u>81,880</u>	<u>-</u>	<u>-</u>	<u>31,642</u>	<u>119,679</u>	<u>28,539</u>	<u>9,305,964</u>
Net Book value								
At 30 June 2008	<u>98,137,472</u>	<u>363,958</u>	<u>3,874,534</u>	<u>6,687,094</u>	<u>79,353</u>	<u>431,316</u>	<u>14,218</u>	<u>109,587,945</u>
At 30 June 2007	<u>98,337,734</u>	<u>356,277</u>	<u>3,847,500</u>	<u>6,687,094</u>	<u>35,727</u>	<u>458,478</u>	<u>3,952</u>	<u>109,726,762</u>

The Insured Value of Freehold Land and Buildings as at 30 June 2008 was £155,928,735 (2007: £147,312,726).



TRINITY HALL
NOTES TO THE ACCOUNTS



9. FIXED ASSETS (continued)

	30 Jun 08	30 Jun 08	30 Jun 07	30 Jun 07
Investment Assets	Parent	Consolidated	Parent	Consolidated
	£	£	£	£
Balance as at 1 July 2007	84,312,513	84,302,084	73,079,088	73,068,660
Additions	7,334,389	7,334,389	10,914,511	10,914,511
Disposals	(7,271,485)	(7,271,485)	(9,169,628)	(9,290,989)
Transfer to Current Assets	-	-	(82,260)	(82,260)
Appreciation/(Depreciation) on Disposals/Revaluation	(9,575,677)	(9,575,677)	11,301,788	11,423,149
Increase/(Decrease) in Cash Balances	29,069,703	29,069,703	(1,730,986)	(1,730,986)
Balance as at 30 June 2008	<u>103,869,443</u>	<u>103,859,014</u>	<u>84,312,513</u>	<u>84,302,085</u>
Represented by:				
Freehold Land and Buildings	8,523,812	8,523,812	9,342,788	9,342,788
Quoted Securities - Equities	48,596,992	48,596,992	58,749,986	58,749,986
Quoted Securities - Indirect Property	1,858,221	1,858,221	2,471,303	2,471,303
Alternative Investments	12,359,203	12,359,203	10,331,637	10,331,637
Unquoted Securities - Equities	192,338	192,338	147,626	147,626
Investment in Subsidiary Undertakings	10,429	-	10,428	-
Cash Held For Reinvestment	7,328,448	7,328,448	3,258,745	3,258,745
	<u>78,869,443</u>	<u>78,859,014</u>	<u>84,312,513</u>	<u>84,302,085</u>
Long dated borrowing cash	25,000,000	25,000,000	-	-
	<u>103,869,443</u>	<u>103,859,014</u>	<u>84,312,513</u>	<u>84,302,085</u>

The College's investment in subsidiary undertakings represents 100% of the share capital of Aula Limited and Trinity Hall Residences (1) Limited and Aula Hospitality Limited all of which are incorporated in England.

The College's subsidiary company in Hong Kong, Trinity Hall (Hong Kong) Limited, a company limited by guarantee has not been consolidated. The company is used as a vehicle for donations from Hong Kong residents. There are severe restrictions upon the way in which donations can be spent and therefore donations are only accounted for upon remittance to the UK.

10. DEBTORS

	30 Jun 08	30 Jun 08	30 Jun 07	30 Jun 07
	Parent	Consolidated	Parent	Consolidated
	£	£	£	£
Students' Payable	69,977	69,977	75,178	75,178
Fellows' Payable	5,842	5,842	5,311	5,311
JCR	1,448	1,448	2,547	2,547
Loans	18,929	18,929	85,033	85,033
Rents Payable	7,549	7,549	42,104	42,104
Amounts due from Subsidiary Undertaking	57,713	-	14,815	-
Tax Payable	-	-	-	-
Other Debtors	1,191,450	1,278,973	1,861,272	1,861,772
	<u>1,352,908</u>	<u>1,382,718</u>	<u>2,086,260</u>	<u>2,071,945</u>

11. CASH

	30 Jun 08	30 Jun 08	30 Jun 07	30 Jun 07
	Parent	Consolidated	Parent	Consolidated
	£	£	£	£
Bank Deposits	1,568,764	1,568,764	2,893,717	2,893,717
Current Accounts	429,880	443,923	-	23,828
Cash in Hand	1,299	1,299	3,650	3,650
	<u>1,999,943</u>	<u>2,013,986</u>	<u>2,897,367</u>	<u>2,921,195</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 Jun 08	30 Jun 08	30 Jun 07	30 Jun 07
	Parent	Consolidated	Parent	Consolidated
	£	£	£	£
Overdraft	44,535	60,644	141,289	145,069
Students' Prepayments	131,930	131,930	125,936	125,936
Suppliers	239,520	562,397	210,746	687,974
Other	1,437,508	1,131,947	1,027,973	546,051
University Contribution	21,474	21,474	53,999	53,999
	<u>1,874,967</u>	<u>1,908,392</u>	<u>1,559,943</u>	<u>1,559,029</u>

**TRINITY HALL
NOTES TO THE ACCOUNTS**



	30 Jun 08 Parent £	30 Jun 08 Consolidated £	30 Jun 07 Parent £	30 Jun 07 Consolidated £
13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
Bank loan	25,000,000	25,000,000	-	-
	<u>25,000,000</u>	<u>25,000,000</u>	<u>-</u>	<u>-</u>

The bank loan is repayable in 2047 and bears interest at a blended rate of 4.87%

14. CAPITAL AND RESERVES

	Income/ Expendable Capital Funds £	Permanent Capital Funds £	Total 30 Jun 08 £	Total 30 Jun 07 £
Restricted Funds:				
Funds for collegiate purposes *	<u>2,998,894</u>	<u>24,228,366</u>	<u>27,227,260</u>	<u>27,978,642</u>
Funds for non-collegiate purposes	<u>63,245</u>	<u>-</u>	<u>63,245</u>	<u>71,293</u>
Unrestricted Funds:				
Designated Funds:	<u>4,523,464</u>	<u>17,998,903</u>	<u>22,522,367</u>	<u>25,837,924</u>
Undesignated Funds:				
Undesignated Permanent Funds	-	63,809,210	63,809,210	64,928,593
Undesignated Expendable Funds	75,040,883	-	75,040,883	78,344,738
	<u>75,040,883</u>	<u>63,809,210</u>	<u>138,850,093</u>	<u>143,273,331</u>
	<u>82,626,486</u>	<u>106,036,479</u>	<u>188,662,965</u>	<u>197,161,190</u>

* As defined by University Statute G,II

	Restricted Funds £	Unrestricted Designated Funds £	Unrestricted Undesignated Funds £	Total 30 Jun 08 £	Total 30 Jun 07 £
Analysis of Restricted and Designated Funds					
Fellowship Funds	9,662,602	8,429,897	-	18,092,499	18,927,047
Scholarship Funds	4,017,652	4,365,507	-	8,383,159	9,423,717
Prizes Funds	1,902,689	-	-	1,902,689	2,154,776
Hardship Funds	3,659,400	436,465	-	4,095,865	4,460,385
Travel Grant Funds	1,255,378	-	-	1,255,378	1,426,617
Other Funds	6,792,784	9,290,498	138,850,093	154,933,375	160,768,648
	<u>27,290,505</u>	<u>22,522,367</u>	<u>138,850,093</u>	<u>188,662,965</u>	<u>197,161,190</u>

Analysis of the Long-Term Building Fund included in Other Funds

Long-Term Building Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>968,205</u>
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The decrease in the fund relates to the expenditure on property which can be seen in the additions in Note 9.

Memorandum of Unapplied Total Return

	30 Jun 08 £	30 Jun 07 £
Unapplied Total Return at the beginning of the year	35,883,783	25,006,942
Unapplied Total Return for the year	(9,732,431)	10,876,841
Unapplied Total Return at the end of the year	<u>26,151,352</u>	<u>35,883,783</u>

The unapplied total return has accumulated since the RCCA format was adopted

Reconciliation of Movement in Capital and Reserves:

	<u>Restricted Funds</u>				<u>Unrestricted Funds</u>				Total 30 June 08 £
	<i>Funds for collegiate purposes</i>		<i>Funds for non-collegiate purposes</i>		Designated Funds		Undesignated Funds		
	Income/ Expendable Capital Funds £	Permanent Capital Funds £	Income/ Expendable Capital Funds £	Permanent Capital Funds £	Income/ Expendable Capital Funds £	Permanent Capital Funds £	Income/ Expendable Capital Funds £	Permanent Capital Funds £	
Balance as at 1 July 2007	1,551,445	26,427,197	71,293	-	4,725,197	21,112,727	78,344,738	64,928,593	197,161,190
Prior year adjustment	1,591,006	(1,591,006)	-	-	615,469	(615,469)	-	-	-
Balance as at 1 July 2007 as restated	<u>3,142,451</u>	<u>24,836,191</u>	<u>71,293</u>	<u>-</u>	<u>5,340,666</u>	<u>20,497,258</u>	<u>78,344,738</u>	<u>64,928,593</u>	<u>197,161,190</u>
Surplus/(deficit)	207,606	-	642	-	301,664	2	174,136	(1,119,383)	(435,333)
Appreciation of investment assets	(352,170)	(2,783,393)	(8,033)	-	(345,439)	(2,309,527)	(3,769,112)	-	(9,567,674)
Capital growth treated as income	(28,793)	(228,228)	(657)	-	(28,244)	(188,830)	317,998	-	(156,754)
Benefactions and donations	-	2,588,240	-	-	-	-	3,117	-	2,591,357
Transfer between funds	29,800	(184,444)	-	-	(745,183)	-	899,827	-	-
Actuarial loss recognised on pensions	-	-	-	-	-	-	(929,821)	-	(929,821)
Balance as at 30 June 2008	<u><u>2,998,894</u></u>	<u><u>24,228,366</u></u>	<u><u>63,245</u></u>	<u><u>-</u></u>	<u><u>4,523,464</u></u>	<u><u>17,998,903</u></u>	<u><u>75,040,883</u></u>	<u><u>63,809,210</u></u>	<u><u>188,662,965</u></u>

Capital is invested in the following categories of assets

	<u>Restricted Funds</u>				<u>Unrestricted Funds</u>				Total 30 June 08 £
	<i>Funds for collegiate purposes</i>		<i>Funds for non-collegiate purposes</i>		Designated Funds		Undesignated Funds		
	Income/ Expendable Capital Funds £	Permanent Capital Funds £	Income/ Expendable Capital Funds £	Permanent Capital Funds £	Income/ Expendable Capital Funds £	Permanent Capital Funds £	Income/ Expendable Capital Funds £	Permanent Capital Funds £	
Tangible Fixed Assets	-	-	-	-	-	-	55,858,764	53,729,181	109,587,945
Investment Assets	2,998,894	24,228,366	63,245	-	4,523,464	17,998,903	43,966,113	10,080,029	103,859,014
Net Current Assets	-	-	-	-	-	-	1,587,731	-	1,587,731
Pension Liability	-	-	-	-	-	-	(1,371,725)	-	(1,371,725)
Creditors: Amounts Falling Due After More Than One Year	-	-	-	-	-	-	(25,000,000)	-	(25,000,000)
Balance as at 30 June 2008	<u><u>2,998,894</u></u>	<u><u>24,228,366</u></u>	<u><u>63,245</u></u>	<u><u>-</u></u>	<u><u>4,523,464</u></u>	<u><u>17,998,903</u></u>	<u><u>75,040,883</u></u>	<u><u>63,809,210</u></u>	<u><u>188,662,965</u></u>





15. REVALUATION RESERVE

Unrestricted undesignated funds include revaluation reserves in respect of tangible fixed assets and investments.

	Note	30 Jun 08 £	30 Jun 08 £	30 Jun 07 £
Balance as at 1 July 2007			37,273,721	25,995,583
Revaluations during the year on:				
Tangible Fixed Assets	2	-		
Current Asset Investments		8,003		
Fixed Asset Investments	9	<u>(9,575,677)</u>		
			(9,567,674)	11,420,138
Transfer of accumulated revaluation on disposals			(240,000)	(142,000)
Balance as at 30 June 2008			<u>27,466,047</u>	<u>37,273,721</u>

16. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	Operating leases on Land and Buildings	
	30 Jun 08 £	30 Jun 07 £
Expiring:		
Within one year	-	25,094
Between one and five years	<u>6,180</u>	<u>16,425</u>
	<u>6,180</u>	<u>41,519</u>

17. STAFF

	Supervision Payments 30 Jun 08 £	College Fellows 30 Jun 08 £	Academics 30 Jun 08 £	Other Non - Academics 30 Jun 08 £	Total 30 Jun 08 £	Total 30 Jun 07 £
Staff Costs						
Emoluments	241,634	899,201	225,747	2,166,111	3,532,693	3,131,069
Social Security Costs	-	70,314	14,675	143,597	228,586	201,203
Other Pension Costs	-	100,020	44,987	270,336	415,343	331,117
	<u>241,634</u>	<u>1,069,535</u>	<u>285,409</u>	<u>2,580,044</u>	<u>4,176,622</u>	<u>3,663,389</u>

Average Staff Numbers

Academic	50	10	-	60
Non-Academics	<u>9</u>	<u>-</u>	<u>106</u>	<u>115</u>
	<u>59</u>	<u>10</u>	<u>106</u>	<u>175</u>

18. PENSION SCHEMES

The College participates in two defined benefit pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The total pension cost for the period was £366,119 (2007: £323,388)

University Superannuation Scheme

The College participates in the University 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 appointment of directors to the board of the trustee is determined by the Company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; one is appointed by the Higher Education Funding Councils; and a minimum of two and a maximum of four are co-opted directors appointed by the management committee. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the 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.

The latest actuarial valuation of the scheme was at 31 March 2005. The valuation was carried using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. In relation to the past service



18. PENSION SCHEMES (Continued)

liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.9% per annum (plus an additional allowance for increases in salaries due to age and promotion and a further amount of £800m of liabilities to reflect recent experience) and pensions would increase by 2.9% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.2% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 3.9% per annum (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 2.9% per annum.

Standard mortality tables were used as follows:

Pre-retirement mortality	PA92 rated down 3 years
Post-retirement mortality	PA92 (c=2020) for all retired and Non-retired members.

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further small improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males	19.8 years
Females	22.8 years

At the valuation date, the value of the assets of the scheme was £21,740 million and the value of the past service liabilities was £28,308 million indicating a deficit of £6,568 million. The assets therefore were sufficient to cover 77% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. Using the Minimum Funding Requirement prescribed assumptions introduced by the Pensions Act 1995, the scheme was 126% funded at that date; under the Pension Protection Fund regulations introduced by the Pensions Act 2004 it was 110% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 74% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, the actuary estimated that the funding level would have been approximately 90%.

Since 31 March 2005 the funding level of the scheme has undergone considerable volatility. The actuary has estimated that the funding level had increased to 91% at 31 March 2007 but that at 31 March 2008 it had fallen back to 77%. This fluctuation in the scheme's funding level is due to a combination of the volatility of the investment returns on the scheme's assets in the period since 31 March 2005 compared to the returns allowed for in the funding assumptions and also the changing gilt yields, which are used to place a value on the scheme's liabilities. These estimated funding levels are based on the funding levels at 31 March 2005, adjusted to reflect the fund's actual investment performance and changes in gilt yields (i.e. the valuation rate of interest). On the FRS17 basis, using an AA bond discount rate of 6% based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%. An estimate of the funding level measured on a buy-out basis was approximately 78%.

The College contribution rate required for future service benefits alone at the date of the valuation was 14.3% of pensionable salaries but the trustee company, on the advice of the actuary, decided to maintain the College contribution rate at 14% of pensionable salaries.

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Valuation rate of interest	Increase/decrease by 0.5%	Decrease/Increase by £2.2 billion
Rate of pension increases	Increase/decrease by 0.5%	Increase/Decrease by £1.7 billion
Rate of salary growth	Increase/decrease by 0.5%	Increase/Decrease by £0.5 billion
Rate of mortality	More prudent assumption (Mortality used at last actuarial valuation, rated down by a further year)	Increase by £0.8 billion

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

The next formal triennial actuarial valuation is due as at 31 March 2008. The contribution rate will be reviewed as part of each valuation.

The total pension cost for the College was £100,020 (2007: £86,119). This includes £15,635 (2007: £12,018) outstanding contributions at the balance sheet date. The contribution rate payable by the institution was 14% of pensionable salaries.



18. PENSION SCHEMES (Continued)

Cambridge Colleges Federated Pension Scheme

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

The College elected to change benefits for service from 1 April 2004 for all members by:

- capping service at 40 years (previously uncapped); and
- paying unreduced pensions from age 65 (previously 60).

The contribution made by the College in respect of the 12 month period ended 30 June 2008 was £293,025, excluding PHI premiums. Contributions over the next year are expected to be at the rate of 21.61% of Contribution Pay, although this may be subject to change as a full actuarial valuation is being undertaken as at 31 March 2008 for the Management Committee.

The major economic assumptions made by the actuary were:	30 June 08	30 June 07	30 June 06	30 June 05
Discount rate	6.70%	5.80%	5.25%	5.40%
Price inflation assumption	3.90%	3.50%	3.10%	3.00%
Rate of increase in salaries	5.40%	4.25%	3.85%	3.75%
Rate of increase in pensions in deferment				
- GMP	5.40%	4.25%	3.85%	3.75%
- Excess pension	3.90%	3.50%	3.10%	3.00%
Rate of increase in pensions in payment				
- GMP accrued up to 5 April 1988	0.00%	0.00%	0.00%	0.00%
- GMP accrued after 5 April 1988	2.90%	2.80%	2.30%	2.25%
- Excess Pension over GMP and pension accrued after 5 April 1997	3.90%	3.50%	3.10%	3.00%

In addition, standard actuarial mortality tables were used, namely PA92 Base tables for males and females with Medium Cohort projections based on year of birth. This is a change from the 2007 calculations and allows for further longevity improvements.

The assets in the Scheme and the expected rate of return were:	Long-term rate of return expected at 30 June 2008	Value at 30 June 2008 £	Long-term rate of return expected at 30 June 2007	Value at 30 June 2007 £
Equities and Hedge Funds	7.5%	2,422,605	7.5%	2,492,070
Cash, Bonds & Net Current Assets	5.4%	1,786,404	5.2%	1,591,880
Property	6.5%	532,393	6.5%	594,641
Total	6.6%	<u>4,741,402</u>	6.6%	<u>4,678,591</u>

In 2008 asset values were based on the bid price of assets, in previous years this was based upon the fair value of assets, as required by the revised accounting standards. The impact of this change is relatively minor as most of the investments are priced at a single rate. The actuary is not aware of any self-invested assets.

The overall Scheme investment return is the expected return on each of the asset type (namely equities, property and bonds) divided by the overall assets, rounded to the nearer 0.1%.

The 2008 assets and the split between the asset classes are based upon the values provided by the Scheme Administrator.

The following results were measured in accordance with the requirements of FRS17:	30 June 2008 £	30 June 2007 £
Total value of the assets	4,741,402	4,678,591
Present value of defined benefit obligation-liabilities	(6,113,127)	(5,157,998)
Surplus (Deficit) in Scheme	(1,371,725)	(479,407)
Related deferred tax liability	*	*
Net pension liability	<u>(1,371,725)</u>	<u>(479,407)</u>

* This item was not provided to the actuary.



18. PENSION SCHEMES (Continued)

Cambridge Colleges Federated Pension Scheme (Continued)

The main reasons for the worsening in the financial position of the Scheme are

- Investment returns being less than expected;
- The effect of change in assumptions from 2007 to 2008 and;
- Experience losses mainly due to salary and pension increases being larger than expected.

This was partially offset by:

- Contributions paid being slightly more than required to meet the current 1 year pension cost.

The amounts recognised in profit or loss are as follows:

	30 June 2008	30 June 2007
	£	£
Current service cost (net of employee contributions)	266,099	237,269
Interest on pension scheme liabilities	306,348	251,721
Expected Return on pension scheme assets	(316,482)	(282,645)
Past Service cost	-	-
Total	<u>255,965</u>	<u>206,345</u>
Actual Return on Scheme Assets	<u>(244,406)</u>	<u>411,690</u>

Changes in the present value of the defined benefit obligation are as follows:

	30 June 2008	30 June 2007
	£	£
Opening defined benefit obligation	5,157,998	4,763,900
Service cost (including employee's contributions)	365,176	329,375
Interest cost	306,348	251,721
Actuarial losses(gains)	368,933	40,257
Benefits paid	(85,328)	(227,255)
Closing defined benefits obligation	<u>6,113,127</u>	<u>5,157,998</u>

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

	30 June 2008	30 June 2007
	£	£
Opening fair value of scheme assets	4,678,591	4,109,025
Expected Return	316,482	282,645
Actuarial gains and (losses)	(580,888)	129,045
Contributions by employer	293,468	293,025
Additional contributions by members (including AVCs)	99,077	92,106
Benefits (& Expenses) paid	(85,328)	(227,255)
Closing fair value of scheme assets	<u>4,721,402</u>	<u>4,678,591</u>

Amounts for the current and previous 3 periods are as follows:

	Year ended 30 June 2008	Year ended 30 June 2007	15 Months ended 30 June 2006	9 Months ended 31 March 2005
Defined benefit obligation	(6,113,127)	(5,157,998)	(4,763,900)	(4,249,893)
Plan Assets	4,741,402	4,678,591	4,109,025	3,464,649
Surplus/(deficit)	<u>(1,371,725)</u>	<u>(479,407)</u>	<u>(654,875)</u>	<u>(785,244)</u>
Experience adjustments on Scheme liabilities	(141,083)	(197,047)	55,310	*
Experience adjustments on Scheme assets	(560,888)	129,045	239,111	*

* Not available

TRINITY HALL
NOTES TO THE ACCOUNTS



19. CONTRIBUTION ASSESSMENT

19a. Assessable Income	30 Jun 08	30 Jun 08	30 Jun 08	30 Jun 07
	£	£	£	£
i. External Revenue				
Investment Distribution from General Funds	1,153,536			1,393,793
Interest on Long Term Funds	810,070			9,159
Rent on Long Term Investment Properties	-			-
Other income	-			-
Less: Non-assessable Capital Growth	(156,754)			(424,947)
Add: Capital Growth on funds not subject to contribution	10,683			5,739
	<hr/>	1,817,535		<hr/>
Less:				
Miscellaneous Rents	-			-
Agency, Management charges	517,546			463,383
Repair Allowance transferred to College Estate Repairs and Improvement Fund Account	76,978			73,978
	<hr/>	594,524		<hr/>
			1,223,011	983,744
ii. Trust & Other Funds Subject to Contribution				
Scholarship Fund Account		88,219		179,556
Various Scholarship and Prize Funds		138,255		215,632
Various Trust Funds Account		-		-
Various Special Funds Account		170,705		223,422
Various Designated funds		239,735		382,142
Tutors' Benevolent Fund Account		10,004		15,720
Research Students' Fund Account		2,714		4,330
Graduate Students' Fund Account		2,418		1,897
Fellows Research Fund Account		28,444		44,800
College Silver Fund Account		3,093		4,782
Michael Nightingale Bequest		17,728		27,897
Pension Fund Reserve		16,205		27,251
John B. Thole Fund Account		11,712		18,688
Gott Bequest Account		13,396		21,376
Frankl Memorial		1,633		2,588
Prof Mann Bequest		22,363		34,576
Walter Grant Scott Research Fellowship		27,248		42,973
Campaign Fund		19,091		42,449
Evan Schulman Research Fellowship Fund		6,739		10,510
Stephen Hawking Fellowship		27,937		44,502
Crawley Fund		1,899		2,939
Overseas Student Bursaries Fund		12,068		19,048
John Collier Scholarship Fund		22,402		34,814
Runcie Fellowship Fund		32,771		52,289
Vasconcellos Bursary		125		194
Summary of Trust and Other Funds		<hr/>	916,904	<hr/>
Assessable Income			<hr/>	<hr/>
			2,139,915	1,900,758
iii. Trust & Other Funds Not Subject to Contribution				
Dr Clark's Theological Fund			650	1,004
Cowlinge Trust			809	1,291
Launcelot Fleming Fund			3,694	5,710
Gutteridge Bequest			72	114
Fletcher Bequest			234	373
H & I Dean Fund			267	415
E T Clarke Milestones Fund			4,688	5,132
Various Trust Funds Account			3,212	6,061
Summary of Trust and Other Funds			<hr/>	<hr/>
			13,626	20,100

**TRINITY HALL
NOTES TO THE ACCOUNTS**



19. CONTRIBUTION ASSESSMENT (Continued)	Note	30 Jun 08 £	30 Jun 08 £	30 Jun 07 £
19b. Deductible Items				
Half sums paid to Scholars, Exhibitioners, & Research Students			105,884	117,473
Half cost maintenance of Services in Chapel			23,989	32,338
Prizes Awarded			5,193	6,055
College Building Fund (Under Statute GII, 4vii)	19c		191,700	199,800
Sinking Fund payments (Under Statute GII, 4iv)			-	62,222
Insurance (Under Statute GII, 4viii)			41,719	55,644
Library expenses (Under Statute GII, 4xvii)			179,942	184,726
Research Fellows (Under Statute GII, 4xviii)			98,437	68,387
NUTO's (Under Statute GII, 4xix)			338,447	274,834
Pension Fund (Under Statute GII, 4ix)	19e		16,205	27,251
Fellows Loans (Under Statute GII, 4xv)			-	-
Loan interest (Under Statute GII, 4xv)			691,226	-
Donations for University Purposes:				
Careers service		-		
Childcare for Students		1,141		
University Counselling Service		12,590		
Sports Injury Clinic		-		
Friends of Fitzwilliam Museum		-		
		-----	13,731	12,765
Adjustment re prior year			(124,450)	9,268
			<u>1,582,023</u>	<u>1,050,763</u>
19c. Building Fund Under Statute GII, 4vii				
Balance as at 1 July 2007			429,351	467,551
Transfer for 2007/08 approved under GII, 4vii		191,700		
Interest		-		
		-----	191,700	199,800
Less:				
Improvements to Buildings			-	(238,000)
Balance as at 30 June 2008			<u>621,051</u>	<u>429,351</u>
19d. Estates Repairs and Improvements				
Balance as at 1 July 2007			884,160	895,396
Transfer for 2007/08 approved under GII, 4v				
25% of: College Estate let at Rack Rent		307,912		
Assumed rent of unoccupied property		-		
		-----	307,912	
			@ 25%	
			76,978	73,978
Less:				
Repairs and improvements on Estates			(14,113)	(85,214)
Balance as at 30 June 2008			<u>947,025</u>	<u>884,160</u>
19e. Pension Fund				
Balance as at 1 July 2007			791,943	726,287
Income			16,205	27,251
Less:				
Expenditure			(59,123)	(69,957)
Capital growth			(96,529)	108,362
Balance as at 30 June 2008			<u>652,496</u>	<u>791,943</u>

20. PRIOR YEAR ADJUSTMENT

The designation of certain brought forward fund balances have been changed. See note 14.

21. RELATED PARTY TRANSACTIONS

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