



TRINITY HALL  
CAMBRIDGE

ACCOUNTS FOR THE YEAR ENDED

30 June 2009

**TRINITY HALL**  
**Index to the accounts**  
**For the Year Ended 30 June 2009**

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**TRINITY HALL**  
**Governing Body and Advisers**  
**For the Year Ended 30 June 2009**



**Governing Body**

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

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

**Auditors**

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

**Bankers**

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

**Solicitors**

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

**Principal Investment Managers**

AXA Framlington Investment Management Ltd  
155 Bishopsgate  
London  
EC2M 3XJ

**Principal Property Advisers**

Carter Jonas  
6-8 Hills Road  
CB2 1NH

# TRINITY HALL

## Bursar's Report

### For the Year Ended 30 June 2009



#### Introduction

The College's net deficit more than doubled in the year to the end of June 2009. Before transfers to Reserves, it was up even more: 233% or over £1 million. Consistent with recent trends, although income was reliable (up 6.6%), expenditure was up more (16%). Pension liabilities continued to expand while, not unexpectedly, portfolio values declined (by 15%). As did the volume of donations received through benefaction. As forecast last year, conditions were and remain difficult.

And yet, not all the news is bad. During the year, we were able to introduce the use of a new seven-year rolling average to take volatility out of our total return calculation in future years. Although depreciation is higher, capital expenditure has been reined in. We have become really good at identifying and spending Restricted Funds. A successful consultation with staff has resulted in marked improvements in the terms (for the College) of existing pension provision and the replacement of CCFPS by a defined contribution scheme for new joiners. Our long-term borrowing has afforded greater opportunities for us to participate in the recovery in financial and property markets and the debt costs have been comfortably serviced. Lastly, we have been able to increase the level of student awards and sustain higher costs, while controlling the size of the final deficit by the partial use of the strategic reserve created last year. Overall, things could have been a lot worse.

#### Income and Expenditure Account

The net deficit before transfers was £1,452,644, but we were able to transfer £423,086 from reserves, by effectively overspending current year's income in the Restricted Funds, which, this year, has had the happy effect of reducing the bottom line deficit by the same amount. The Development Director and Chief Accountant have been involved in an exercise over the past two years to improve Trinity Hall's access to ancient and prescribed Restricted Funds, the result this year is a testament to their hard work. I commend it and am grateful to them.

Pleasingly, income held up quite well during the period. College Fees were 10% better, largely thanks to higher amounts from private undergraduate and graduate fees. Residences and Catering income from College members was up 11% to £2,580,800 (Note 2) largely on higher rents and good use of hall, while Conference income finally started to respond to the investment we have made in promoting these activities, with turnover up £157,763 or 75%. Total Return income from the endowment's investments was 17% higher than the previous year and 47% better at £3,074,354 after deployment of half (£626,000) of the strategic reserve created last year out of the distortion produced by the two large unanticipated legacies that we were forced to take through the I&E Account (Note 3). This means we still have a similar amount in reserve to set against next year's results, which, given a newly instituted cost-cutting regime and only minimal increases in cost-of-living awards, should show a reasonable improvement. This year we have adopted a seven year rolling average to be used in calculating the endowment total against which to apply our 'dividend' percentage. It should be noted that this figure will average our agreed number (i.e. 4%) over the three years of the creation of our reserve and its subsequent deployment.

Donations for current spending, although only 40% of the previous year's total, were actually virtually unchanged once the extraordinary £1.2 million gain of the 2008 legacy receipts is discounted (Note 4). In addition, investment managers' costs were lower by about £60,000, as were legal fees by a similar amount. Total income up 6.6% at £10,075,155 is a very creditable result, given the absence of extraordinary legacy gains this year.

On the expenditure side, Education costs were up by 11% to £4,548,502 (Note 5). It should be remembered that this heading bears a percentage of Trinity Hall's running costs under an apportionment formula used by many Cambridge colleges. Similarly, Residences, Catering and Conference costs rose 14% to £4,655,850 (Note 6). If one includes a 35% rise in 'Other' costs (mostly the long-dated debt servicing charge and costs of fundraising

# TRINITY HALL

## Bursar's Report

### For the Year Ended 30 June 2009



and alumni activities) (Note 8c), total expenditure rose by 16% or more than £1.6 million over the year to £11,477,799. I normally expect rises under these headings to be accounted for largely by increases in staff costs, and we have certainly had higher salaries as the last of the large national academic settlement worked through the system, as well as more staff, particularly porters and bedders to help operate our expanded facilities at Wychfield. In addition, there has been a higher than usual contingent of staff on long-term sickness. Unusually though, increases in staff costs account for less than a third of the overall rise. Utilities (gas and electricity), which are procured for the colleges on a central contract, were up substantially. So were normal maintenance charges as we try to put in place a remedial programme to replace decades of under investment. Pleasingly, the largest percentage rise, was recorded in academic prizes and awards, which increased by £88,660 in the year. Finally, financing charges for our long-term loan were over £528,000 higher (76%) in the first full year of bearing them. The total cost of £1,219,335 was, however, more than covered by interest receipts on our deposits and investment gains – creditable at a time when interest rates were almost reduced to zero and positive carry turned negative.

#### **Statement of Total Recognised Gains and Losses, Balance Sheet and Other Highlights**

In the period under review, one of the worst ever recorded for financial markets' performance (e.g. the FTSE100 was 24.47% lower), the College's endowment fell by 15% or £10,423,033 to £68,528,136 on a like for like basis (Note 9). This could have been a lot worse and reflects a cautious approach by our UK equity manager and a strong return in alternatives, a testament to the success of our diversification policy of the last few years. The weakest areas of performance were in property funds and European equities. Since the beginning of the new financial year (1st July 2009), happily the recovery has continued.

Benefactions taken straight to the endowment (i.e. not for current spending) were a little less than £1.5 million or 56% lower at £1,123,904. This is almost exactly the amount received in the previous year to endow a Philomathia Fellowship. Sadly, such generosity cannot be expected every year.

Our net CCFPS liability for past service widened by over £500,000 to £1,875,916 over the year and an explanation is provided at Note 18. The growing deficit in final salary schemes is a problem affecting all employers still operating them, and, although the College must meet its obligations for past service, Trinity Hall is one of several colleges that have resolved to introduce changes going forward. These will be reported here next year. For the time being, the College has agreed with the CCFPS Trustees to close the funding gap over nine years.

Following its refurbishment Wychfield House swelled our depreciation charge which reached £1,974,900. This number is made all the more stark by the reduction in our capital expenditure number to set against it, which was more than halved to £809,478 (Note 9). Several other colleges continue to apply a far less onerous depreciation charge to their estate in their annual accounts.

In the last financial year, Trinity Hall Balance Sheet contracted by £12,380,061 to £179,158,223. The largest contributory factor was the reduction in the value of our investment assets. Next year, because of the introduction of our seven-year rolling average rule the total return income should improve slightly, while we must hope that the real rally in investment values under way since March 2009 continues or is, at least, consolidated. I am sanguine that this and other expenses management factors should lead to a lower overall deficit this time next year.

P folkes Davis  
16 December 2009

## TRINITY HALL

# Independent Auditors' Report to the Governing Body of Trinity Hall For the Year Ended 30 June 2009



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

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

### **Respective Responsibilities of the Governing Body and Auditor**

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

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

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

### **Basis of Audit Opinion**

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

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

## TRINITY HALL

# Independent Auditors' Report to the Governing Body of Trinity Hall For the Year Ended 30 June 2009



### Opinion

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 2009 and of the deficit of the College and the Group for the year then ended; and
- have been properly prepared in accordance with the College's Statutes and the Statutes of the University of Cambridge.

In our opinion the contribution due from the College to the University has been correctly computed 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.

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

16 December 2009

# TRINITY HALL

## Responsibilities of the Governing Body

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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.

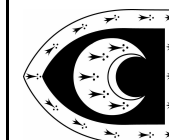
The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

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 2009**

	Note	Unrestricted Funds		Restricted Funds	Year Ended 30 June 09 Total	Year Ended 30 June 08 Total
		Undesignated Funds	Designated Funds			
		£	£	£	£	£
<b>INCOME</b>						
Academic Fees and Charges	1	1,783,605	-	-	1,783,605	1,619,430
Residences, Catering and Conferences	2	2,946,603	-	-	2,946,603	2,529,036
Endowment Income	3	2,150,342	386,156	537,856	3,074,354	2,087,798
Other Income	4	1,486,111	322,461	462,021	2,270,593	3,213,889
Total Income		8,366,661	708,617	999,877	10,075,155	9,450,153
<b>EXPENDITURE</b>						
Education	5	2,313,822	1,021,532	1,213,148	4,548,502	4,102,986
Residences, Catering and Conferences	6	4,655,850	-	-	4,655,850	4,082,515
Other Expenditure	8c	2,273,447	-	-	2,273,447	1,678,511
Total Expenditure		9,243,119	1,021,532	1,213,148	11,477,799	9,864,012
<b>Operating Surplus/(Deficit)</b>		(876,458)	(312,915)	(213,271)	(1,402,644)	(413,859)
Contribution Under Statute G,II		36,534	5,980	7,486	50,000	21,474
<b>Net Surplus/(Deficit) before Transfers</b>		(912,992)	(318,895)	(220,757)	(1,452,644)	(435,333)
Transfer between funds		(75,559)	277,888	(202,329)	-	-
Transfer of Restricted Fund Surplus from/(to) Reserves		-	-	423,086	423,086	(53,599)
<b>Net Surplus/(Deficit) after Transfers</b>		(988,551)	(41,007)	-	(1,029,558)	(488,932)



**TRINITY HALL**  
**Consolidated Income and Expenditure Account**  
**For the Year Ended 30 June 2009**



	Year Ended 30 June 09 £	Year Ended 30 June 08 £
<b>INCOME</b>		
Academic Fees and Charges	1,783,605	1,619,430
Residences, Catering and Conferences	2,689,395	2,529,036
Endowment Income	3,074,446	2,088,867
Other Income	2,527,663	3,213,889
Total Income	10,075,109	9,451,222
<b>EXPENDITURE</b>		
Education	4,548,502	4,102,986
Residences, Catering and Conferences	4,655,850	4,082,515
Other Expenditure	2,273,401	1,679,580
Total Expenditure	11,477,753	9,865,081
<b>Operating Surplus/(Deficit)</b>	(1,402,644)	(413,859)
Contribution Under Statute G,II	50,000	21,474
<b>Net Surplus/(Deficit) before Transfers</b>	(1,452,644)	(435,333)
Transfer of Restricted Fund Surplus from/(to) Reserves	423,086	(53,599)
<b>Net Surplus/(Deficit) after Transfers</b>	(1,029,558)	(488,932)

**TRINITY HALL**  
**Parent Balance Sheet**  
**As at 30 June 2009**



	Note	30 June 09 £	30 June 08 (as restated) £
<b>FIXED ASSETS</b>			
Tangible Assets	9	111,297,842	112,463,264
Investments	9	93,528,136	103,869,443
		<u>204,825,978</u>	<u>216,332,707</u>
<b>CURRENT ASSETS</b>			
Stock		121,060	99,418
Debtors	10	728,657	1,352,908
Investments		-	-
Cash	11	1,539,316	1,999,943
		<u>2,389,033</u>	<u>3,452,269</u>
Creditors: Amounts Falling Due Within One Year	12	(1,180,872)	(1,874,967)
<b>Net Current Assets/(Liabilities) before Pension Liability</b>		<u>1,208,161</u>	<u>1,577,302</u>
Pension Liability	18	(1,875,916)	(1,371,725)
<b>Net Current Assets/(Liabilities) after Pension Liability</b>		<u>(667,755)</u>	<u>205,577</u>
<b>Total Assets less Current Liabilities</b>		204,158,223	216,538,284
Creditors: Amounts Falling Due After More Than One Year	13	(25,000,000)	(25,000,000)
<b>NET ASSETS</b>		<u><u>179,158,223</u></u>	<u><u>191,538,284</u></u>

		Income/ Expendable Capital Funds £	Permanent Capital Funds £	Total 30 June 09 £	Total 30 June 08 £
<b>Capital and Reserves</b>					
Restricted Funds Held For Collegiate Purposes	14	2,423,681	21,626,305	24,049,986	27,227,260
Restricted Funds Held For Non-collegiate Purposes	14	54,288	-	54,288	63,245
Unrestricted Funds	14	71,475,200	83,578,749	155,053,949	164,247,779
<b>TOTAL</b>		<u><u>73,953,169</u></u>	<u><u>105,205,054</u></u>	<u><u>179,158,223</u></u>	<u><u>191,538,284</u></u>

Approved by the Governing Body on 1 December 2009 and signed on their behalf by:

.....  
P folkes Davis  
Bursar

**TRINITY HALL**  
**Consolidated Balance Sheet**  
**As at 30 June 2009**



	Note	30 June 09 £	30 June 08 (as restated) £
<b>FIXED ASSETS</b>			
Tangible Assets	9	111,297,842	112,463,264
Investments	9	93,517,706	103,859,014
		<u>204,815,548</u>	<u>216,322,278</u>
<b>CURRENT ASSETS</b>			
Stock		121,060	99,419
Debtors	10	689,510	1,382,718
Investments		-	-
Cash	11	1,619,483	2,013,986
		<u>2,430,053</u>	<u>3,496,123</u>
Creditors: Amounts Falling Due Within One Year	12	(1,211,462)	(1,908,392)
<b>Net Current Assets/(Liabilities) before Pension Liability</b>		<u>1,218,591</u>	<u>1,587,731</u>
Pension Liability	18	(1,875,916)	(1,371,725)
<b>Net Current Assets/(Liabilities) after Pension Liability</b>		<u>(657,325)</u>	<u>216,006</u>
<b>Total Assets less Current Liabilities</b>		204,158,223	216,538,284
Creditors: Amounts Falling Due After More Than One Year	13	(25,000,000)	(25,000,000)
<b>NET ASSETS</b>		<u><u>179,158,223</u></u>	<u><u>191,538,284</u></u>

		Income/ Expendable Capital Funds £	Permanent Capital Funds £	Total 30 June 09 £	Total 30 June 08 £
<b>Capital and Reserves</b>					
Restricted Funds Held For Collegiate Purposes	14	2,423,681	21,626,305	24,049,986	27,227,260
Restricted Funds Held For Non-collegiate Purposes	14	54,288	-	54,288	63,245
Unrestricted Funds	14	71,475,200	83,578,749	155,053,949	164,247,779
<b>TOTAL</b>		<u><u>73,953,169</u></u>	<u><u>105,205,054</u></u>	<u><u>179,158,223</u></u>	<u><u>191,538,284</u></u>

Approved by the Governing Body on 1 December 2009 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 2009**



	<u>Restricted Funds</u>		<u>Unrestricted Funds</u>		Total 30 June 09 £
	Collegiate Purposes £	Non- Collegiate Purposes £	Designated Funds £	Undesignated Funds £	
Balance as at 1 July 2008	27,227,260	63,245	22,522,368	138,850,092	188,662,965
Prior year adjustment (Note 19)	-	-	-	2,875,319	2,875,319
Balance as at 1 July 2008 as restated	<u>27,227,260</u>	<u>63,245</u>	<u>22,522,368</u>	<u>141,725,411</u>	<u>191,538,284</u>
Appreciation of Investment Assets	(3,656,519)	(8,706)	(2,743,515)	(4,014,293)	(10,423,033)
Capital growth treated as income	(221,297)	(527)	(166,041)	(869,120)	(1,256,985)
Retained Surplus/(Deficit) for the Year	202,329	-	(318,895)	(912,992)	(1,029,558)
Benefactions and Donations	1,123,904	-	-	-	1,123,904
Transfer of restricted fund surplus from reserves	(423,362)	276	-	-	(423,086)
Other Transfers	(202,329)	-	277,888	(75,559)	-
Actual return less expected return on pension scheme assets	-	-	-	(684,872)	(684,872)
Experience gains and losses arising on the scheme liabilities	-	-	-	(75,472)	(75,472)
Changes in assumptions underlying the present value of the scheme liabilities	-	-	-	389,041	389,041
Total Recognised Gains/(Losses) for the Year	<u>(3,177,274)</u>	<u>(8,957)</u>	<u>(2,950,563)</u>	<u>(6,243,267)</u>	<u>(12,380,061)</u>
Balance as at 30 June 2009	<u>24,049,986</u>	<u>54,288</u>	<u>19,571,805</u>	<u>135,482,144</u>	<u>179,158,223</u>

**TRINITY HALL**  
**Consolidated Cash Flow Statement**  
**For the Year Ended 30 June 2009**



			Year Ended 30 June 09		Year Ended 30 June 08	
		£	£	£	£	£
<b>A. Operating activities</b>	Note					
Operating Surplus Before Tax			(1,402,644)		(413,859)	
Depreciation	9		1,974,900		1,863,692	
Profit on sale of investments	4		(80,000)		(210,000)	
Less Endowment Income			(3,074,446)		(2,088,867)	
Movement in pension deficit			132,888		(37,503)	
(Increase)/Decrease in Stocks			(21,641)		(4,040)	
(Increase)/Decrease in Debtors			693,208		689,227	
Increase/(Decrease) in Creditors			(696,930)		25,349,363	
Net Cash (Outflow)/Inflow from Operating Activities			<u>(2,474,665)</u>		<u>25,148,013</u>	
<b>B. Returns on investments and servicing of finance</b>						
Investment Income			1,817,465		1,932,114	
Net Cash Inflow from Returns on Investments and Servicing of Finance			<u>1,817,465</u>		<u>1,932,114</u>	
<b>C. Contribution to colleges fund</b>	7			(50,000)		(21,474)
<b>D. Capital transactions</b>						
Drawdown of cash held for reinvestment	9	4,135,974			(29,069,703)	
Donations and Benefactions		1,123,904			2,591,357	
Sales of Tangible Fixed Assets		80,000			210,000	
Total Capital Receipts			<u>5,339,878</u>		<u>(26,268,346)</u>	
Purchase of Tangible Fixed Assets	9	(809,478)			(1,724,875)	
Sale/(Purchase) of Investment Assets	9	(4,217,703)			27,359	
Total Capital Payments			<u>(5,027,181)</u>		<u>(1,697,516)</u>	
Net Cash Outflow from Capital Transactions				312,697		(27,965,862)
<b>Net cash (outflow)/inflow before financing</b>				<u>(394,503)</u>		<u>(907,209)</u>
<b>E. (Decrease)/Increase in cash</b>				<u>(394,503)</u>		<u>(907,209)</u>
<b>Reconciliation of net cash flow to movement in net liquid assets</b>						
Decrease in cash in the period	E			(394,503)		(907,209)
Net funds brought forward 1 July 2008				2,013,986		2,921,195
Net funds carried forward 30 June 2009				<u>1,619,483</u>		<u>2,013,986</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 2009. 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. 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 5% (2008: 2.5%) of an average of the market value of the investment assets.

### **Pension Schemes**

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

### **Tangible fixed assets**

#### **a. Land and buildings**

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

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

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

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

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

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to 30th June. They are not depreciated until they are brought into use.



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**Tangible fixed assets (Continued)**

**b. Maintenance of premises**

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

**c. Furniture, fittings, equipment and motor vehicles**

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

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

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

**d. Books**

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

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

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

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

**f. Leased assets**

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

**Investments**

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

**Stocks**

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

**Provisions**

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

**Foreign currencies**

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



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**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**



<b>1. ACADEMIC FEES AND CHARGES</b>		<b>30 Jun 09</b>	<b>30 Jun 08</b>
		<b>£</b>	<b>£</b>
COLLEGE FEES			
Fee Income paid on behalf of Undergraduates eligible for Student Support		1,253,173	1,167,670
Other Undergraduate Fee Income (per Capita Fee £4,458)		150,977	115,755
Graduate Fee Income (per Capita Fee £2,127)		379,455	336,005
Total		<u>1,783,605</u>	<u>1,619,430</u>
<b>2. RESIDENCES, CATERING AND CONFERENCES INCOME</b>		<b>30 Jun 09</b>	<b>30 Jun 08</b>
		<b>£</b>	<b>£</b>
Accommodation	College Members	1,796,100	1,511,627
	Conferences	163,314	106,385
Catering	College Members	784,700	809,369
	Conferences	202,489	101,655
Total		<u>2,946,603</u>	<u>2,529,036</u>
<b>3. ENDOWMENT INCOME</b>		<b>Total</b>	<b>Total</b>
		<b>30 Jun 09</b>	<b>30 Jun 08</b>
		<b>£</b>	<b>£</b>
		<b>Income from Restricted Funds</b>	<b>Income From Unrestricted Funds</b>
		<b>For Collegiate Purposes *</b>	<b>For Non-Collegiate Purposes</b>
		<b>£</b>	<b>£</b>
Income from:			
Non-investment fund	-	-	8,063
Investment fund dividend	536,572	1,284	2,528,435
	<u>536,572</u>	<u>1,284</u>	<u>2,536,498</u>
			<u>3,074,354</u>
			<u>2,087,798</u>
* As defined by University Statute G,II.			
<b>Summary of Total Return</b>		<b>30 Jun 09</b>	<b>30 Jun 08</b>
		<b>£</b>	<b>£</b>
Endowment income from:			
Assets included in the Investment fund		1,809,306	1,930,462
Assets not included in the Investment fund		8,063	582
Gains/(losses) on Endowment Assets:			
Land and buildings		(65,595)	1,469,910
Quoted and other securities and cash		(10,357,438)	(11,045,587)
Total return for the year		(8,605,664)	(7,644,633)
Total return transferred to Income and Expenditure Account (see above)		(3,074,354)	(2,087,798)
Unapplied Total Return for the year included within the Statement of Total Recognised Gains and Losses:		<u>(11,680,018)</u>	<u>(9,732,431)</u>
<b>Investment Management Costs</b>		<b>30 Jun 09</b>	<b>30 Jun 08</b>
		<b>£</b>	<b>£</b>
Investment managers costs		<u>309,252</u>	<u>370,360</u>
<b>4. OTHER INCOME</b>		<b>30 Jun 09</b>	<b>30 Jun 08</b>
		<b>£</b>	<b>£</b>
Profit on sale of property		80,000	210,000
Donations received		817,870	2,015,423
Long dated borrowing income		1,234,758	809,487
Other income		137,965	178,979
Total		<u>2,270,593</u>	<u>3,213,889</u>

**TRINITY HALL**  
**NOTES TO THE ACCOUNTS**



<b>5. EDUCATION EXPENDITURE</b>	<b>30 Jun 09</b>	<b>30 Jun 08</b>
	<b>£</b>	<b>£</b>
Teaching	2,124,120	1,952,644
Tutorial	605,936	535,169
Admissions	293,801	263,851
Research	401,277	333,947
Scholarships and Awards	442,728	354,068
Other Educational Facilities	680,640	663,307
<b>Total</b>	<b><u>4,548,502</u></b>	<b><u>4,102,986</u></b>

<b>6. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE</b>	<b>30 Jun 09</b>	<b>30 Jun 08</b>
	<b>£</b>	<b>£</b>
Accommodation	2,837,970	2,440,155
College Members		
Conferences (incl. marketing costs)	258,048	171,733
Catering	1,239,884	1,306,530
College Members		
Conferences	319,948	164,097
<b>Total</b>	<b><u>4,655,850</u></b>	<b><u>4,082,515</u></b>

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

**7. CONTRIBUTION UNDER STATUTE G,II**

The contribution due from the College to the University for 2009 is a provisional figure assessed by the University in accordance with the new provisions of Statute G,II of the University of Cambridge. The contribution for 2008 was calculated under the old provisions as follows:-

	<b>30 Jun 08</b>
	<b>£</b>
Endowment Income as per Income and Expenditure Account	2,139,915
Less: Deductible Items	(1,582,023)
<b>Net Assessable Income</b>	<b><u>557,892</u></b>
<b>Assessment:</b>	
300,000 @ 2%	6,000
257,892 @ 6%	15,474
<b>Contribution Payable</b>	<b><u>21,474</u></b>

**8a. ANALYSIS OF 2008/09 EXPENDITURE BY ACTIVITY**

	Note	Staff Costs (Note 17) £	Depreciation (Note 9) £	Other Operating Expenses £	Total £
Education	5	2,177,079	536,766	1,834,657	4,548,502
Residences, Catering and Conferences	6	2,092,607	1,438,134	1,125,109	4,655,850
Other	8c	400,904	-	1,872,543	2,273,447
		<b><u>4,670,590</u></b>	<b><u>1,974,900</u></b>	<b><u>4,832,309</u></b>	<b><u>11,477,799</u></b>

**8b. ANALYSIS OF 2007/08 EXPENDITURE BY ACTIVITY**

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

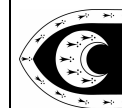
**8c. OTHER EXPENDITURE**

	<b>30 Jun 09</b>	<b>30 Jun 08</b>
	<b>£</b>	<b>£</b>
Investment and property management		
Third party costs	309,252	370,360
Internal costs	141,987	90,110
	<b><u>451,239</u></b>	<b><u>460,470</u></b>
Long dated borrowing interest and set-up charges	1,219,355	691,226
Fundraising	462,838	411,382
Alumni	65,250	56,429
Endowment	74,765	59,004
	<b><u>2,273,447</u></b>	<b><u>1,678,511</u></b>

**9. FIXED ASSETS (Parent & Consolidated)**

<b>Tangible Assets</b>	<b>Land &amp; Buildings £</b>	<b>Furniture Fixtures &amp; Fittings £</b>	<b>Works of Art Antique Furniture &amp; College Silver £</b>	<b>Library £</b>	<b>IT &amp; Computers £</b>	<b>Plant &amp; Machinery £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>COST/VALUATION</b>								
At 1 July 2008	107,181,696	445,838	3,874,534	6,687,094	110,995	550,995	42,757	118,893,909
Prior year adjustment (Note 19)	3,258,695	-	-	-	-	-	-	3,258,695
At 1 July 2008 as restated	<u>110,440,391</u>	<u>445,838</u>	<u>3,874,534</u>	<u>6,687,094</u>	<u>110,995</u>	<u>550,995</u>	<u>42,757</u>	<u>122,152,604</u>
Additions	578,211	73,945	4,658	-	34,245	118,419	-	809,478
Disposals at Cost/Valuation	-	-	-	-	-	-	-	-
Revaluation During the Year	-	-	-	-	-	-	-	-
Cost/Valuation as at 30 June 2009	<u>111,018,602</u>	<u>519,783</u>	<u>3,879,192</u>	<u>6,687,094</u>	<u>145,240</u>	<u>669,414</u>	<u>42,757</u>	<u>122,962,082</u>
<b>DEPRECIATION</b>								
At 1 July 2008	9,044,224	81,880	-	-	31,642	119,679	28,539	9,305,964
Prior year adjustment	383,376	-	-	-	-	-	-	383,376
At 1 July 2008 as restated	<u>9,427,600</u>	<u>81,880</u>	<u>-</u>	<u>-</u>	<u>31,642</u>	<u>119,679</u>	<u>28,539</u>	<u>9,689,340</u>
Provided for the year	1,853,453	48,724	-	-	36,730	31,193	4,800	1,974,900
Eliminated on Disposal	-	-	-	-	-	-	-	-
Depreciation at 30 June 2009	<u>11,281,053</u>	<u>130,604</u>	<u>-</u>	<u>-</u>	<u>68,372</u>	<u>150,872</u>	<u>33,339</u>	<u>11,664,240</u>
<b>Net Book value</b>								
At 30 June 2009	<u>99,737,549</u>	<u>389,179</u>	<u>3,879,192</u>	<u>6,687,094</u>	<u>76,868</u>	<u>518,542</u>	<u>9,418</u>	<u>111,297,842</u>
At 30 June 2008 as restated	<u>101,012,791</u>	<u>363,958</u>	<u>3,874,534</u>	<u>6,687,094</u>	<u>79,353</u>	<u>431,316</u>	<u>14,218</u>	<u>112,463,264</u>

The Insured Value of Freehold Land and Buildings as at 30 June 2009 was £152,030,516. (2008: £155,298,735).



**TRINITY HALL**  
**NOTES TO THE ACCOUNTS**



**9. FIXED ASSETS (continued)**

	<b>30 Jun 09</b>	<b>30 Jun 09</b>	<b>30 Jun 08</b>	<b>30 Jun 08</b>
<b>Investment Assets</b>	<b>Parent</b>	<b>Consolidated</b>	<b>Parent</b>	<b>Consolidated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 July 2008	103,869,440	103,859,010	84,312,513	84,302,084
Additions	9,658,166	9,658,166	7,334,389	7,334,389
Disposals	(1,440,463)	(1,440,463)	(7,271,485)	(7,392,846)
Transfer to Current Assets	(4,000,000)	(4,000,000)	-	-
Appreciation/(Depreciation) on Disposals/Revaluation	(10,423,033)	(10,423,033)	(9,575,677)	(9,454,316)
Increase/(Decrease) in Cash Balances	(4,135,974)	(4,135,974)	29,069,703	29,069,703
<b>Balance as at 30 June 2009</b>	<b><u>93,528,136</u></b>	<b><u>93,517,706</u></b>	<b><u>103,869,443</u></b>	<b><u>103,859,014</u></b>
Represented by:				
Freehold Land and Buildings	12,264,929	12,264,929	8,523,812	8,523,812
Quoted Securities - Equities	35,313,611	35,313,611	48,596,992	48,596,992
Quoted Securities - Indirect Property	1,131,578	1,131,578	1,858,221	1,858,221
Alternative Investments	16,464,992	16,464,992	12,359,203	12,359,203
Unquoted Securities - Equities	150,122	150,122	192,338	192,338
Investment in Subsidiary Undertakings	10,430	-	10,429	-
Cash Held For Reinvestment	3,192,474	3,192,474	7,328,448	7,328,448
	<u>68,528,136</u>	<u>68,517,706</u>	<u>78,869,443</u>	<u>78,859,014</u>
Long dated borrowing cash	25,000,000	25,000,000	25,000,000	25,000,000
	<u>93,528,136</u>	<u>93,517,706</u>	<u>103,869,443</u>	<u>103,859,014</u>

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.

**10. DEBTORS**

	<b>30 Jun 09</b>	<b>30 Jun 09</b>	<b>30 Jun 08</b>	<b>30 Jun 08</b>
	<b>Parent</b>	<b>Consolidated</b>	<b>Parent</b>	<b>Consolidated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Students' Payable	35,708	35,708	69,977	69,977
Fellows' Payable	4,498	4,498	5,842	5,842
JCR	-	-	1,448	1,448
Loans	18,818	18,818	18,929	18,929
Rents Payable	8,685	8,685	7,549	7,549
Amounts due from Subsidiary Undertaking	72,745	-	57,713	-
Tax Payable	-	-	-	-
Other Debtors	588,203	621,801	1,191,450	1,278,973
	<u>728,657</u>	<u>689,510</u>	<u>1,352,908</u>	<u>1,382,718</u>

**11. CASH**

	<b>30 Jun 09</b>	<b>30 Jun 09</b>	<b>30 Jun 08</b>	<b>30 Jun 08</b>
	<b>Parent</b>	<b>Consolidated</b>	<b>Parent</b>	<b>Consolidated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank Deposits	1,528,696	1,528,696	1,568,764	1,568,764
Current Accounts	9,051	89,218	429,880	443,923
Cash in Hand	1,569	1,569	1,299	1,299
	<u>1,539,316</u>	<u>1,619,483</u>	<u>1,999,943</u>	<u>2,013,986</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>30 Jun 09</b>	<b>30 Jun 09</b>	<b>30 Jun 08</b>	<b>30 Jun 08</b>
	<b>Parent</b>	<b>Consolidated</b>	<b>Parent</b>	<b>Consolidated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Overdraft	-	-	44,535	60,644
Students' Prepayments	125,874	125,874	131,930	131,930
Suppliers	201,027	201,027	239,520	562,397
Other	803,971	834,561	1,437,508	1,131,947
University Contribution	50,000	50,000	21,474	21,474
	<u>1,180,872</u>	<u>1,211,462</u>	<u>1,874,967</u>	<u>1,908,392</u>

**TRINITY HALL  
NOTES TO THE ACCOUNTS**



	30 Jun 09 Parent £	30 Jun 09 Consolidated £	30 Jun 08 Parent £	30 Jun 08 Consolidated £
<b>13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>				
Bank loan	25,000,000	25,000,000	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>

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

**14. CAPITAL AND RESERVES**

	Income/ Expendable Capital Funds £	Permanent Capital Funds £	Total 30 Jun 09 £	Total 30 Jun 08 (as restated) £
<b>Restricted Funds:</b>				
Funds for collegiate purposes *	<u>2,423,681</u>	<u>21,626,305</u>	<u>24,049,986</u>	<u>27,227,260</u>
Funds for non-collegiate purposes	<u>54,288</u>	<u>-</u>	<u>54,288</u>	<u>63,245</u>
<b>Unrestricted Funds:</b>				
Designated Funds:	<u>4,185,146</u>	<u>15,386,655</u>	<u>19,571,801</u>	<u>22,522,366</u>
Undesignated Funds:				
Undesignated Permanent Funds	-	68,192,094	68,192,094	66,684,529
Undesignated Expendable Funds	67,290,054	-	67,290,054	75,040,884
	<u>67,290,054</u>	<u>68,192,094</u>	<u>135,482,148</u>	<u>141,725,413</u>
	<u>73,953,169</u>	<u>105,205,054</u>	<u>179,158,223</u>	<u>191,538,284</u>

\* As defined by University Statute G,II

<b>Analysis of Restricted and Designated Funds</b>	Restricted Funds £	Unrestricted Designated Funds £	Unrestricted Undesignated Funds £	Total 30 Jun 09 £	Total 30 Jun 08 £
Fellowship Funds	8,233,160	7,233,805	-	15,466,965	18,119,053
Scholarship Funds	5,196,027	3,786,282	-	8,982,309	10,074,104
Prizes and Awards Funds	1,628,454	-	-	1,628,454	1,891,217
Hardship Funds	1,544,064	372,425	-	1,916,489	2,419,959
Travel Grant Funds	1,062,301	-	-	1,062,301	1,249,346
Other Funds	6,440,268	8,179,289	135,482,148	150,101,705	157,784,605
	<u>24,104,274</u>	<u>19,571,801</u>	<u>135,482,148</u>	<u>179,158,223</u>	<u>191,538,284</u>

**Memorandum of Unapplied Total Return**

	30 Jun 09 £	30 Jun 08 £
Unapplied Total Return at the beginning of the year	51,522,283	61,254,714
Unapplied Total Return for the year	(11,680,018)	(9,732,431)
Unapplied Total Return at the end of the year	<u>39,842,265</u>	<u>51,522,283</u>

The unapplied total return figures have now been updated to reflect the total unapplied total return from 1993 for non property investments and 2000 for property investments.

Reconciliation of Movement in Capital and Reserves:

	<u>Restricted Funds</u>				<u>Unrestricted Funds</u>				Total 30 June 09 £
	<i>Funds for collegiate purposes</i>		<i>Funds for non-collegiate purposes</i>		<i>Designated Funds</i>		<i>Undesignated Funds</i>		
	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 2008	2,998,894	24,228,366	63,245	-	4,523,464	17,998,903	75,040,883	63,809,210	188,662,965
Prior year adjustment (Note 19)	-	-	-	-	-	-	-	2,875,319	2,875,319
Balance as at 1 July 2008 as restated	2,998,894	24,228,366	63,245	-	4,523,464	17,998,903	75,040,883	66,684,529	191,538,284
Surplus/(deficit)	(221,036)	3	276	-	(318,896)	(3)	254,640	(1,167,628)	(1,452,644)
Appreciation of investment assets	(328,046)	(3,328,473)	(8,706)	-	(265,914)	(2,477,601)	(4,014,293)	-	(10,423,033)
Capital growth treated as income	(19,854)	(201,443)	(527)	-	(16,093)	(149,947)	(869,115)	-	(1,256,979)
Benefactions and donations	-	1,123,904	-	-	-	-	-	-	1,123,904
Transfer between funds	(6,277)	(196,052)	-	-	262,585	15,303	(2,750,752)	2,675,193	-
Actuarial loss recognised on pensions	-	-	-	-	-	-	(371,309)	-	(371,309)
Balance as at 30 June 2009	<u>2,423,681</u>	<u>21,626,305</u>	<u>54,288</u>	<u>-</u>	<u>4,185,146</u>	<u>15,386,655</u>	<u>67,290,054</u>	<u>68,192,094</u>	<u>179,158,223</u>

Capital is invested in the following categories of assets

	<u>Restricted Funds</u>				<u>Unrestricted Funds</u>				Total 30 June 09 £
	<i>Funds for collegiate purposes</i>		<i>Funds for non-collegiate purposes</i>		<i>Designated Funds</i>		<i>Undesignated Funds</i>		
	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	-	-	-	-	-	-	59,036,227	52,261,615	111,297,842
Investment Assets	2,423,681	21,626,305	54,288	-	4,185,146	15,386,655	33,911,152	15,930,479	93,517,706
Net Current Assets	-	-	-	-	-	-	1,218,591	-	1,218,591
Pension Liability	-	-	-	-	-	-	(1,875,916)	-	(1,875,916)
Creditors: Amounts Falling Due After More Than One Year	-	-	-	-	-	-	(25,000,000)	-	(25,000,000)
Balance as at 30 June 2009	<u>2,423,681</u>	<u>21,626,305</u>	<u>54,288</u>	<u>-</u>	<u>4,185,146</u>	<u>15,386,655</u>	<u>67,290,054</u>	<u>68,192,094</u>	<u>179,158,223</u>





## 15. REVALUATION RESERVE

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

	Note	30 Jun 09 £	30 Jun 09 £	30 Jun 08 £
Balance as at 1 July 2008			37,273,721	25,995,583
Revaluations during the year on:				
Tangible Fixed Assets	2	-		
Current Asset Investments				
Fixed Asset Investments	9	(10,423,033)	(10,423,033)	11,420,138
Transfer of accumulated revaluation on disposals			(240,000)	(142,000)
Balance as at 30 June 2009			<u>26,610,688</u>	<u>37,273,721</u>

## 16. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	Operating leases on Land and Buildings	
	30 Jun 09 £	30 Jun 08 £
Expiring:		
Within one year	-	25,094
Between one and five years	6,180	16,425
	<u>6,180</u>	<u>41,519</u>

## 17. STAFF

	Supervision Payments 30 Jun 09 £	College Fellows 30 Jun 09 £	Academics 30 Jun 09 £	Other Non - Academics 30 Jun 09 £	Total 30 Jun 09 £	Total 30 Jun 08 £
<b>Staff Costs</b>						
Emoluments	227,247	978,942	275,176	2,394,400	3,875,765	3,532,693
Social Security Costs	-	76,630	18,476	159,092	254,198	228,586
Other Pension Costs	-	117,075	63,128	360,424	540,627	415,343
	<u>227,247</u>	<u>1,172,647</u>	<u>356,780</u>	<u>2,913,916</u>	<u>4,670,590</u>	<u>4,176,622</u>
<b>Average Staff Numbers</b>						
Academic		50	10	-	60	
Non-Academics		9	-	106	115	
		<u>59</u>	<u>10</u>	<u>106</u>	<u>175</u>	

## 18. PENSION SCHEMES

The College participates in two defined benefit pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The total pension cost for the period was £568,678 (2008: £366,119)

### 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 130,000 active members and the College has 60 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 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 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)



## 18. PENSION SCHEMES (Continued)

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%.

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 2009 the actuary has estimated that the funding level under the new scheme specific funding regime had fallen from 103% to 74%. This estimate is based on the funding level at 31st March 2008, adjusted to reflect the fund's actual investment performance over the year 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 7.1% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2009 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 46%.

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 is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The total pension cost for the College was £128,699 (2008: £100,020). The contribution rate payable by the college 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, 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 2009 was £307,191, excluding PHI premiums. Next year a higher percentage of the contributions for future service are expected to be paid by the employee so that during the year the College will reduce its contribution to a rate of 16.06% of Contribution Pay. On top of this the College will pay £153,551 pa for 10 years to clear the debt on past service.



18. PENSION SCHEMES (Continued)

The major assumptions used by the actuary were:

	30 June 2009	30 June 2008
Discount rate	6.2%	6.7%
Expected long-term rate of return on Scheme assets	6.1%	6.6%
Salary inflation assumption	4.5%	5.4%
Inflation assumption	3.5%	3.9%
Pension increases (inflation linked)	3.5%	3.9%

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. (2008: PA92 on a year of birth usage with medium cohort improvement factors).

Employee Benefit Obligations

The amounts recognised in the balance sheet are as follows

	30 June 2009 £	30 June 2008 £
Present value of Scheme liabilities	(6,452,428)	(6,113,127)
Market value of Scheme assets	4,576,512	4,741,402
Surplus/(Deficit) in Scheme as at 30 June	(1,875,916)	(1,371,725)
Related deferred tax asset	-	-
Net pension asset/ (liability) as shown in College Balance Sheet at 30 June	(1,875,916)	(1,371,725)

The main reasons for worsening in the financial position are:

- Investment returns were much less than expected
- Scheme experience being worse than expected mainly as a result of both higher salaries and higher actual revaluation and pension increase rates plus one significant unreduced early retirement; and

Only partially offset by:

- changes in the FRS17 assumptions, particularly the discount rate, salary increase rate and mortality rates.

The amounts recognised in profit or loss are as follows:

	30 June 2009 £	30 June 2008 £
Current service cost	343,176	266,099
Interest Cost	415,483	306,348
Expected Return on Assets	(318,580)	(316,482)
Total	440,079	255,965
Actual Return on Assets	(366,292)	(244,406)

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

	30 June 2009 £	30 June 2008 £
Present value of Scheme liabilities at beginning of period	6,113,127	5,157,998
Service cost (including employee's contributions)	440,907	365,176
Interest cost	415,483	306,348
Actuarial losses/(gains)	(313,569)	368,933
Benefits paid	(203,520)	(85,328)
Present value of Scheme liabilities at end of period	6,452,428	6,113,127

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

	30 June 2009 £	30 June 2008 £
Market value of Scheme assets at beginning of period	4,741,402	4,678,591
Expected Return	318,580	316,482
Actuarial gains and (losses)	(684,872)	(560,888)
Contributions by College	307,191	293,468
Employee contributions	97,731	99,077
Benefits paid	(203,520)	(85,328)
Market value of Scheme assets at end of period	4,576,512	4,741,402



## 18. PENSION SCHEMES (Continued)

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 2009	Percentage of total Scheme Assets 30 June 2009	Long-term rate of return expected at 30 June 2008	Percentage of total Scheme Assets 30 June 2008
Equities and Hedge Funds	7.1%	48%	7.5%	51%
Bonds & Cash	6.1%	43%	6.5%	38%
Property	5.0%	9%	5.4%	11%
Total		<u>100%</u>		<u>100%</u>

Movement in surplus/(deficit) during the Scheme year ending 30 June 2009 (with comparative figures for the year ending 30 June 2008) are as follows:

	2009 £	2008 £
Surplus/(deficit) in Scheme at beginning of the Scheme year	(1,371,725)	(479,407)
Service Cost (Employer only)	(343,176)	(266,099)
Contributions paid by the College	307,191	293,468
Finance Cost	(96,903)	10,134
Actuarial gain/(loss)	(371,303)	(929,821)
<b>Surplus/(deficit) in Scheme at the end of the year</b>	<b><u>(1,875,916)</u></b>	<b><u>(1,371,725)</u></b>

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

	30 June 2009	30 June 2008	30 June 2007	30 June 2006	30 June 2005
Present value of Scheme liabilities	(6,452,428)	(6,113,127)	(5,157,998)	(4,763,900)	(4,249,893)
Market value of Scheme assets	4,576,512	4,741,402	4,678,591	4,109,025	3,464,649
Surplus/(deficit) in the Scheme	<b>1,875,916</b>	<b>(1,371,725)</b>	<b>(479,407)</b>	<b>(654,875)</b>	<b>(785,244)</b>
Actual return less expected return on Scheme assets	(684,872)	(560,888)	129,045	239,111	*
Experience gain/(loss) arising on Scheme liabilities	(75,472)	(141,083)	(197,047)	55,310	*
Change in assumptions underlying present value of Scheme liabilities	389,041	(227,850)	156,790	(121,366)	*

\* Not available

## 19. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the inclusion of two properties for own use, not previously included in error. See notes 9 and 14.

## 20. 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.