



TRINITY HALL
CAMBRIDGE

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

TRINITY HALL
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for the Year Ended 30 June 2006



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TRINITY HALL
Governing Body and Advisers
for the Year Ended 30 June 2006



Governing Body

Master: Professor Martin Daunton
Busar: Mr Paul folkes Davis
Senior Tutor: Dr Nick Bampos

Professor Colin Austin	Dr Simon Moore	Dr John F Pollard
Mr David Fleming	Dr Martin Ellwood	Dr Kylie Richardson
Professor Tom Körner	Dr Vasant Kumar	Dr Jerome Jarrett
Dr Peter Hutchinson	Mr Angus Johnston	Dr David Runciman
Dr Christopher Padfield	Dr John Bradley	Dr Tadashi Tokieda
Professor Paul Julian Smith	Dr Clare Jackson	Dr Nigel Chancellor
Professor Alison Liebling	Dr Jan Schramm	Dr Edmund R S Kunji
Professor Michael Kelly	Dr Louise Haywood	Mr Francois-David Todd
Dr Simon Guest	Revd Dr Jeremy Morris	Mr Oliver Williams
Dr Mike Hobson	Mr John H Armour	Dr William O'Reilly
Professor John Clarkson	Dr Cristiano A Ristuccia	Dr Isabelle McNeill
Dr James Montgomery	Dr Ian B Wilkinson	Dr Lucia Prauscello
Dr Florian Hollfelder	Dr Graham Pullan	Mr Heiko Ziebell
Dr Drew Milne	Dr Richard Miles	
Professor Brian Cheffins	Dr Matthew D Conaglen	

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 2006



Scope

Trinity Hall (the "College") is pleased to present its Bursar's report, together with the consolidated financial statements for the year ended 30th June 2006. The consolidated financial statements include those of its development subsidiaries.

Introduction

Trinity Hall was founded by Bishop Bateman of Norwich in 1350, making it the fifth oldest surviving College of Cambridge University. It was originally founded, in the words of William Bateman himself, "for the promotion of divine worship and of canon and civil science and direction of the commonwealth and especially of our church and diocese of Norwich." The rationale behind this stated purpose might well be attributed to the Black Death of 1349, a disaster that, among other things, had resulted in a shortage of clergymen and of lawyers.

The College exists to promote its educational and charitable objectives as laid down in its statutes. These activities are funded from academic fees, charges for student residences and catering, conference business, donations and bequests, and a considerable proportion from the income from investments managed within the College's endowment.

The College is an autonomous, self-governing community of scholars and one of 31 colleges within the University of Cambridge. The community consists of the Master, 46 fellows and 605 junior members, of whom 360 are undergraduates, 199 are graduate students, and a further 46 are post-graduates. Of the 360 undergraduates enrolled, 345 were classified as home/EU and 15 as overseas.

Of the academic fees paid to the college, the most significant are the fees payable by the University from its HEFCE grant towards the cost of admitting and teaching publicly funded undergraduates and providing tutorial support. In December 1998, the Secretary of State for Education and Employment, the University and the Colleges agreed to a total cut of 21.8% in the college fee over a ten year period beginning in the academic year 1999-2000 and for the payment of that fee to the College via the University from the HEFCE grant. Prior to this, each Local Education Authority had paid the college fee directly to the College on behalf of each student. From 1999 until 2003, amounts transferred from the University were based on a per capita fee. As last year, in the year under review, a fixed, lump sum transfer replaced this.

The reversion to the per capita fee transfer from the University of the HEFCE grant anticipated last year will begin in the next academic year. This year, however, the calculation of the lump sum distribution has resulted in an improvement to the colleges' share, which, in Trinity Hall's case, has resulted in an uplift of 13% or approximately £200,000. However, academic costs are also up, largely the result of increases in the number and remuneration of our College Teaching Officers.

The level of the College's contribution to the Colleges Fund, the University tax to help the poorer colleges, almost halved to £38,070. This was largely a result of the doubling of fees payable to asset managers (itself the consequence of the College's policy of diversifying its investment portfolios) - an item deductible in the calculation of our liability.

The cost of providing education is considerably greater than the amount received by the College in fees and is summarised in the Education Memorandum returned annually by each college to the University. This excludes Research/Teaching Grants and Other Fees (including Degree Fees) from the total, and on this basis, the annual shortfall at Trinity Hall amounted to £1,806,691, which the College has had to fund from its own resources. As last year, this is a significant sum, the equivalent of an annual deficit on the education account of over £3,000 per student at Trinity Hall, or considerably more for each undergraduate.

Once again the Development Office has come to the rescue. During the year we received over £1,000,000 of donations, which have been set against our two large building projects, at Wychfield and Front Court. The bulk of this came from three gifts, one of which was the first part of a promise to match a generous contribution towards the costs of the new buildings on our Storey's Way site. In addition, we received £1,215,800 worth of securities from the Graham Storey estate, which has been gratefully added to the endowment funds.

TRINITY HALL

Bursar's Report

for the Year Ended 30 June 2006



The deficit on our conference, catering and accommodation account continues at a broadly constant level. It is hoped that the reorganisation of the domestic departments and the appointment of a dedicated Conference and Banqueting Manager, will stimulate the development of an improved business model to bridge the gap over time.

The Milestones to the Future appeal for funds to refurbish our ancient buildings on the Trinity Lane site and to augment the endowment is now well under way. The first part of the renovation programme, the upgrade of the Porter's Lodge and accommodation in Front Court, has already proven its worth in the uncovering of a severe infestation of dry rot – the remedial cost of which will carry the project significantly over budget.

Income and Expenditure

Last year's overall deficit of £369,380 has been turned into a small surplus of £52,584, excluding transfers to reserves this is a like-for-like improvement of £247,000. This is a satisfactory result given the diminution of our cash pile in the Long Term Building Fund (LTBF) and its concomitant interest earned over the year. The LTBF has been moved from the investment account to 'cash at hand', and this figure has declined by £5.4 million, reflecting construction spending at Wychfield. Another factor contributing to equilibrium of the books, was a reduction in the unspent restricted income figure, down from £547,000 to £373,000, thanks to better use being made of this resource – this resulted in a smaller transfer from the face of the I&E to reserves.

Remuneration costs have risen 7% since last year, with non-academic staff continuing to be the largest factor, though at 61% of the total this is a mild improvement. Increases above inflation look set to continue while the regulatory and bureaucratic burden rises ineluctably, and the University's sparse finances lead to continued deficiencies in numbers of lecturers in certain core subjects.

Investments and Endowment Income

The diversification policy described last year was continued successfully, with all asset classes making a useful contribution to a good performance of the portfolios. These were up 17% or c.£11 million over the year, giving a total endowment figure of £73 million – a figure no longer artificially inflated by the building reserve.

As discussed both asset managers' fees and Development Office costs were up, though, given the good performance of both, this was more than justified. It must be expected that these categories will continue to rise as we continue to expand the scope of these our only moneymaking activities.

The total return drawdown from the investment portfolios equalled £2,661,892, a number broadly equivalent to last year's. This was especially gratifying as the strong growth in underlying investments allowed the percentage drawn off the funds in this way to be reduced from 4% to 3.75%. Given how essential endowment income is to running the College's basic functions, in a less positive environment we may need to raise this percentage again in the future.

Balance Sheet & Cash Flow

There was a net cash outflow over the period of £5,551,068, which reduced net funds to £5,974,035. This reflected the high level of expenditure on fixed assets of £7,274,101, most of which constituted work on the Wychfield development.

Our depreciation policy was unchanged and produced an almost identical charge to the previous year: £1,465,354.

The expenditure at Wychfield had a concomitant effect on the College's tangible fixed assets, which were up over £5.8 million to £105,688,719. This year the Balance Sheet also contains a line for our pension liability in CCFPS, which at £654,875 represents a £130,369 improvement on 2005.

During the course of the year our Balance Sheet total has reached £184,210,021.

TRINITY HALL

Bursar's Report

for the Year Ended 30 June 2006



Outlook

A year ago, I indicated that the College's true cash position would be increasingly revealed as the LTBF diminished. Sadly, work is still not completed at Wychfield, but the expenditure over the year has been sufficient to confirm that next year will probably require the return of some monies (represented by previous endowment drawdowns, but not yet disinvested) from our asset managers. Similarly, in order to regularise the College's cash position, we must do all in our power to ensure safe receipt of every donation pledged towards our building projects.

Despite reasonable control of our cost base, regulatory and teaching demands, in particular, will continue to exert upward pressure on available resources. There is no reason to expect this trend to abate.

Put simply, with no expendable cash left, if the College is to continue with its renewal programme, we will have to depend upon the success of the Milestones to the Future campaign. We must hope that philanthropy can bridge the gap until there is a change in the Higher Education funding regime that finally reflects the genuine costs of providing the unrivalled educational experience vouchsafed by Trinity Hall and the University of Cambridge.

Paul folkes Davis

TRINITY HALL

Independent Auditors' Report to the Governing Body of Trinity Hall for the Year Ended 30 June 2006



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 not 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 2006



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 2006 and of the surplus 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

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.

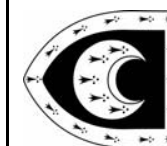
The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

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 2006

	Note	Unrestricted Funds Undesignated Funds £	Unrestricted Funds Designated Funds £	Restricted Funds £	2006 Total £	2005 Total £
INCOME						
Academic Fees and Charges	1	1,570,211	-	-	1,570,211	1,363,086
Residences, Catering and Conferences	2	2,286,371	-	-	2,286,371	2,206,131
Endowment Income	3	984,655	1,045,833	634,396	2,664,884	2,791,858
Other Income	4	93,476	597,279	816,042	1,506,797	923,158
Total Income		4,934,713	1,643,112	1,450,438	8,028,263	7,284,233
EXPENDITURE						
Education	5	2,547,128	451,023	352,963	3,351,114	3,254,479
Residences, Catering and Conferences	6	3,352,585	-	-	3,352,585	3,202,552
Other Expenditure	8c	860,867	-	-	860,867	575,924
Total Expenditure		6,760,580	451,023	352,963	7,564,566	7,032,955
Operating Surplus/(Deficit)		(1,825,867)	1,192,089	1,097,475	463,697	251,278
Contribution Under Statute G,II	7	4,951	20,729	12,390	38,070	72,683
Net Surplus/(Deficit) before Transfers		(1,830,818)	1,171,360	1,085,085	425,627	178,595
Transfer between funds		6,416,352	(5,704,310)	(712,042)	-	-
Transfer of Restricted Fund Surplus to Reserves		-	-	(373,043)	(373,043)	(547,975)
Net Surplus/(Deficit) after Transfers		4,585,534	(4,532,950)	-	52,584	(369,380)



TRINITY HALL
Consolidated Income and Expenditure Account
for the Year Ended 30 June 2006



	2006 £	2005 £
INCOME		
Academic Fees and Charges	1,570,211	1,363,086
Residences, Catering and Conferences	2,286,371	2,206,131
Endowment Income	2,668,270	2,793,117
Other Income	1,505,822	927,982
Total Income	<u>8,030,674</u>	<u>7,290,316</u>
EXPENDITURE		
Education	3,351,114	3,254,479
Residences, Catering and Conferences	3,352,585	3,202,552
Other Expenditure	863,278	582,007
Total Expenditure	<u>7,566,977</u>	<u>7,039,038</u>
Operating Surplus/(Deficit)	463,697	251,278
Contribution Under Statute G,II	38,070	72,683
Net Surplus/(Deficit) before Transfers	<u>425,627</u>	<u>178,595</u>
Transfer of Restricted Fund Surplus to Reserves	(373,043)	(547,975)
Net Surplus/(Deficit) after Transfers	<u><u>52,584</u></u>	<u><u>(369,380)</u></u>

TRINITY HALL
Parent Balance Sheet
As at 30 June 2006



	Note	2006 £	2005 £
FIXED ASSETS			
Tangible Assets	9	105,688,719	99,879,972
Investments	9	73,079,087	62,240,960
		<u>178,767,806</u>	<u>162,120,932</u>
CURRENT ASSETS			
Stock		98,381	83,841
Debtors	10	1,848,368	629,018
Cash	11	5,952,688	11,380,598
		<u>7,899,437</u>	<u>12,093,457</u>
Creditors: Amounts Falling Due Within One Year	12	(1,802,347)	(1,348,149)
Net Current Assets/(Liabilities) before Pension Liability		<u>6,097,090</u>	<u>10,745,308</u>
Pension Liability	18	(654,875)	(785,244)
Net Current Assets/(Liabilities) after Pension Liability		<u>5,442,215</u>	<u>9,960,064</u>
Total Assets less Current Liabilities		184,210,021	172,080,996
Creditors: Amounts Falling Due After More Than One Year	13	-	-
NET ASSETS		<u><u>184,210,021</u></u>	<u><u>172,080,996</u></u>

		Income/ Expendable Capital Funds £	Permanent Capital Funds £	Total 2006 £	Total 2005 £
Capital and Reserves					
Restricted Funds Held For Collegiate Purposes	14	740,717	20,865,322	21,606,039	18,171,738
Restricted Funds Held For Non-collegiate Purposes	14	61,163	-	61,163	51,929
Unrestricted Funds	14	77,622,766	84,920,053	162,542,819	153,857,329
TOTAL		<u><u>78,424,646</u></u>	<u><u>105,785,375</u></u>	<u><u>184,210,021</u></u>	<u><u>172,080,996</u></u>

Approved by the Governing Body on 28 November 2006 and signed on their behalf by:

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P folkes Davis
Bursar

TRINITY HALL
Consolidated Balance Sheet
As at 30 June 2006



	Note	2006 £	2005 £
FIXED ASSETS			
Tangible Assets	9	105,688,719	99,879,972
Investments	9	73,068,659	62,230,532
		<u>178,757,378</u>	<u>162,110,504</u>
CURRENT ASSETS			
Stock		98,382	83,842
Debtors	10	2,875,315	1,339,123
Cash	11	5,974,035	11,525,103
		<u>8,947,732</u>	<u>12,948,068</u>
Creditors: Amounts Falling Due Within One Year	12	(2,840,214)	(2,192,332)
Net Current Assets/(Liabilities) before Pension Liability		<u>6,107,518</u>	<u>10,755,736</u>
Pension Liability	18	(654,875)	(785,244)
Net Current Assets/(Liabilities) after Pension Liability		<u>5,452,643</u>	<u>9,970,492</u>
Total Assets less Current Liabilities		184,210,021	172,080,996
Creditors: Amounts Falling Due After More Than One Year	13	-	-
NET ASSETS		<u><u>184,210,021</u></u>	<u><u>172,080,996</u></u>

		Income/ Expendable Capital Funds £	Permanent Capital Funds £	Total 2006 £	Total 2005 £
Capital and Reserves					
Restricted Funds Held For Collegiate Purposes	14	740,717	20,865,322	21,606,039	18,171,738
Restricted Funds Held For Non-collegiate Purposes	14	61,163	-	61,163	51,929
Unrestricted Funds	14	77,622,766	84,920,053	162,542,819	153,857,329
TOTAL		<u><u>78,424,646</u></u>	<u><u>105,785,375</u></u>	<u><u>184,210,021</u></u>	<u><u>172,080,996</u></u>

Approved by the Governing Body on 28 November 2006 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 2006



	<u>Restricted Funds</u>		<u>Unrestricted Funds</u>		Total 2006 £
	Collegiate Purposes £	Non- Collegiate Purposes £	Designated Funds £	Undesignated Funds £	
Balance as at 1 July 2005	18,171,738	51,929	27,940,753	126,701,820	172,866,240
Prior year adjustment (Note 20)	-	-	-	(785,244)	(785,244)
Balance as at 1 July 2005 as restated	<u>18,171,738</u>	<u>51,929</u>	<u>27,940,753</u>	<u>125,916,576</u>	<u>172,080,996</u>
Appreciation of Investment Assets	3,236,400	8,907	3,058,086	4,608,731	10,912,124
Capital growth treated as income	(174,324)	(491)	(168,630)	(254,136)	(597,581)
Retained Surplus/(Deficit) for the Year	712,042	-	1,171,360	(1,830,818)	52,584
Benefactions and Donations	-	-	-	1,215,800	1,215,800
Transfer from the Jerwood Fund	(169,388)	-	-	169,388	-
Transfer from the Music Fund	(35,000)	-	-	35,000	-
Transfer to Trinity Hall Association Fund	266,645	-	-	(266,645)	-
Transfer from the Long Term Building Fund	(774,299)	-	(5,475,875)	6,250,174	-
Transfers to the Building Fund	-	-	108,506	(108,506)	-
Transfer to the Estates Repairs and Improvements Fund	-	-	76,123	(76,123)	-
Transfer to the Arts Fund	-	-	5,000	(5,000)	-
Transfer from Senior Scholars Fund	-	-	(416,631)	416,631	-
Transfer from Tuition Reserve Fund	-	-	(1,432)	1,432	-
Transfer of restricted fund surplus to reserves	372,225	818	-	-	373,043
Actual return less expected return on pension scheme assets	-	-	-	239,111	239,111
Experience gains and losses arising on the scheme liabilities	-	-	-	55,310	55,310
Changes in assumptions underlying the present value of the scheme liabilities	-	-	-	(121,366)	(121,366)
Total Recognised Gains/(Losses) for the Year	<u>3,434,301</u>	<u>9,234</u>	<u>(1,643,493)</u>	<u>10,328,983</u>	<u>12,129,025</u>
Balance as at 30 June 2006	<u>21,606,039</u>	<u>61,163</u>	<u>26,297,260</u>	<u>136,245,559</u>	<u>184,210,021</u>

TRINITY HALL
Consolidated Cash Flow Statement
for the Year Ended 30 June 2006



		2006		2005	
		£	£	£	£
A. Operating activities	Note				
Operating Surplus Before Tax			463,697		251,278
Depreciation	9		1,465,354		1,445,896
Profit on sale of investments	4		-		(10,519)
Less Endowment Income			(2,668,270)		(2,793,117)
Movement in pension deficit			42,686		-
(Increase)/Decrease in Stocks			(14,540)		796
(Increase)/Decrease in Debtors			(1,536,192)		(602,573)
Increase/(Decrease) in Creditors			647,882		1,402,142
Net Cash (Outflow)/Inflow from Operating Activities			<u>(1,599,383)</u>		<u>(306,097)</u>
B. Returns on investments and servicing of finance					
Investment Income			2,070,689		2,194,651
Net Cash Inflow from Returns on Investments and Servicing of Finance			<u>2,070,689</u>		<u>2,194,651</u>
C. Contribution to colleges fund	7		(38,070)		(72,683)
D. Capital transactions					
Drawdown of cash held for reinvestment	9	(2,101,915)		(468,617)	
Donations and Benefactions		1,215,800		1,312,984	
Sales of Tangible Fixed Assets		-		28,743	
Total Capital Receipts			<u>(886,115)</u>		<u>873,110</u>
Purchase of Tangible Fixed Assets	9	(7,274,101)		(4,180,122)	
(Sale)/Purchase of Investment Assets	9	2,175,912		(1,820,176)	
Total Capital Payments			<u>(5,098,189)</u>		<u>(6,000,298)</u>
Net Cash Outflow from Capital Transactions			<u>(5,984,304)</u>		<u>(5,127,188)</u>
Net cash (outflow)/inflow before financing			<u>(5,551,068)</u>		<u>(3,311,317)</u>
E. (Decrease)/Increase in cash			<u>(5,551,068)</u>		<u>(3,311,317)</u>
Reconciliation of net cash flow to movement in net liquid assets					
Decrease in cash in the period	E		(5,551,068)		(3,311,317)
Net funds brought forward 1 July 2005			11,525,103		14,836,420
Net funds carried forward 30 June 2006			<u>5,974,035</u>		<u>11,525,103</u>



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 2006. 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 3.75% (2005: 4%) of the brought forward fund balances (2005: of the year end market valuations of the investment fund assets).

Pension Schemes

The College participates in the Universities Superannuation Scheme, and Cambridge Colleges Federated Pension Scheme both of which are defined benefit schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme. The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In intervening years, the actuary reviews the progress of 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 charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

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. 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 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 excesses 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.

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

	2006	2005
	£	£
COLLEGE FEES		
Fee Income paid on behalf of Undergraduates eligible for Student Support	1,123,174	999,252
Other Undergraduate Fee Income (per Capita Fee £3,489)	74,152	63,618
Graduate Fee Income (per Capita Fee £1,983)	347,097	280,899
	<u>1,544,423</u>	<u>1,343,769</u>
Research/Teaching Grants	12,924	11,359
Other Fees (incl. Degree Fees)	12,864	7,958
Total	<u><u>1,570,211</u></u>	<u><u>1,363,086</u></u>

2. RESIDENCES, CATERING AND CONFERENCES INCOME

	2006	2005
	£	£
Accommodation	1,221,198	1,141,748
College Members Conferences	135,452	137,243
Catering	734,471	736,639
College Members Conferences	195,250	190,501
Total	<u><u>2,286,371</u></u>	<u><u>2,206,131</u></u>

3. ENDOWMENT INCOME

	Income from Restricted Funds		Income From	Total	Total
	For	For Non-	Unrestricted	2006	2005
	Collegiate	Collegiate	Funds	£	£
	Purposes	Purposes	£	£	£
	£	£	£	£	£
Income from:					
Non-investment fund income	-	-	2,992	2,992	65,763
Investment fund dividend	632,454	1,942	2,027,496	2,661,892	2,726,095
Cash	-	-	-	-	-
	<u>632,454</u>	<u>1,942</u>	<u>2,030,488</u>	<u>2,664,884</u>	<u>2,791,858</u>

* As defined by University Statute G,II.

Capital growth treated as income

The College accounts for its income from investments on a total return basis.

	2006	2005
	£	£
Income taken to the income and expenditure account	2,661,892	2,726,095
Income receivable from endowment investment assets	<u>(2,064,311)</u>	<u>(2,127,629)</u>
Capital growth treated as income during the year	597,581	598,466
Brought forward cumulative capital growth treated as income	1,181,414	582,948
Carried forward cumulative capital growth treated as income	<u><u>1,778,995</u></u>	<u><u>1,181,414</u></u>

Liability to Contribution under Statute G,II:

	Note	2006	2005
		£	£
Investment fund dividend		2,661,892	2,726,095
Less Capital growth treated as income during the year		(597,581)	(598,466)
Other allowable deductions		(506,773)	(403,380)
Endowment income liable to Contribution	7	<u><u>1,557,538</u></u>	<u><u>1,724,249</u></u>

Investment Management Costs

	2006	2005
	£	£
Investment managers costs	<u><u>376,911</u></u>	<u><u>144,194</u></u>

4. OTHER INCOME

	2006	2005
	£	£
Profit on sale of property	-	10,519
Donations received	1,416,452	824,642
Other income	90,345	87,997
Total	<u><u>1,506,797</u></u>	<u><u>923,158</u></u>

TRINITY HALL
NOTES TO THE ACCOUNTS



5. EDUCATION EXPENDITURE

	2006	2005
	£	£
Teaching	1,539,717	1,411,005
Tutorial	456,052	487,079
Admissions	219,178	235,890
Research	267,710	289,379
Scholarships and Awards	258,174	269,916
Other Educational Facilities	610,283	561,210
Total	<u>3,351,114</u>	<u>3,254,479</u>

6. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

	2006	2005
	£	£
Accommodation	1,790,685	1,657,429
College Members	198,618	199,229
Conferences (incl. marketing costs)	1,076,980	1,069,351
Catering	286,302	276,543
College Members		
Conferences		
Total	<u>3,352,585</u>	<u>3,202,552</u>

7. CONTRIBUTION UNDER STATUTE G,II

	Note	2006	2005
		£	£
Endowment Income as per Income and Expenditure Account	3	1,557,538	1,724,249
Less: Deductible Items	19b	(946,325)	(883,653)
Net Assessable Income		<u>611,213</u>	<u>840,596</u>
Assessment:			
£250,000 @ 2%	2006	5,000	7,500
£250,000 @ 7%	2005	17,500	17,500
£111,213 @ 13%		15,570	47,683
Contribution Payable		<u>38,070</u>	<u>72,683</u>

8a. ANALYSIS OF 2005/06 EXPENDITURE BY ACTIVITY

	Staff Costs	Depreciation	Other Operating Expenses	Total
	(Note 17)	£	£	£
	£			
Education (Note 5)	1,586,710	361,815	1,402,589	3,351,114
Residences, Catering and Conferences (Note 6)	1,499,291	1,103,539	749,755	3,352,585
Other (Note 8c)	241,675	-	619,192	860,867
	<u>3,327,676</u>	<u>1,465,354</u>	<u>2,771,536</u>	<u>7,564,566</u>

8b. ANALYSIS OF 2004/05 EXPENDITURE BY ACTIVITY

	Staff Costs	Depreciation	Other Operating Expenses	Total
	(Note 17)	£	£	£
	£			
Education (Note 5)	1,416,106	346,614	1,491,759	3,254,479
Residences, Catering and Conferences (Note 6)	1,410,587	1,099,282	692,683	3,202,552
Other (Note 8c)	221,517	-	354,407	575,924
	<u>3,048,210</u>	<u>1,445,896</u>	<u>2,538,849</u>	<u>7,032,955</u>

8c. Other expenditure

	2006	2005
	£	£
Investment and property management		
Third party costs	376,911	194,953
Internal costs	70,200	38,402
	<u>447,111</u>	<u>233,355</u>
Fundraising	323,284	226,341
Alumni	43,502	64,437
Endowment	46,970	51,793
	<u>860,867</u>	<u>575,924</u>

9. FIXED ASSETS (Parent & Consolidated)

Tangible Assets	Land & Buildings £	Works of Art Antique Furniture & College Silver £	Library £	Plant & Machinery £	Motor Vehicles £	Total £
COST/VALUATION						
At 1 July 2005	93,509,218	3,719,150	6,687,094	206,163	28,633	104,150,258
Additions	6,991,205	-	-	282,896	-	7,274,101
Disposals at Cost/Valuation	-	-	-	-	-	-
Revaluation During the Year	-	-	-	-	-	-
Cost/Valuation as at 30 June 2006	<u>100,500,423</u>	<u>3,719,150</u>	<u>6,687,094</u>	<u>489,059</u>	<u>28,633</u>	<u>111,424,359</u>
DEPRECIATION						
At 1 July 2005	4,205,370	-	-	44,185	20,731	4,270,286
Provided for the year	1,442,413	-	-	20,966	1,975	1,465,354
Eliminated on Disposal	-	-	-	-	-	-
Depreciation at 30 June 2006	<u>5,647,783</u>	<u>-</u>	<u>-</u>	<u>65,151</u>	<u>22,706</u>	<u>5,735,640</u>
Net Book value						
At 30 June 2006	<u>94,852,640</u>	<u>3,719,150</u>	<u>6,687,094</u>	<u>423,908</u>	<u>5,927</u>	<u>105,688,719</u>
At 30 June 2005	<u>89,303,848</u>	<u>3,719,150</u>	<u>6,687,094</u>	<u>161,978</u>	<u>7,902</u>	<u>99,879,972</u>

The Insured Value of Freehold Land and Buildings as at 30 June 2006 was £134,802,712 (2005: £109,234,420).





9. FIXED ASSETS (continued)

Investment Assets	2006	2006	2005	2005
	Parent	Consolidated	Parent	Consolidated
	£	£	£	£
Balance at 1 July 2005	62,240,960	62,230,532	53,232,031	53,221,603
Additions	3,751,530	3,751,530	2,167,549	2,167,549
Disposals	(5,927,442)	(5,927,442)	(347,373)	(347,373)
Appreciation/(Depreciation) on Disposals/Revaluation	10,912,124	10,912,124	7,657,370	7,657,370
Increase/(Decrease) in Cash Balances	2,101,915	2,101,915	(468,617)	(468,617)
Balance as at 30 June 2006	<u>73,079,087</u>	<u>73,068,659</u>	<u>62,240,960</u>	<u>62,230,532</u>
Represented by:				
Freehold Land and Buildings	8,822,349	8,822,349	9,501,237	9,501,237
Quoted Securities - Equities	53,074,546	53,074,546	47,757,036	47,757,036
Quoted Securities - Indirect Property	1,812,092	1,812,092	1,500,417	1,500,417
Alternative Investments	4,248,362	4,248,362	500,000	500,000
Unquoted Securities - Equities	121,579	121,579	84,026	84,026
Investment in Subsidiary Undertakings	10,428	-	10,428	-
Cash Held For Reinvestment	4,989,731	4,989,731	2,887,816	2,887,816
	<u>73,079,087</u>	<u>73,068,659</u>	<u>62,240,960</u>	<u>62,230,532</u>

The College's investment in subsidiary undertakings represents 100% of the share capital of Aula Limited and Trinity Hall Residences (1) Limited both 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

	2006	2006	2005	2005
	Parent	Consolidated	Parent	Consolidated
	£	£	£	£
Students' Payable	90,607	90,607	131,850	131,850
Fellows' Payable	5,269	5,269	5,659	5,659
JCR	5,453	5,453	64	64
Loans	41,904	41,904	72,261	72,261
Rents Payable	33,784	33,784	43,716	43,716
Amounts due from Subsidiary Undertaking	182,081	-	150,657	-
Tax Payable	35,973	35,973	11,292	11,292
Other Debtors	1,453,297	2,662,325	213,519	1,074,281
	<u>1,848,368</u>	<u>2,875,315</u>	<u>629,018</u>	<u>1,339,123</u>

11. CASH

	2006	2006	2005	2005
	Parent	Consolidated	Parent	Consolidated
	£	£	£	£
Bank Deposits	5,916,522	5,916,522	11,374,862	11,416,554
Current Accounts	30,658	52,005	-	102,813
Cash in Hand	5,508	5,508	5,736	5,736
	<u>5,952,688</u>	<u>5,974,035</u>	<u>11,380,598</u>	<u>11,525,103</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2006	2005	2005
	Parent	Consolidated	Parent	Consolidated
	£	£	£	£
Overdraft	161,783	162,628	33,736	57,326
Students' Prepayments	192,646	192,646	171,539	171,539
Suppliers	163,321	1,118,799	114,044	729,209
Other	1,246,527	1,328,071	956,147	1,161,575
University Contribution	38,070	38,070	72,683	72,683
	<u>1,802,347</u>	<u>2,840,214</u>	<u>1,348,149</u>	<u>2,192,332</u>

TRINITY HALL
NOTES TO THE ACCOUNTS



	2006 Parent £	2006 Consolidated £	2005 Parent £	2005 Consolidated £
13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	-	-	-	-
14. CAPITAL AND RESERVES				
	Income/ Expendable Capital Funds £	Permanent Capital Funds £	Total 2006 £	Total 2005 £
Restricted Funds:				
<u>Funds for collegiate purposes *</u>	<u>740,717</u>	<u>20,865,322</u>	<u>21,606,039</u>	<u>18,171,738</u>
<u>Funds for non-collegiate purposes</u>	<u>61,163</u>	<u>-</u>	<u>61,163</u>	<u>51,929</u>
Unrestricted Funds:				
<u>Designated Funds:</u>	<u>7,425,183</u>	<u>18,872,077</u>	<u>26,297,260</u>	<u>27,940,753</u>
<u>Undesignated Funds:</u>				
Undesignated Funds	-	66,047,976	66,047,976	67,166,469
Corporate Capital	2,362,650	-	2,362,650	726,636
Other General Capital	67,834,933	-	67,834,933	58,023,471
	<u>70,197,583</u>	<u>66,047,976</u>	<u>136,245,559</u>	<u>125,916,576</u>
	<u>78,424,646</u>	<u>105,785,375</u>	<u>184,210,021</u>	<u>172,080,996</u>

* As defined by University Statute G,II

	Restricted Funds £	Unrestricted Designated Funds £	Unrestricted Undesignated Funds £	Total £	Total £
Analysis of Restricted and Designated Funds					
Fellowship Funds	7,026,596	8,353,659	-	15,380,255	13,118,964
Scholarship Funds	3,851,349	4,122,884	-	7,974,233	6,739,115
Prizes Funds	1,793,471	-	-	1,793,471	1,520,788
Hardship Funds	3,052,655	576,768	-	3,629,423	2,982,195
Travel Grant Funds	1,223,735	-	-	1,223,735	1,047,186
Other Funds	4,719,396	13,243,949	136,245,559	154,208,904	146,672,748
	<u>21,667,202</u>	<u>26,297,260</u>	<u>136,245,559</u>	<u>184,210,021</u>	<u>172,080,996</u>

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

Long-Term Building Fund	-	<u>3,741,948</u>	-	<u>3,741,948</u>	<u>8,866,366</u>
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The decrease in the fund relates to the the expenditure on property which can be seen in the additions in Note 9.

Reconciliation of Movement in Capital and Reserves:

	<u>Restricted Funds</u>				<u>Unrestricted Funds</u>				Total 2006 £
	<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 2005 as restated	390,042	17,781,696	51,929	-	11,877,783	16,062,970	59,535,351	67,166,469	172,866,240
Prior year adjustment (Note 20)	-	-	-	-	-	-	(785,244)	-	(785,244)
Balance as at 1 July 2005 as restated	<u>390,042</u>	<u>17,781,696</u>	<u>51,929</u>	<u>-</u>	<u>11,877,783</u>	<u>16,062,970</u>	<u>58,750,107</u>	<u>67,166,469</u>	<u>172,080,996</u>
Surplus/(deficit)	784,475	299,792	818	-	573,554	597,806	(712,325)	(1,118,493)	425,627
Appreciation of investment assets	115,207	3,121,193	8,907	-	282,078	2,776,008	4,608,731	-	10,912,124
Capital growth treated as income	(6,353)	(167,971)	(491)	-	(15,554)	(153,076)	(254,136)	-	(597,581)
Benefactions and donations	-	-	-	-	-	-	1,215,800	-	1,215,800
Transfer between funds	(542,654)	(169,388)	-	-	(5,292,678)	(411,631)	6,416,351	-	-
Actuarial loss recognised on pensions	-	-	-	-	-	-	173,055	-	173,055
Balance as at 30 June 2006	<u><u>740,717</u></u>	<u><u>20,865,322</u></u>	<u><u>61,163</u></u>	<u><u>-</u></u>	<u><u>7,425,183</u></u>	<u><u>18,872,077</u></u>	<u><u>70,197,583</u></u>	<u><u>66,047,976</u></u>	<u><u>184,210,021</u></u>

Capital is invested in the following categories of assets

	<u>Restricted Funds</u>				<u>Unrestricted Funds</u>				Total 2005 £
	<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	-	-	-	-	-	-	52,847,450	52,841,269	105,688,719
Investment Assets	736,199	19,540,705	56,920	-	5,544,496	17,739,393	29,450,946	-	73,068,659
Net Current Assets	4,518	1,324,617	4,243	-	1,880,687	1,132,684	(11,445,938)	13,206,707	6,107,518
Pension Liability	-	-	-	-	-	-	(654,875)	-	(654,875)
Total	<u><u>740,717</u></u>	<u><u>20,865,322</u></u>	<u><u>61,163</u></u>	<u><u>-</u></u>	<u><u>7,425,183</u></u>	<u><u>18,872,077</u></u>	<u><u>70,197,583</u></u>	<u><u>66,047,976</u></u>	<u><u>184,210,021</u></u>





15. REVALUATION RESERVE

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

	2006 £	2006 £	2005 £
Balance at 1 July 2005		15,486,416	7,950,407
Revaluations during the year on:			
Tangible Fixed Assets	-		
Fixed Asset Investments	10,912,124		
		10,912,124	7,536,009
Transfer of accumulated revaluation on disposals		(402,957)	-
Balance at 30 June 2006		<u>25,995,583</u>	<u>15,486,416</u>

16. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	Operating leases on Land and Buildings	
	2006 £	2005 £
Expiring:		
Within one year	25,094	38,700
Between one and five years	16,425	36,600
	<u>41,519</u>	<u>75,300</u>

17. STAFF

	Supervision Payments 2006 £	College Fellows 2006 £	Other		Total 2006 £	Total 2005 £
			Academics 2006 £	Non - Academics 2006 £		
Staff Costs						
Emoluments	213,374	722,248	198,157	1,690,587	2,824,366	2,642,108
Social Security Costs	-	54,505	13,211	106,291	174,007	158,271
Other Pension Costs	-	67,479	33,806	228,018	329,303	247,831
	<u>213,374</u>	<u>844,232</u>	<u>245,174</u>	<u>2,024,896</u>	<u>3,327,676</u>	<u>3,048,210</u>

Average Staff Numbers

Academic	38	8	-	46
Non-Academics	12	-	110	122
	<u>50</u>	<u>8</u>	<u>110</u>	<u>168</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 £329,304 (2005: £247,831)

University Superannuation Scheme

The institution participates in the University Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. The institution 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 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) and the rates of increase in salary and pensions. In relation to the past service 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 in line with 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. The valuation was carried out using the projected unit method.



18. PENSION SCHEMES (Continued)

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%.

The institution 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 institution contribution rate at 14% of pensionable salaries.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as 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 institution was £67,479 (2005: £54,854). This includes £10,247 outstanding contributions (2005: £8,512 prepaid contributions) at the balance sheet date. The contribution rate payable by the institution was 14% of pensionable salaries.

Cambridge Colleges Federated Pension Scheme

The College is a member of a multi-employer defined benefit scheme, the Cambridge Colleges Federated Pension Scheme (CCFPS) 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. From 6 April 2006, it became a scheme registered with the HM Revenue & Customs under the terms of the Finance Act 2004. The College's employees covered by the scheme are contracted-out of the State Second Pension (S2P).

The College has 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 date of the most recent full actuarial valuation was as at 31 March 2005. These FRS17 valuation results used the valuation data updated by an Actuary who is not an employee or officer of the College and/ or its subsidiaries.

The contribution made by the College in respect of the 15 month period ended 30 June 2006 was £229,107, excluding PHI premiums.

The major assumptions made by the actuary were:	30 June 2006	31 March 2005
Discount rate	5.25%	5.40%
Inflation assumption	3.10%	3.00%
Rate of increase in salaries	3.85%	3.75%
Rate of increase in pensions in deferment		
- GMP	3.85%	3.75%
- Excess pension	3.10%	3.00%
Rate of increase in pensions in payment		
- GMP accrued up to 5 April 1988	0.00%	0.00%
- GMP accrued after 5 April 1988	2.30%	2.25%
- Excess Pension over GMP and pension accrued after 5 April 1997	3.10%	3.00%

In addition, standard actuarial mortality tables as used in the actuarial valuation for the Trustees were used.

The assumptions used in 2006 are more conservative than those used in 2005. This is due to the lower gross redemption yields on Corporate AA rated bonds and the slightly higher inflation expectations.



18. PENSION SCHEMES (Continued)

Cambridge Colleges Federated Pension Scheme (Continued)

The assets in the Scheme and the expected rate of return were:	Long-term rate of return expected at 30 June 2006	Value £	Long-term rate of return expected at 31 March 2005	Value £
Equities	7.5% p.a.	3,039,519	7.5% p.a.	2,201,478
Bonds (including cash and net current assets)	4.7% p.a.	940,621	4.7% p.a.	1,169,822
Property	6.5% p.a.	128,885	6.5% p.a.	93,349
		<u>4,109,025</u>		<u>3,464,649</u>

The 2006 assets are based upon information provided by the Scheme administrators. The 2006 asset split is based upon the split from the 2005 accounts.

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

	2006 £	2005 £
Total market value of the assets	4,109,025	3,464,649
Present value of Scheme liabilities	<u>(4,763,900)</u>	<u>(4,249,893)</u>
Surplus (deficit) in Scheme	(654,875)	(785,244)
Related deferred tax liability *	*	*
Net Pension Liability	<u>(654,875)</u>	<u>(785,244)</u>

* This item was not provided to the actuary.

The main reasons for the improvement in the financial position are the:

The main reasons for the improvement in the financial position are the:

- Much better than expected investment returns; partially offset by:
- Strengthening in the FRS17 assumptions over the period (the discount rate has reduced from 5.4% to 5.25% and the inflation outlook has worsened slightly, which places a higher value on the liabilities).

Analysis of the amount charged to profit

	15 months ended 30 June 2006 £
Current service cost	245,082
Life assurance premium	26,551
Past service cost	-
Total operating charge	<u>271,633</u>

Analysis of the amount credited to other finance income

Expected return on pension scheme assets	289,325
Interest on pension scheme liabilities	<u>(289,485)</u>
Net return	<u>(160)</u>

Analysis of the amount recognised in the statement of total recognised gains and losses

Actual return less expected return on pension scheme assets	239,111
Experience gains and losses arising on the scheme liabilities	55,310
Changes in assumptions underlying the present value of the scheme liabilities	<u>(121,366)</u>
Actuarial gain recognised in STRGL	<u>173,055</u>

Movement in surplus/(deficit) during the period

Surplus/ (Deficit) in the scheme at the beginning of the period	(785,244)
Movement in period:	
Current service cost plus Life Assurance premium	(271,633)
Contributions	229,107
Past service costs	-
Other finance income	(160)
Actuarial gain	<u>173,055</u>
Surplus/ (Deficit) in the scheme at the end of the period	<u>(654,875)</u>

The FRS17 actuarial valuation at 30 June 2006 showed a deficit of £654,875.



18. PENSION SCHEMES (Continued)

Cambridge Colleges Federated Pension Scheme (Continued)

History of experience gains and losses	15 months ended 30 June 2006
Difference between expected and actual return on scheme assets	
Amount	239,111
Percentage of scheme assets	6%
Experience gains and losses on scheme liabilities:	
Amount	55,310
Percentage of scheme assets	1%
Total amount recognised in statement of total recognised gains and losses	
Amount	173,055
Percentage of scheme assets	4%

In line with the recommendations of the CCFPS Management Committee, the employer contribution rate has been increased with effect from 31 March 2006 so that the deficit will be eliminated over a fifteen year period.

19. CONTRIBUTION ASSESSMENT

19a. Assessable Income	2006 £	2006 £	2006 £	2005 £
<u>i. External Revenue</u>				
Investment Distribution from General Funds	1,056,636			915,689
Interest on Long Term Funds	361,692			497,904
Rent on Long Term Investment Properties	-			35,908
Other income	-			5,353
Less: Non-assessable Capital Growth	(597,581)			(598,466)
Add: Capital Growth on funds not subject to contribution	<u>19,045</u>			<u>-</u>
		839,792		856,388
Less:				
Miscellaneous Rents	-			7,444
Agency, Management charges	438,914			298,000
Repair Allowance transferred to College Estate Repairs and Improvement Fund Account	<u>76,123</u>			<u>80,650</u>
		<u>515,037</u>		<u>386,094</u>
			324,755	470,294
<u>ii. Trust & Other Funds Subject to Contribution</u>				
Scholarship Fund Account		152,950		154,689
Various Scholarship and Prize Funds		181,369		183,002
Various Trust Funds Account		-		-
Various Special Funds Account		183,380		230,062
Various Designated funds		337,627		281,918
Tutors' Benevolent Fund Account		13,235		13,116
Research Students' Fund Account		3,709		3,777
Graduate Students' Fund Account		1,625		1,660
Fellows Research Fund Account		37,814		37,726
College Silver Fund Account		3,975		3,997
Michael Nightingale Bequest		23,407		23,948
Pension Fund Reserve		23,459		18,723
John B. Thole Fund Account		16,009		15,930
Gott Bequest Account		18,310		18,987
Frankl Memorial		2,168		2,179
Prof Mann Bequest		28,740		28,703
Walter Grant Scott Research Fellowship		36,316		37,163
Campaign Fund		26,989		53,851
Evan Schulman Research Fellowship Fund		11,254		12,945
Stephen Hawking Fellowship		38,047		39,445
Crawley Fund		2,474		2,439
Overseas Student Bursaries Fund		16,083		15,822
John Collier Scholarship Fund		28,891		28,535
Runcie Fellowship Fund		44,791		45,145
Vasconcellos Bursary		<u>161</u>		<u>193</u>
Summary of Trust and Other Funds			1,232,783	1,253,955
Assessable Income			<u>1,557,538</u>	<u>1,724,249</u>

TRINITY HALL
NOTES TO THE ACCOUNTS



19. CONTRIBUTION ASSESSMENT (Continued)

	Note	2006 £	2006 £	2005 £
iii. Trust & Other Funds Not Subject to Contribution				
Dr Clark's Theological Fund			835	863
Cowlinge Trust			1,107	1,127
Launcelot Fleming Fund			4,745	4,812
Gutteridge Bequest			98	97
Fletcher Bequest			319	328
H & I Dean fund			348	354
E T Clarke Milestones fund			4,319	4,114
Various Trust Funds Account			2,003	46,854
Summary of Trust and Other Funds			<u>13,774</u>	<u>58,549</u>
19b. Deductible Items				
Half sums paid to Scholars, Exhibitioners, & Research Students			111,272	110,237
Half cost maintenance of Services in Chapel			15,682	12,290
Prizes Awarded			9,260	7,875
College Building Fund (Under Statute GII, 4vii)	19c		165,500	160,000
Sinking Fund payments (Under Statute GII, 4iv)			95,879	130,205
Insurance (Under Statute GII, 4viii)			48,315	34,213
Library expenses (Under Statute GII, 4xvii)			154,458	136,019
Research Fellows (Under Statute GII, 4xviii)			85,239	82,840
NUTO's (Under Statute GII, 4xix)			214,972	191,001
Pension Fund (Under Statute GII, 4ix)	19e		23,459	18,723
Fellows Loans (Under Statute GII, 4xv)			-	-
Donations for University Purposes:				
Careers service		50		
Childcare for Students		2,604		
University Counselling Service		18,916		
Sports Injury Clinic		519		
Friends of Fitzwilliam Museum		200		
		<u>22,289</u>		<u>250</u>
			<u>946,325</u>	<u>883,653</u>
19c. Building Fund Under Statute GII, 4vii				
Balance as at 1 July 2005			-	-
Transfer for 2004/05 approved under GII, 4vii		165,500		
Interest		-		
		<u>165,500</u>		160,000
Less:				
Improvements to Buildings			(165,500)	(160,000)
Balance as at 30 June 2006			<u>-</u>	<u>-</u>
19d. Estates Repairs and Improvements				
Balance as at 1 July 2005			819,273	738,623
Transfer for 2005/06 approved under GII, 4v				
25% of: College Estate let at Rack Rent		304,492		
Assumed rent of unoccupied property		-		
		<u>304,492</u>	@ 25%	
			76,123	80,650
Less:				
Repairs and improvements on Estates			-	-
Balance as at 30 June 2006			<u>895,396</u>	<u>819,273</u>
19e. Pension Fund				
Balance as at 1 July 2005			135,649	161,603
Income			23,459	18,723
Less:				
Expenditure			(26,335)	(44,677)
Balance as at 30 June 2006			<u>132,773</u>	<u>135,649</u>

The Pension fund also has investments to the value of £593,514.



20. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the full implementation of the Financial Reporting Standard (FRS) 17, Retirement benefits. The income and expenditure comparatives have not been amended.

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.