TRINITY HALL
CAMBRIDGE

ACCOUNTS FOR THE YEAR ENDED

30 June 2011

TRINITY HALL
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For the Year Ended 30 June 2011

Governing Body

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Bursar:	Mr Paul ffolkes Davis
Senior Tutor:	Dr Nick Bampos

Registered charity number
1137458

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Dr Christopher Padfield
Professor Paul Julian Smith
Professor Michael Kelly
Dr Simon Guest
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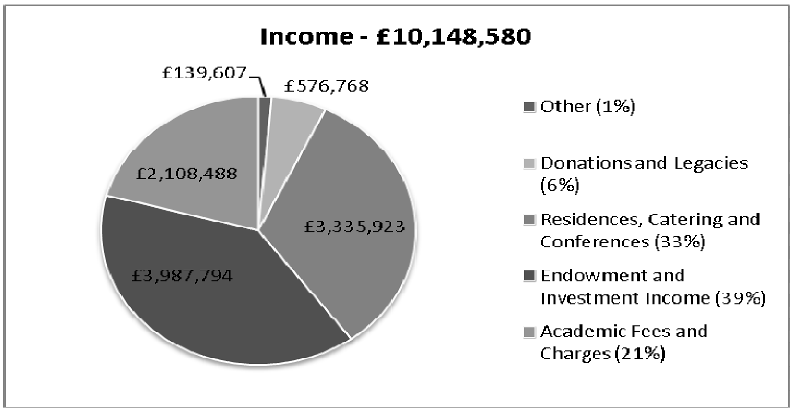
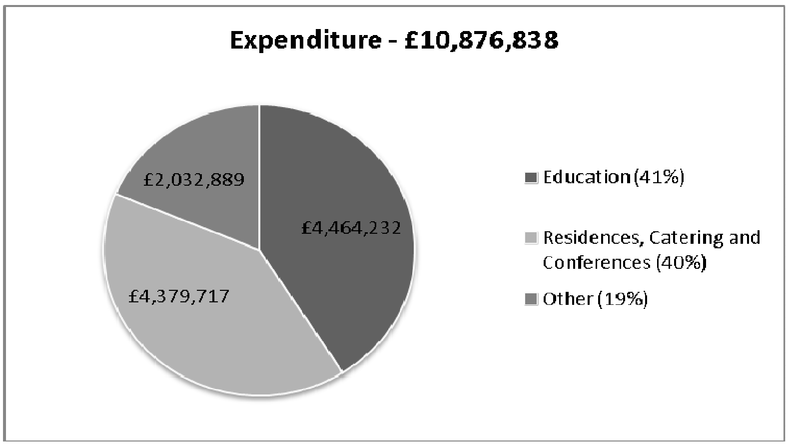
TRINITY HALL
Operating and Financial Review
For the financial year ended 30 June 2011

Status
Trinity Hall, or The Master, Fellows and Scholars of the College or Hall of the Holy Trinity in the University of Cambridge, was founded by Bishop Bateman of Norwich in 1350. The College is an autonomous, self-governing community of scholars, and one of 31 Colleges within the University of Cambridge. The College is a registered charity and its registered charity number is 1137458.

Aims and objectives
The College is an institution of higher education. Its purposes are the advancement of education, religion, learning and research. The College admits (as junior members) undergraduate and graduate students matriculated in the University of Cambridge. It provides financial and other support to those of its members who require it in order to achieve its purposes, and it supports teaching and research in the University. In furtherance of its objectives, the College maintains and manages an endowment of assets, including properties. Besides financial and tutorial support, it provides accommodation, catering and other services to its members and others. Governance arrangements for the College are set out on page 8.

Overview of the Year
The Income and Expenditure Account shows a deficit on continuing operations but after contribution to the Colleges' Fund of £796,258. This is a marked improvement of the revised figure for the previous year of £1,633, 869 and more than cuts the College's deficit in half. The reason for this improvement is, happily, a confluence of both higher income, and, for the first time in my experience, lower overall expenditure.





Changes to RCCA accounts:

Trinity Hall has adopted the new RCCA guidelines in the current year and therefore comparative figures have been restated to reflect the revised accounting policies.

The main changes to the accounts are as follows:

• Investment management costs are now treated as a deduction in arriving at total return and not an expense in the income and expenditure account.
• Deferred capital grants are now disclosed separately on the face of the balance sheet rather than as part of restricted reserves.
• Donation income is shown separately in the income and expenditure account.
• The Classification of reserves between permanent and expendable endowment has been revised.
• Designated funds are not permitted and have been reclassified as unrestricted funds.
• Heritage Assets FRS30 has been adopted for the first time.

The immediate effect of these changes has been to reduce last year's deficit on continuing operations by £323,874 to £1,633,869.

Students

During the year, the College educated 381 undergraduate students and 268 graduate students. This includes all students up to the time they receive their degree, regardless of the time spent at the College or whether they are still paying fees.

The College admits as students those who have the highest potential for benefitting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

Undergraduate student offers are shown in the table below, showing the level of diversity of students attending Trinity Hall. About 15% of undergraduate students are from overseas (including EU) backgrounds:

	Arts	Sciences	Overall
Men	23%	31%	54%
Women	33%	13%	46%
Home Maintained School	53%	53%	53%
Home Independent School	47%	47%	47%

The College charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to Overseas undergraduates and any Home/EU undergraduates not entitled to Student Support

- Accommodation and meal charges at reasonable rates.

Student Support
In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University, other colleges and the Isaac Newton Trust, bursary support for those of limited financial means. (For the academic year 2010-2011, the number of awards made was 89, out of a Home/EU undergraduate population of 381 [23%]; 40 of the awards were at the maximum value of £3,400; and the average value of the awards was £2,186.) The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement. It is widely advertised on the University website, on College websites and in the Admissions Prospectus.

To support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages. (For the academic year 2010-11, the value of specific studentships for graduate students was £76,000 representing 19% of graduate fee income.)

In addition to these specific awards the College supports its entire student body, both undergraduate and graduate, by subsidising their teaching and living arrangements with operational support from its endowment. This is taken annually as a dividend from the total return of investment assets. For the accounting year 2010-11 this figure exceeded £2 million, this support for every student of all classes equated to £4,207.The College also supports all students through a grant scheme to assist with the purchase of books and equipment, attendances at conferences, childcare support and travel. In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship.

Academic performance
For 2010-11, Trinity Hall was ranked 3rd out of all Cambridge Colleges in the Baxter Tables for undergraduate examination results. 28% of Trinity Hall candidates obtained first class honours in 2011. There is no comparable ranking for the performance of graduate students but a relatively large number continue to proceed to research fellowships and to other positions of academic distinction.

Broadening Access
To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the College, the College operates an extensive outreach programme. This programme includes an extensive programme of visits to schools, visits by schools to the College, open days, admissions symposia for teachers as well as guidance and information on the College website for prospective applicants.

Employees
In order to fulfil its charitable purposes of advancing education, religion, learning and research, the College employs as Fellows, College Lecturers, Supervisors, Directors of Studies, Tutors, a Dean and senior administrative officers, who with the Master ex officio, serve as charity trustees through being members of the Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally; moreover annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge. The College also employs 127 other full or part time members of staff (FTE 110) to provide the professional and service support necessary to run the College. This figure compares with 133 in 2009-10.

Internal Beneficiaries
The Master and Fellows of the College also receive benefits as beneficiaries. These comprise research grants, book grants, etc. These benefits are provided with the intention of furthering the College's aims, primarily that of advancing research. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to other beneficiaries of the College.

Financial Performance

Income & Expenditure Account – highlights

Academic fees at £2,108,488 were almost £99,000 or 4.9% higher than a year earlier. The improvement was largely in publicly-funded undergraduate fees and is welcome. It should always be borne in mind, however, that fees received for both undergraduate and most graduate courses are substantially below the cost of delivering tuition. Based on figures calculated on the education account for the University for onward transmission to HEFCE, Trinity Hall shows a total deficit of £2,355,744 (an improvement of 11.7% on a year earlier). Using the numbers for actual fee paying students (380 fee paying undergraduates and 180 fee paying postgraduates), this suggests a cost or investment of an average of £4,207 per student in College, or £4,861 per undergraduate and £2,825 per postgraduate. This subsidy is just the cost of Trinity Hall 'doing business' and may well increase next year when the new fee regime is introduced and government funding of the HEFCE Teaching Grant is reduced by 80%.

Education expenditure was 4.6% lower than a year before, largely the result of our success in restraining pay and controlling staff numbers. Pleasingly, only the Scholarships and Awards line has increased.

Residences, Catering and Conferences income was up 4% with residential up a little and catering down. On the costs side there was an improvement of 2.3%. The Downing Formula, as it is known, is applied to apportion costs across all departments and, thus, only gives a representative view. For the purposes of the management accounts the Conference business is valued at the margin, given the sunk costs of so many of the activities in this area. On this measure, the contribution from conference and banqueting has gone from under £65,000 in 2008 at a margin of around 31% to £448,000 in the year under review with a margin approaching 61%. The further good news is that volumes and margins continue to improve and may still have a little further to go before the optimal balance between the needs of the College's academic life and the use of its facilities to help pay for this has been reached.

Donations and legacies that we are able to spend are now shown on their own line on the I&E account. They are up £98,000 which is creditable in such a difficult environment for fundraising. Most of this money is given as part of the annual fund, and in particular the telephone campaign, which continues to do well. We have also received the first £50,000 of a generous gift which will total £1 million over five years.

Other income this year included some VAT recovered on a historical claim. Other expenditure includes the long-term loan servicing costs, the Development Office, property agents' fees and the Bursary – gratifyingly, it was marginally lower.

Overall income was up 5% or over £1/2 million, while total expenditure fell by 2.9% or £325,000. This is the first net fall I have seen as Bursar and, given my customary lament about Trinity Hall's internal inflation rate, it is very welcome. Principally, this improvement reflects the low pay settlements that have been possible because of the general economic meltdown and our policy of not automatically replacing staff who leave, or if we do, doing so at reduced salary levels.

As a consequence, staff costs have fallen to being only 46% of our income, breaking the 50% barrier for the first time in many years. The deficit on continuing operations after University contribution is the best number to gauge how the College is doing financially. It is worth noting, incidentally, that the contribution (the tax wealthier colleges pay to support poorer ones and help equalise the student experience) is 26% higher – a reflection of the growing size of our endowment. This deficit is now £796,258 and has more than halved in one year. Good news but still a deficit.

Statement of Recognised Gains and Losses (STRGL) & Balance Sheet – highlights
Our ***investment portfolios*** had a good year in the markets where virtually all our asset managers exceeded their benchmarks. The value of investments, including property, rose by £18.7 million (17.4%) to £126.5 million if the long-term loan investments are included. If these are excluded, which they are for the management accounts in estimating the value of the 'endowment' (which for these purposes includes all fixed asset and endowment investment funds), performance has shown a £14.4 million rise (18%) to £94.7 million. It is this number that the College regards as its endowment total at year end.

Benefaction for inclusion in the permanent endowment (as against being available for expenditure) has declined 72.5% to £210,401 – this is less than a tenth of the number in 2008 and is testament to both the present difficult economic landscape and our dependency on large individual gifts. Several of our previously generous large givers have been otherwise engaged and there have been no major legacies received during the year. Although, we are optimistic about the level of pledges going forward, there can be no doubt that times are tough and this year's result is disappointing.

There is good news regarding ***CCFPS, the staff's pension scheme*****.** The pension liability in the scheme or gap is down 59.2% to £988,114. This is according to our annual FRS17 regime valuation. In fact, the news is even better, as the triennial 'scheme specific' valuation, against which our payments agreed with the scheme administrators are set, has moved from deficit to a small surplus. This means that from July 2012, the College will no longer have to close a perceived gap and payments to do so can cease – this will save over £150,000 a year. Effectively the haemorrhage has stopped, at least for the next three years! This has been a triumph for common sense, as concerted representations by the scheme's various colleges' Bursars finally succeeded in persuading the actuary that his assumptions about future costs (particularly the likely rate of payroll increases) were unrealistic.

Trinity Hall's ***Balance Sheet*** grew by 19.8% in the period to £210,745,452. I have often remarked that this is a largely meaningless number given the somewhat spurious nature of the value placed on Central Site. I must be less dismissive now that, as the endowment grows, over 60% of the Balance Sheet total is now represented by investment assets.

Cash Flow and other highlights
A question repeatedly asked at Governing Body is whether the College is solvent on a **cash-in/cash-out basis** – does it wash its face? The measure we have adopted to reassure the questioner is the net cash inflow or outflow figure. In the year under review, this increased by £1.18 million, and even the previous year's figure was restated from a loss to a positive of £344,000.

Capital projects remain largely an aspiration. The College has been able to commence a programme to refurbish one staircase per year, initially on Central Site, in an on-going attempt to maintain the quality of some of our older accommodation. The first staircase to undergo this transformation, 'P', has now been completed and work has already begun on 'G'. The intention is to capitalise a large proportion of these costs annually. As a consequence, capital expenditure jumped to £363,000 from £62,500 and we should expect maintenance costs of this order for the foreseeable future.

Our depreciation charge, at around £2 million, does not change much. It is predicted to rise gently as the staircase refurbishment programme progresses as a large percentage will be capitalised. By way of illustration, we expect to capitalise £258,000 of the costs incurred on 'P' stair which should add around £5,000 to the depreciation charge.

The long-term loan fund, which started with the original borrowings of £25 million, is still not fully invested. However, by year end, its capital value, after the cost of servicing the coupon annually since inception, had grown to £31.74 million. The College's Finance Committee is currently debating a number of options to deploy some of this surplus.

Cash at hand grew from £1.96 million to £3.15 million during the year. Given the dramatic effect having too little cash in the system caused both Harvard and Yale during the credit crunch, the lesson of keeping sufficient spendable cash for all likely operational needs has been well learnt.

Outlook

The year ended June 2011 has clearly been a good one for Trinity Hall financially. Our operational deficit has more than halved while income is up and expenditure down. In addition, our investments have prospered and our pension liability turned into a surplus (at least for a while). I was cautioned at Governing Body when I presented these results not to give the Fellowship the impression that the College was 'off the hook'. It is not and I do not expect to have so much good news to relay next year. However, it would be churlish not to celebrate the happy fact that for once our year end coincided with the apex of the markets. This is a very satisfactory set of results. I doubt this trick will be repeated again anytime soon, and, as you will imagine given this is written in early December, our wealth has taken a considerable battering since year end – let us hope markets have recovered sufficiently to regain these highs by June of next year.

Good though the numbers are this year, they serve to illustrate elegantly how dependent Trinity Hall still is on the generosity of our friends and alumni if we wish to pursue any large-scale capital expenditure. We are currently considering much needed improvements to the boathouse, and, even more importantly, the knocking down of the houses at St Clement's Gardens on Thompson's Lane and their replacement by a new Tristan Rees-Roberts designed building offering high quality en-suite accommodation for Trinity Hall members right in the middle of town. Neither of these exciting projects will be possible without meaningful gifts from our supporters.

Lastly, it is worth mentioning that the College is in the process of preparing the ground for a very unusual and original investment. There is no guarantee that we will proceed, or, indeed, be allowed to, but I hope next year to be able to give details of what will be a unique and imaginative venture for a Cambridge college. I hope it will be the most singular example of the efforts we are making to make Trinity Hall stronger and more self-sufficient over time.

On behalf of the Governing Body
Paul ffolkes Davis
15th December 2011

Governance
The Master and Fellows constitute the Governing Body of the College, to whose meetings are invited Junior Member representatives (for unrestricted business). The Governing Body is constituted and regulated in accordance with the College Statutes. The body is responsible for the strategic direction of the College, for its on-going administration, and for the management of its finances and assets. Meetings are held eight times a year under the chairmanship of the Master. Supporting the Governing Body is a range of committees and advisory groups including: Finance, Fellowship, Investment, Development, Education Policy and Buildings and Health & Safety. Responsibilities of the Governing Body are more fully described on page 10.

The Governing Body are also the Trustees of the charity and are listed on page 1. The principal officers are listed on page 1.

There are Registers of Interests of Trustees and declarations of interest are made systematically at meetings.

Investment policy
Trinity Hall's endowment funds are managed day-to-day on a discretionary basis by selected leading financial services and property companies. The College monitors the performance of these managers through regular meetings of the College's Finance (Investments) Committee, which body also makes recommendations to the Governing Body on asset allocation issues. Membership of this Committee is composed of those Fellows of the College who are members of the Finance Committee, augmented by the managers of individual investment portfolios and outside professional advisers.

Asset classes that can be held include, but are not limited to: UK and International large, medium and small cap Equities, and Unit Trusts and Investment Trusts comprising these, Property (held both directly and indirectly), Fixed Income instruments, Hedge Funds, Private Equity and Venture Capital Funds, Soft and Hard Commodities Funds, all forms of Derivatives and Financial Futures, and Cash.

Trinity Hall adheres to Charities Commission guidelines and principles of general fiduciary law governing the requirement to invest to maximise returns consistent with the College's aims, interests and purposes.

Risk assessment
The major risks to which the College is exposed are reviewed regularly by the various College committees named above and reported to the Governing Body. Systems are in place, or are in the process of being established, to mitigate identified risks. The College Health & Safety Policy Statement is reviewed regularly and endorsed by the Governing Body and is displayed via the College intranet site.

Environmental policy
In achieving excellence in teaching and research, Trinity Hall manages its activities, buildings and estates to promote environmental sustainability, conserves and enhances natural resources and prevents environmental pollution to bring about a continual improvement in its environmental performance.

Equal opportunities
The College is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. The College's employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on any grounds that are unjustified in terms of equality of opportunities for all.

Public benefit statement
In accordance with its Founding Charter and Statutes, the College's charitable purpose is to advance education, religion, learning and research for the public benefit by the provision, support and maintenance of a College in the University of Cambridge. A full statement of the public benefit it provides has been lodged with the Charity Commission. It is summarised as follows:

Education:
- The College provides, in conjunction with the University of Cambridge, an education for some 649 undergraduate and graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society.
- The provision of teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems.
- Social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

Research:
- The provision of Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- Supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and grants for national and international conferences, research trips and research materials;
- Encouraging visits from outstanding academics from abroad.
- Encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular the College:
- Maintains and supports the Chapel as a place of religious worship and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and visitors.
- Supports, through the College Dean, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition or none.
- Maintains its historic connection with the work of the Church of England, particularly through its involvement with St Edward, King and Martyr, Cambridge.
- In addition to the Chapel's central role in College, the Catholic Chaplaincy celebrates mass at least three times annually, plus religious celebrations and/or services take place in College for faiths as diverse as Islam, Judaism, Hinduism and Sikhism.

The College maintains an extensive Library (including important special collections), so providing a valuable resource for students and Fellows of the College, members of other colleges and the University of Cambridge more widely, external scholars and researchers, as well as local children from maintained and other schools through educational visits and the public through regular exhibitions.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, religion, learning or research. However, beneficiaries also include: students and academic staff from other colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and visiting school children and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities. The general public are also able to attend various educational activities in the College such as exhibitions in the library and public rooms. Concerts open to the public are also held in College and external venues.

Responsibilities of the Governing Body

The Governing Body is responsible for the administration and management of the College's affairs.

The Governing Body presents audited financial statements for each financial year. These are prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom accounting Standards, including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by the University of Cambridge in their Recommended Cambridge College Accounts.

With reference to the above provisions, the Governing Body 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 Statues of the University.

In causing the financial statements to be prepared, the Governing Body has sought to ensure 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 internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

We have audited the financial statements of Trinity Hall for the year ended 30 June 2011 which comprise the consolidated income and expenditure account,the consolidated statement of total recognised gains and losses,the consolidated balance sheet, the consolidated cash flow statement and related notes.The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) .

This report is made solely to the 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Governing Body and Auditor

As explained more fully in the Governing Body's Responsibilities Statement set out on page 5, the Governing Body is responsible for the preperation of financial statements which give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the College and the Group's affairs as at 30 June 2011 and of the deficit of the College and the Group for the year then ended; and

- have been properly prepared in accordance with the requirements of the Charities Act 1993, the College's Statutes and the Statutes of the University of Cambridge.

- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II of the University of Cambridge.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

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

CHATER ALLAN LLP
Registered Auditors

Beech House, 4A Newmarket Road, Cambridge
16th December 2011

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP).

The income and expenditure account includes activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to the use of public funds. The analysis required by the SORP is set out in note 8.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments which are included at valuation.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 28. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

Recognition of income

Academic fees
Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

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

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

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

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

Endowment and investment income
Investment fund and long dated borrowing fund income is credited to the income and expenditure account on a total return basis. Non investment fund income is credited in the period in which it is earned. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments.

Investment fund income taken to the income and expenditure account under the recognition of income on a total return basis is calculated at 4% (2010: 4%) of an average of the market value of the investment assets. The long dated borrowing fund total return is calculated to ensure fund income matches the fund expenditure.

Foreign currency translation

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

Tangible fixed assets

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.

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 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. They are not depreciated until they are brought into use.

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.

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, based on its 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	5%-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.

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 periods of the leases.

Heritage assets
The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Where original cost of silver, works of art and antique furniture cannot be ascertained, insurance replacement values at 1992 for silver and 2007 for works of art have been used. Library books are valued at insured value at 1995. All book additions are written off in the year of acquisition. Acquisitions since 1 July 2004 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

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

Stocks

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

Provisions

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

Taxation

The College is a registered charity (number 1137458) and is exempt from taxation in respect of income or capital gains received under Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

Contribution under Statute G,II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension Schemes

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

The College also contributes to the Cambridge Colleges Federated Pension Scheme, which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

Since 2010 The College contributes to a third scheme, The Cambridge Colleges Group Personal Pension Scheme (CCGPPS), a defined contribution scheme, for new employees. The scheme is administered by Aviva.

TRINITY HALL
Consolidated Income and Expenditure Account
For the Year Ended 30 June 2011

	Note	Year Ended 30 June 11 £	Year Ended 30 June 10 Restated £
INCOME			
Academic fees and charges	1	2,108,488	2,009,559
Residences, catering and conferences	2	3,335,923	3,206,909
Endowment and investment income	3	3,987,794	3,847,899
Donations and legacies	4	576,768	478,477
Other income	5	139,607	78,938
Total income		10,148,580	9,621,782
EXPENDITURE			
Education	6	4,464,232	4,678,598
Residences, catering and conferences	7	4,379,717	4,480,540
Other expenditure	8c	2,032,889	2,042,513
Total expenditure	8	10,876,838	11,201,651
Deficit on continuing operations before Contribution under Statute G, II		(728,258)	(1,579,869)
Contribution Under Statute G,II		68,000	54,000
Deficit on continuing operations after Contribution under Statute G, II		(796,258)	(1,633,869)
Surplus for the year transferred to accumulated income in endowment funds	19	(200,969)	(109,406)
Deficit for the year retained within general reserves		(997,227)	(1,743,275)

All items dealt with in arriving at the deficit for 2011 and 2010 relate to continuing operations.

TRINITY HALL
Consolidated & Parent Statement of Total Recognised Gains and Losses For the Year Ended 30 June 2011

	Note	Restricted funds £	Unrestricted funds £	Total 30 June 11 £	Total 30 June 10 £
Retained deficit for the year		118,827	(1,116,054)	(997,227)	(1,743,275)
Unspent endowment fund income		36,303	164,666	200,969	109,406
Increase in market value of investments					
Endowment assets	19	5,853,018	4,586,867	10,439,885	6,490,821
Fixed asset investments	20	-	8,555,938	8,555,938	6,835,781
Unrealised surplus on revaluation of fixed assets		-	-	-	-
New endowments	19	210,401	-	210,401	757,954
Capital growth from Colleges fund		-	-	-	-
Transfers		(118,827)	118,827	-	-
Actuarial gain/(loss) recognised in the STRGL	27	-	1,434,291	1,434,291	(588,957)
Total Recognised Gains relating to the Year		6,099,722	13,744,535	19,844,257	11,861,730
Reconciliation					
Opening reserves and endowments		28,737,734	162,222,840	190,960,574	179,158,223
Prior year adjustment	30	(96,787)	(2,531,128)	(2,627,915)	(2,687,294)
Opening reserves and endowments as restated		28,640,947	159,691,712	188,332,659	176,470,929
Closing reserves and endowments		34,740,669	173,436,247	208,176,916	188,332,659

The above figures exclude deferred capital grants of £2,568,536 (2010: £2,627,915), shown in note 18.

The notes on pages 20 to 32 form part of these accounts.

TRINITY HALL
Consolidated Balance Sheet
As at 30 June 2011

	Note	30 June 11 £	30 June 10 (restated) £
Fixed assets			
Tangible assets	10	107,236,263	108,859,153
Investments	11	51,287,731	43,403,840
		158,523,994	152,262,993
Endowment assets			
Investments	12	75,194,216	64,342,961
Current assets			
Stock		237,173	198,060
Debtors	13	685,160	647,347
Investments		-	-
Cash	14	3,145,080	1,963,892
		4,067,413	2,809,299
Creditors: amounts falling due within one year	15	(1,052,057)	(1,033,693)
Net current assets		3,015,356	1,775,606
Creditors: amounts falling due after more than one year	16	(25,000,000)	(25,000,000)
Net assets excluding pension liability		211,733,566	193,381,560
Pension Liability	17	(988,114)	(2,420,986)
Net assets including pension asset/(liability)		210,745,452	190,960,574

Represented by: **Capital and Reserves:**		Restricted funds £	Unrestricted funds £	Total 30 June 11 £	Total 30 June 10 £
Deferred capital grants	18	2,568,536	-	2,568,536	2,627,915
Endowments					
Expendable endowments	19	1,553,791	-	1,553,791	1,301,172
Permanent endowments	19	33,186,878	40,453,547	73,640,425	63,041,789
Reserves					
General reserves excluding pension reserve	20	-	112,942,972	112,942,972	113,548,561
Pension reserve	20	-	(988,114)	(988,114)	(2,420,986)
Operational property revaluation reserve	20	-	-	-	-
Fixed asset investment revaluation reserve	20	-	21,027,842	21,027,842	12,862,123
TOTAL		37,309,205	173,436,247	210,745,452	190,960,574

The financial statements were approved by the Governing Body on 29th November 2011 and signed on its behalf by:

……………………………………………………………………….

P ffolkes Davis
Bursar

TRINITY HALL
Consolidated Cash Flow Statement
For the Year Ended 30 June 2011

	Note	Year Ended 30 June 11 £	Year Ended 30 June 10 (restated) £
Net Cash (Outflow)/Inflow from Operating Activities	22	(2,846,785)	(3,772,904)
Returns on investments and servicing of finance	23	2,953,473	2,402,474
Contribution to colleges fund		(68,000)	(54,000)
Capital expenditure and financial investment	23	1,142,500	1,768,839
Cash inflow/(outflow) before financing		1,181,188	344,409
Financing	23		
Bank loan drawn down in year		-	-
Loan repayment		-	-
(Decrease)/Increase in cash		1,181,188	344,409
Net funds at the begining of the year		1,963,892	1,619,483
Net funds at the end of the year	24	3,145,080	1,963,892

1. ACADEMIC FEES AND CHARGES

	30 Jun 11	30 Jun 10
	£	£
College fees:		
Fee Income paid on behalf of undergraduates at the Publicly-funded Undergraduate rate (per capita fee £3,861)	1,331,010	1,286,240
Privately-funded undergraduate fee income (per capita fee £5,055)	176,075	176,598
Fee income received at the Graduate fee rate (per capita fee £2,229)	399,951	365,148
Other income	201,452	181,573
Total	2,108,488	2,009,559

2. RESIDENCES, CATERING AND CONFERENCES INCOME

		30 Jun 11	30 Jun 10
		£	£
Accommodation	College Members	1,817,148	1,728,671
	Conferences	340,770	232,301
Catering	College Members	800,213	850,158
	Conferences	377,792	395,779
Total		3,335,923	3,206,909

3. ENDOWMENT AND INVESTMENT INCOME

3a. Analysis

	Total 30 Jun 11	Total 30 Jun 10
	£	£
Income from:		
Non-investment fund	12	12
Investment fund total return	2,773,860	2,577,897
Long dated borrowing fund total return	1,213,922	1,269,990
	3,987,794	3,847,899

3b. Summary of total return

	Long dated borrowing fund	Remaining funds	30 Jun 11	30 Jun 10
	£	£	£	£
Endowment income from:				
Assets included in the Investment fund	-	2,218,570	2,218,570	1,626,172
Assets included in the Long Dated borrowing fund	734,891	-	734,891	776,288
Assets not included in the Investment fund	-	12	12	12
Gains/(losses) on Endowment Assets:				
Land and buildings	-	223,625	223,625	2,310,414
Quoted and other securities and cash	4,921,312	15,338,229	20,259,541	12,853,089
Total return for the year	5,656,203	17,780,436	23,436,639	17,565,975
Total return transferred to the income and expenditure account (see note 3a	(1,213,922)	(2,773,872)	(3,987,794)	(3,847,899)
Investment managers costs (see note 3c)	(110,715)	(342,307)	(453,022)	(391,474)
Unapplied Total Return for the year included within the Statement of Total Recognised Gains and Losses (see note 21)	4,331,566	14,664,257	18,995,823	13,326,602

3c. Investment management costs

	Long dated borrowing fund	Remaining funds	30 Jun 11	30 Jun 10
	£	£	£	£
Quoted Securities-Equities	41,202	214,274	255,476	234,996
Alternative Investments	69,513	128,033	197,546	156,478
	110,715	342,307	453,022	391,474

4. DONATIONS

	30 Jun 11	30 Jun 10
	£	£
Unrestriced donations	460,765	361,159
Restricted donations	56,624	57,939
Released from deferred capital grants (see note 18)	59,379	59,379
	576,768	478,477

5. OTHER INCOME

	30 Jun 11 £	30 Jun 10 £
Profit on sale of property	-	10,600
Other income	139,607	68,338
	139,607	78,938

6. EDUCATION EXPENDITURE

	30 Jun 11 £	30 Jun 10 £
Teaching	2,051,550	2,164,514
Tutorial	571,324	587,637
Admissions and Access	255,220	289,866
Research	429,734	476,687
Scholarships and Awards	568,192	552,814
Other Educational Facilities	588,212	607,080
Total	4,464,232	4,678,598

7. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

		30 Jun 11 £	30 Jun 10 £
Accommodation	College Members	2,387,696	2,420,555
	Conferences (incl. marketing costs)	446,403	322,504
Catering	College Members	1,051,464	1,190,426
	Conferences	494,154	547,055
Total		4,379,717	4,480,540

Expenditure has been allocated to the expenditure headings in direct proportion to the income in Note 2

8a. ANALYSIS OF EXPENDITURE BY ACTIVITY 2011

	Note	Staff & Fellows Payroll Costs (Note 9) £	Depreciation (Note 10) £	Other Operating Expenses £	Total £
Education	6	2,232,475	505,034	1,726,723	4,464,232
Residences, Catering and Conferences	7	2,065,570	1,480,755	833,392	4,379,717
Other	8c	428,067	-	1,604,822	2,032,889
		4,726,112	1,985,789	4,164,937	10,876,838

8b. ANALYSIS OF EXPENDITURE BY ACTIVITY 2010

	Note	Staff & Fellows Payroll Costs (Note 9) £	Depreciation (Note 10) £	Other Operating Expenses £	Total £
Education	6	2,451,120	510,584	1,716,894	4,678,598
Residences, Catering and Conferences	7	2,057,897	1,470,752	951,891	4,480,540
Other	8c	428,252	-	1,614,261	2,042,513
		4,937,269	1,981,336	4,283,046	11,201,651

8c. OTHER EXPENDITURE

	Long dated borrowing fund £	Remaining funds £	30 Jun 11 £	30 Jun 10 £
Investment and property management				
Third party costs	-	100,608	100,608	73,238
Internal costs	-	144,867	144,867	147,983
	-	245,475	245,475	221,221
Long dated borrowing interest and set-up charges	1,213,922	-	1,213,922	1,214,429
Fundraising	-	443,622	443,622	467,256
Alumni	-	53,066	53,066	56,701
Miscellaneous	-	76,804	76,804	82,906
	1,213,922	818,967	2,032,889	2,042,513

8d. AUDITORS REMUNERATION

	30 Jun 11	30 Jun 10
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	12,900	12,631
Other fees payable to the College's external auditors	9,564	16,098
	22,464	28,729

The above amounts include related irrecoverable VAT.

9. STAFF COSTS

	College Fellows & Fellow Commoners 30 Jun 11	Other Academics 30 Jun 11	Non - Academics 30 Jun 11	Total 30 Jun 11	Total 30 Jun 10
	£	£	£	£	£
Staff Costs*					
Emoluments	1,274,573	-	2,665,022	3,939,595	4,082,275
Social Security Costs	81,938	-	179,486	261,424	262,184
Other Pension Costs	141,379	-	383,714	525,093	592,810
	1,497,890	-	3,228,222	4,726,112	4,937,269

Average Staff Numbers FTE

Academic	59	-	-	59	
Non-Academics	-	-	110	110	
Fellow Commoners	6	-		6	
	65	-	110	175	

* No officer or employee of the college,including the Head of House,received emoluments of over £100,000

10. FIXED ASSETS (College & Group)

Tangible Assets	**Land & Buildings** £	**Equipment** £	**Heritage assets** £	**30 Jun 11 Total** £	**30 Jun 10 Total** £
Cost or valuation					
At the beginning of the year	97,383,172	1,494,096	9,981,885	108,859,153	122,962,082
Additions	308,323	39,701	14,875	362,899	62,539
Disposals at Cost/Valuation	-	-	-	-	-
Transfer to Investment assets	-	-	-	-	(559,000)
Revaluation During the Year	-	-	-	-	-
At the end of the year	97,691,495	1,533,797	9,996,760	109,222,052	122,465,621
Depreciation					
At the beginning of the year	-	-	-	-	11,664,240
Provided for the year	1,861,027	124,762	-	1,985,789	1,981,336
Eliminated on Disposal	-	-	-	-	-
Transfer to Investment assets	-	-	-	-	(39,108)
At the end of the year	1,861,027	124,762	-	1,985,789	13,606,468
Net Book value					
At the end of the year	95,830,468	1,409,035	9,996,760	107,236,263	108,859,153
At the beginning of the year	97,383,172	1,494,096	9,981,885	108,859,153	111,297,842

Herritage assets

The college holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

	2011 £	**2010** £	**2009** £	**2008** £	**2007** £
Acquisitions purchased with specific donations	6,375		4,658	20,534	10,000
Acquisitions purchased with college funds					
Total cost of acqusitions purchased	6,375	-	4,658	20,534	10,000
Value of acquisitions by donation	8,500			1,300	
Total acquisitions capalised	14,875	-	4,658	21,834	10,000

11. FIXED ASSETS INVESTMENTS AND ENDOWMENT ASSETS

11a. Total Investment Assets

	30 Jun 11 Group £	30 Jun 10 Group £	30 Jun 11 College £	30 Jun 10 College £
Balance as at 1 July 2010	107,746,801	93,517,704	107,757,229	93,528,132
Additions	10,781,307	24,878,704	10,781,307	24,878,704
Disposals	(6,860,203)	(4,583,806)	(6,860,203)	(4,583,806)
Transfer from tangible assets	-	519,892	-	519,892
Appreciation on revaluation	20,030,144	14,772,029	20,030,144	14,772,029
Decrease in Cash Balances	(5,216,102)	(21,357,722)	(5,216,102)	(21,357,722)
Balance as at 30 June 2011	126,481,947	107,746,801	126,492,375	107,757,229
Represented by:				
Freehold Land and Buildings	15,002,430	15,409,359	15,002,430	15,409,359
Quoted Securities - Equities	64,773,472	49,530,746	64,773,472	49,530,746
Quoted Securities - Indirect Property	1,098,488	1,065,391	1,098,488	1,065,391
Alternative Investments	32,339,269	24,501,351	32,339,269	24,501,351
Unquoted Securities - Equities	5,976,738	541,473	5,976,738	541,473
Investment in Subsidiary Undertakings	-	-	10,428	10,428
Cash	7,291,550	16,698,481	7,291,550	16,698,481
	126,481,947	107,746,801	126,492,375	107,757,229

11b Allocation of investments

	30 Jun 11 Group £	30 Jun 10 Group £	30 Jun 11 College £	30 Jun 10 College £
Fixed asset investments	19,544,943	15,951,314	19,555,371	15,961,742
Long Dated Borrowing fund investments	31,742,788	27,452,526	31,742,788	27,452,526
Total fixed asset investments	51,287,731	43,403,840	51,298,159	43,414,268
Endowment assets (see note 12)	75,194,216	64,342,961	75,194,216	64,342,961
	126,481,947	107,746,801	126,492,375	107,757,229

11c. Long Dated Borrowing fund investments

Included in the investment assets in 11a. is the following Long Dated Borrowing fund investments:

	30 Jun 11 Group £	30 Jun 10 Group £	30 Jun 11 College £	30 Jun 10 College £
Balance as at 1 July 2010	27,452,526	25,417,558	27,452,526	25,417,558
Additions	-	21,400,000	-	21,400,000
Appreciation on Disposals/Revaluation	4,810,597	3,008,665	4,810,597	3,008,665
Decrease in Cash Balances	(520,335)	(22,373,697)	(520,335)	(22,373,697)
Balance as at 30 June 2011	31,742,788	27,452,526	31,742,788	27,452,526
Represented by:				
Freehold Land & Buildings	4,600,000	4,600,000	4,600,000	4,600,000
Quoted Securities - Equities	8,567,197	5,928,729	8,567,197	5,928,729
Alternative Investments	11,953,297	7,662,468	11,953,297	7,662,468
Cash	6,622,294	9,261,329	6,622,294	9,261,329
	31,742,788	27,452,526	31,742,788	27,452,526

12. ENDOWMENT ASSETS

	30 Jun 11 Group £	30 Jun 10 Group £	30 Jun 11 College £	30 Jun 10 College £
Included in the investments in note 11 are the following endowment assets				
Freehold Land and Buildings	8,256,380	8,661,964	8,256,380	8,661,964
Quoted Securities - Equities	44,610,770	34,940,011	44,610,770	34,940,011
Quoted Securities - Indirect Property	871,867	853,740	871,867	853,740
Alternative Investments	16,180,291	13,493,659	16,180,291	13,493,659
Unquoted Securities - Equities	4,743,721	433,904	4,743,721	433,904
Cash	531,187	5,959,683	531,187	5,959,683
Total investments	75,194,216	64,342,961	75,194,216	64,342,961

	30 Jun 11 Group £	30 Jun 10 Group £	30 Jun 11 College £	30 Jun 10 College £
13. DEBTORS				
Members of the college	56,461	51,190	56,461	51,190
Amounts due from Subsidiary Undertaking	-	-	210,234	155,654
Other Debtors	528,451	482,108	493,176	417,664
Prepayments and accrued income	100,248	114,049	100,248	114,049
	685,160	647,347	860,119	738,557
14. CASH				
Bank Deposits	2,909,507	1,744,580	2,909,247	1,744,580
Current Accounts	232,334	215,955	9,532	46,002
Cash in Hand	3,239	3,357	3,239	3,357
	3,145,080	1,963,892	2,922,018	1,793,939
15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Trade creditors	178,070	150,462	178,070	150,462
Members of the College	151,750	108,442	151,750	108,442
Contribution to Colleges Fund	95,000	79,000	95,000	79,000
Accruals and deferred income	77,381	64,230	74,481	64,230
Other	549,856	631,559	515,081	563,245
	1,052,057	1,033,693	1,014,382	965,379
16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
Bank loan	25,000,000	25,000,000	25,000,000	25,000,000
	25,000,000	25,000,000	25,000,000	25,000,000

The bank loan is repayable in 2047 and bears interest at a blended rate of 4.86%

	30 Jun 11 Group £	30 Jun 10 Group £	30 Jun 11 College £	30 Jun 10 College £
17. PENSION LIABILITIES				
Balance at the beginning of the year	(2,420,986)	(1,875,916)	(2,420,986)	(1,875,916)
Movement in the year:				
Current service cost including life assurance	(286,039)	(303,061)	(286,039)	(303,061)
Contributions paid by the college	359,925	467,402	359,925	467,402
Other finance (income)/ cost	(75,305)	(120,454)	(75,305)	(120,454)
Actuarial loss/ (gain) recognised in statement of total recognised gains and losses	1,434,291	(588,957)	1,434,291	(588,957)
Balance at the end of the year	(988,114)	(2,420,986)	(988,114)	(2,420,986)

18. DEFERRED CAPITAL GRANTS

Group and College	Grants £	Donations £	30 Jun 11 Total £	30 Jun 10 Total £
At the beginning of the year	-	2,627,915	2,627,915	2,687,294
Grants and donations received	-	-	-	-
Released to income and expenditure account	-	(59,379)	(59,379)	(59,379)
Balance at the end of the year	-	2,568,536	2,568,536	2,627,915

19. ENDOWMENTS

Group and College	**Restricted Permanent**	**Unrestricted Permanent**	**Total Permanent**	**Restricted Expendable**	**30 Jun 11 Total**	**30 Jun 10 Total (restated)**
	£	**£**	**£**	**£**	**£**	**£**
Balance at the beginning of the year:						
Balance at the beginning of the year	25,949,582	85,339,312	111,288,894	2,788,152	114,077,046	107,683,017
Prior year adjustment (note 30)	1,390,193	(49,637,298)	(48,247,105)	(1,486,980)	(49,734,085)	(50,698,237)
Balance at the beginning of the year as restated	27,339,775	35,702,014	63,041,789	1,301,172	64,342,961	56,984,780
Capital	25,862,543	33,749,845	59,612,388	1,110,909	60,723,297	54,015,107
Unspent income	1,477,232	1,952,169	3,429,401	190,263	3,619,664	2,969,673
	27,339,775	35,702,014	63,041,789	1,301,172	64,342,961	56,984,780
New endowments received	210,401	-	210,401	-	210,401	757,954
Income receivable from endowment asset investments	959,310	697,698	1,657,008	51,197	1,708,205	1,419,302
Restricted expendable donations	6,817	-	6,817	232,602	239,419	57,939
Expenditure	(798,529)	(533,032)	(1,331,561)	(296,267)	(1,627,828)	(1,373,035)
Transfers	(118,827)	-	(118,827)	-	(118,827)	5,200
Net transfer (to)/from the income and expenditure account	48,771	164,666	213,437	(12,468)	200,969	109,406
Increase in the market value of investments	5,587,931	4,586,867	10,174,798	265,087	10,439,885	6,490,821
Balance at the end of the year	33,186,878	40,453,547	73,640,425	1,553,791	75,194,216	64,342,961
Comprising:						
Capital	31,241,705	37,937,546	69,179,251	1,403,656	70,582,907	60,723,297
Unspent income	1,945,168	2,516,001	4,461,169	150,134	4,611,303	3,619,664
Balance at the end of the year	33,186,873	40,453,547	73,640,420	1,553,790	75,194,210	64,342,961
Representing						
Fellowship funds	11,602,247	10,130,256	21,732,503	63,230	21,795,733	18,014,224
Scholarship funds	6,524,813	5,526,876	12,051,689	337,735	12,389,424	10,316,149
Prize funds	3,093,490	-	3,093,490	58,262	3,151,752	2,553,758
Hardship funds	2,204,598	533,551	2,738,149	45,936	2,784,085	2,273,499
Bursary funds	-	-	-	-	-	-
Travel grant funds	1,539,470	-	1,539,470	-	1,539,470	1,250,269
Other funds	8,222,261	11,007,577	19,229,838	1,048,630	20,278,468	16,679,775
General endowments	-	13,255,287	13,255,287	-	13,255,287	13,255,287
	33,186,879	40,453,547	73,640,426	1,553,793	75,194,219	64,342,961

20. RESERVES

Group	General reserve £	Fixed asset investment revaluation reserve £	30 Jun 11 Total £	30 Jun 10 Total (restated) £
Balance at the beginning of the year	76,883,528	-	76,883,528	71,475,206
Prior year adjustment (note 30)	34,244,047	12,862,123	47,106,170	48,010,943
Balance at the beginning of the year as restated	111,127,575	12,862,123	123,989,698	119,486,149
Deficit retained for the year	(1,116,054)	-	(1,116,054)	(1,738,075)
Actual gain/(loss) in respect of pension schemes	1,434,291	-	1,434,291	(588,957)
Transfer in respect of disposals of fixed asset investments	390,219	(390,219)	-	-
Transfers	118,827		118,827	(5,200)
Increase in the market value of investments	-	8,555,938	8,555,938	6,835,781
Balance at the end of the year	111,954,858	21,027,842	132,982,700	123,989,698
College				
Balance at the beginning of the year as restated	111,127,575	12,862,123	123,989,698	119,486,149
Deficit retained for the year	(1,116,054)	-	(1,116,054)	(1,738,075)
Actuarial gain/ (loss)	1,434,291	-	1,434,291	(588,957)
Transfer in respect of disposals of fixed asset investments	390,219	(390,219)	-	-
Transfers	118,827	-	118,827	(5,200)
Increase in the market value of investments	-	8,555,938	8,555,938	6,835,781
Balance at the end of the year	111,954,858	21,027,842	132,982,700	123,989,698

21. Memorandum of Unapplied Total Return

Included within reserves the following amounts represent the Unapplied Total Return of the College:

	Long dated borrowing fund £	Remaining funds £	30 Jun 11 Total £	30 Jun 10 Total £
Unapplied Total Return at the beginning of the year	-	64,848,885	64,848,885	51,522,283
Unapplied Total Return for the year (see note 3b)	4,331,566	14,664,257	18,995,823	13,326,602
Unapplied Total Return at the end of the year	4,331,566	79,513,142	83,844,708	64,848,885

22. RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES:

	Note	Year Ended 30 June 11 £	Year Ended 30 June 10 (restated) £
Surplus/ (deficit on continuing operations before donations of heritage assets		(728,258)	(1,579,869)
Depreciation of tangible fixed assets	10 & 12	1,985,789	1,981,336
Surplus the on disposal of tangible fixed assets	5	-	(10,600)
Deferred capital grants released to income	18	(59,379)	(59,379)
Investment income		(3,987,794)	(3,847,899)
Interest payable		-	-
Pension costs less contributions payable		1,419	(43,887)
(Increase)/Decrease in stocks		(39,113)	(77,000)
(Increase)/Decrease in debtors		(37,813)	42,163
Increase/(Decrease) in creditors		18,364	(177,769)
Net Cash (Outflow)/Inflow from Operating Activities		(2,846,785)	(3,772,904)

23. CASH FLOWS

	Note	Year Ended 30 June 11 £	Year Ended 30 June 10 (restated) £
Returns on investments and servicing of finance			
Endowment and investment income received		2,953,473	2,402,474
Net cash inflow from returns on investments and servicing of finance		2,953,473	2,402,474
Capital expenditure and financial investment			
Purchase of tangible fixed assets	10	(362,899)	(62,539)
Donations for buildings and other deferred capital grants received		210,401	757,954
Proceeds from the disposal of tangible fixed assets		-	10,600
Sale/(purchase) of long-term investments	11	(3,921,104)	(20,294,898)
New endowments received			
Drawdown of cash held for reinvestment	11	5,216,102	21,357,722
		1,142,500	1,768,839
Financing			
Bank loan acquired		-	-
Repayment of long-term loan		-	-
		-	-

24. Analysis of cash and bank balances

	At the beginning of the year £	Cash flows £	At the end of the year £
Bank overdrafts	-	-	-
Cash at bank and in hand	1,963,892	1,181,188	3,145,080
Net funds	1,963,892	1,181,188	3,145,080

25. CAPITAL COMMITMENTS

Capital comittments at 30 June 2011 are as follows:	30 Jun 11 £	30 Jun 10 £
Authorised and contracted	-	-
Authorised but not yet contracted for	-	-
Commitments under finance leases entered into but not yet provided for in the financial statements	-	-

26. FINANCIAL COMMITMENTS

At 30 June 2011 the College had annual commitments under non-cancellable operating leases as follows:

	30 Jun 11 £	30 Jun 10 £
Land and buildings:		
Expiring within one year	-	-
Expiring between one and five years	6,821	6,153
Expiring in over five years	-	-
	6,821	6,153

27. PENSION SCHEMES

The College participates in two defined benefit pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS) and one defined contribution scheme, The Cambridge Colleges Group Personal Pension Scheme (CCGPPS). The total pension cost for the period was £525,093 (2010: £592,810)

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. USS has over 135,000 active members and the College has 52 active members participating in the scheme. Because of the mutual nature of the scheme, the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2010 are also included in this note.

The triennial 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. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic Scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.3% per annum.

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% 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. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 it was 107% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% 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, using a AA bond discount rate of 6.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%.

27. PENSION SCHEMES (Continued)

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions except that the valuation rate of interest assumed asset outperformance over gilts of 1.7% per annum (compared to 2% per annum for the technical provisions) giving a discount rate of 6.1% per annum; also the allowance for promotional salary increases was not as high. There is currently uncertainty in the sector regarding pay growth. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

The college's contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the institution contribution rate to 16% of pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fall and at 31 March 2010 the actuary has estimated that the funding level under the new scheme specific funding regime had fallen from 103% to 91% (a deficit of £3,065 million). Compared to the previous 12 months, the funding has improved from 74% (as at March 2009) to 91%. This estimate is based on the funding level at 31st March 2008, adjusted to reflect the fund's actual investment performance over the two years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions) . On the FRS17 basis, using a AA bond discount rate of 5.6% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2010 was 80%. An estimate of the funding level measured on a buy-out basis at that date was approximately 57%.

Surpluses or deficits which arise at future valuations may impact on the College’s future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. 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 was due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently. This valuation was not available at the date of preparing these accounts.

The total pension cost for the College was £161,076 (2010: £168,611).The contribution rate payable by the college was 16% 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, 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 2011 was £359,925, excluding PHI premiums. The agreed contributions to be paid by the College for the forthcoming years are 15.33% of contribution to 31 December 2010 then 13.33% of contribution pay to 31 December 2011 then 11.33% of contribution pay thereafter. On top of this the College will pay £153,551 pa for 10 years to clear the debt on past service.

The major assumptions used by the actuary were:	**30 June 2011**	**30 June 2010**
Discount rate	5.5%	5.3%
Expected long-term rate of return on Scheme assets	6.2%	6.2%
Salary inflation assumption	3.2%	4.4%
Inflation assumption	3.4%	3.4%
Pension increases (inflation linked)	3.4%	3.4%
CPI	2.7%	n/a

The underlying mortality assumption is based upon the standard table known as PA92 on a year of birth usage with medium cohort future improvement factors with the base table adjusted by a 20% uplift to reflect higher Scheme mortality rates than the standard tables. (2009: PA92 on a year of birth usage with medium cohort improvement factors).

27. PENSION SCHEMES (Continued)

Employee Benefit Obligations

The amounts recognised in the balance sheet are as follows

	30 June 2011	30 June 2010
	£	£
Present value of Scheme liabilities	(7,634,812)	(8,015,582)
Market value of Scheme assets	6,646,698	5,594,596
Surplus/(Deficit) in Scheme as at 30 June	(988,114)	(2,420,986)
Related deferred tax asset	-	-
Net pension asset/ (liability) as shown in College Balance Sheet at 30 June	(988,114)	(2,420,986)

The main reasons for worsening in the financial position are:

- Significant changes in the FRS17 assumptions, particularly a lowering of the discount rate slightly offset by a lowering of inflation expectations

Only partially offset by:

- Better than expected Investment returns
- Contributions paid to reduce the Scheme's deficit and
- Scheme experience being better than expected mainly as a result of lower actual revaluation and pension increase rates based on low actual inflation rates in 2009

The amounts recognised in profit or loss are as follows:	30 June 2011	30 June 2010
	£	£
Current service cost	286,039	303,061
Interest Cost	428,732	405,068
Expected Return on Assets	(353,427)	(284,614)
Total	361,344	423,515
Actual Return on Assets	796,691	618,979

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

	30 June 2011	30 June 2010
	£	£
Present value of Scheme liabilities at beginning of period	8,015,582	6,452,428
Service cost (including employee's contributions)	425,174	434,837
Interest cost	428,732	405,068
Actuarial losses/(gains)	(991,027)	923,322
Benefits paid	(243,649)	(200,073)
Present value of Scheme liabilities at end of period	7,634,812	8,015,582

Changes in the fair value of the Scheme assets are as follows:	30 June 2011	30 June 2010
	£	£
Market value of Scheme assets at beginning of period	5,594,596	4,576,512
Expected Return	353,427	284,614
Actuarial gains and (losses)	443,264	334,365
Contributions by College	359,925	467,402
Employee contributions	139,135	131,776
Benefits paid	(243,649)	(200,073)
Market value of Scheme assets at end of period	6,646,698	5,594,596

The major categories of Scheme assets as a percentage of total Scheme assets and expected long-term rate of return were:

	Long-term rate of return expected at 30 June 2011	Percentage of total Scheme Assets 30 June 2011	Long-term rate of return expected at 30 June 2010	Percentage of total Scheme Assets 30 June 2010
Equities and Hedge Funds		56%	7.1%	59%
Bonds & Cash		36%	6.1%	32%
Property		8%	4.7%	9%
Total		100%		100%

27. PENSION SCHEMES (Continued)

Movement in surpus/(deficit) during the Scheme year ending 30 June 2010 (with comparative figures for the year ending 30 June 2009) are as follows:

	30 June 2011	30 June 2010
	£	£
Surplus/(deficit) in Scheme at beginning of the Scheme year	(2,420,986)	(1,875,916)
Service Cost (Employer only)	(286,039)	(303,061)
Contributions paid by the College	359,925	467,402
Finance Cost	(75,305)	(120,454)
Actuarial gain/(loss)	1,434,291	(588,957)
Surplus/(deficit) in Scheme at the end of the year	(988,114)	(2,420,986)

Amounts for the current and previous 4 periods are as follows:

	30-Jun-11	30-Jun-10	30-Jun-09	30-Jun-08	30-Jun-07
	£	£	£	£	£
Present value of Scheme liabilities	(7,634,812)	(8,015,582)	(6,452,428)	(6,113,127)	(5,157,998)
Market value of Scheme assets	6,646,698	5,594,596	4,576,512	4,741,402	4,678,591
Surplus/(deficit) in the Scheme	(988,114)	(2,420,986)	(1,875,916)	(1,371,725)	(479,407)
Actual return less expected return on Scheme assets	443,264	334,365	(684,872)	(560,888)	129,045
Experience gain/(loss) arising on Scheme liabilities	109,888	171,434	(75,472)	(141,083)	(197,047)
Change in assumptions underlying present value of Scheme liabilities	881,139	(1,094,756)	389,041	(227,850)	156,790

The total pension cost, after personal health insurance contributions, for the year ended 30 June 2011 (see note 9) was as follows:

	30-Jun-11	30-Jun-10
	£	£
USS: Contributions	161,076	168,611
CCFPS: Charged to income and expenditure account	361,344	423,515
CCGPPS: Contributions	2,673	684
	525,093	592,810

28. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS AND OTHER SIGNIFICANT INVESMENTS

The College's investment in subsidiary undertakings represents 100% of the share capital of Aula Limited, 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.

29. 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

In addition, the college has provided loans to its fellows as part of a Shared Equity Scheme. These amounts are included in Fixed asset investments, £651,896 (2010: £742,615)

30. RESTATEMENT TO PRIOR YEAR FIGURES

The College has adopted the new RCCA guidelines in the current year and therefore comparative figures have been restated to reflect the revised accounting policies. This has affected the classification of reserves as follows:

a) Deferred capital grants are now disclosed separately on the face of the balance sheet rather than as part of restricted reserves.
b) The classification of reserves between permanent and expendable endowment has been revised.
c) Designated funds are not permitted and therefore have been reclassified as unrestricted funds.
d) Heritage Assets FRS30 has been adopted for the first time.
e) Equities and Alternative investments management costs are now treated as a deduction in arriving at total return (note 3b).