



TRINITY HALL
CAMBRIDGE

ACCOUNTS FOR THE YEAR ENDED

30 June 2017

TRINITY HALL
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For the Year Ended 30 June 2017



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TRINITY HALL
Governing Body and Advisers
For the Year Ended 30 June 2017



Governing Body

Master: The Revd Dr Jeremy Morris
Bursar: Mr Paul ffolkes Davis
Senior Tutor: Dr Clare Jackson

Registered charity number
1137458

Professor Mike Hobson	Dr Tadashi Tokieda	Dr Thomas Bennett
Dr Christopher Padfield	Dr Edmund R S Kunji	Dr Craig French
Professor Michael Kelly	Dr William O'Reilly	Dr Tamsin O'Connell
Professor Simon Guest	Dr Isabelle McNeill	Dr David Erdos
Professor John Clarkson	Dr Lucia Prauscello	Dr Pedro Ramos Pinto
Professor James Montgomery	Miss A Hennegan	Dr Lindley Lentati
Professor Florian Hollfelder	Dr Martin Ruehl	Dr Willem Paul van Pelt
Professor Brian Cheffins	Mr Glen Sharp	Dr Jack Thorne
Professor Simon Moore	Dr Lorand Bartels	Dr Nick Guyatt
Dr Vasant Kumar	Dr Andrew Murray	Dr Tom Dougherty
Dr Nick Bampos	Mr Andrew Arthur	Dr Will Skylark
Professor John Bradley	Dr Robert Asher	Dr Adam Branch
Dr Louise Haywood	Dr Gunnar Möller	Dr Vladimir Brljak
Dr Jan Schramm	Professor John Trowsdale	Dr Cohl Furey
Dr Graham Pullan	Dr John Biggins	Mr Colm McGrath
Professor Ian B Wilkinson	Dr Alexandra Turchyn	Dr Jasmin Fisher
Dr Cristiano Ristuccia	Professor Jane Clarke	Dr Heather Inwood
Dr John F Pollard	Revd Dr Stephen Plant	Dr Ali Boyle
Dr Kylie Richardson	Dr Alexander Marr	Dr Andrew Sanchez
Dr Jerome Jarrett	Dr Stephen Watterson	Dr Eugenio Giannelli
Professor David Runciman	Dr Ramji Venkatamaranan	

Auditors

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

Barclays Bank Plc
St Andrews Street
Cambridge
CB2 3AA

Solicitors

Birketts LLP
22 Station Road
Cambridge
CB1 2JD

Mills & Reeve LLP

Botanic House
98-100 Hills Road
Cambridge
CB2 1PH

Principal Property Agents

Savills

Unex House
132-134 Hills Road
Cambridge
CB2 8PA



TRINITY HALL

Operating and Financial Review

For the financial year ended 30 June 2017

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.

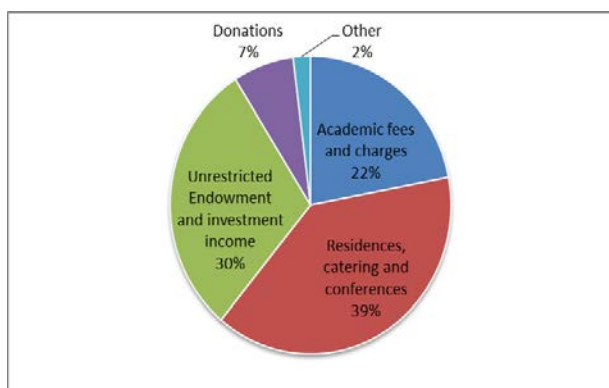
Overview of the Year

This year there have been no changes to the Higher Education SORP following last year's introduction of the FRS 102 accounting standard.

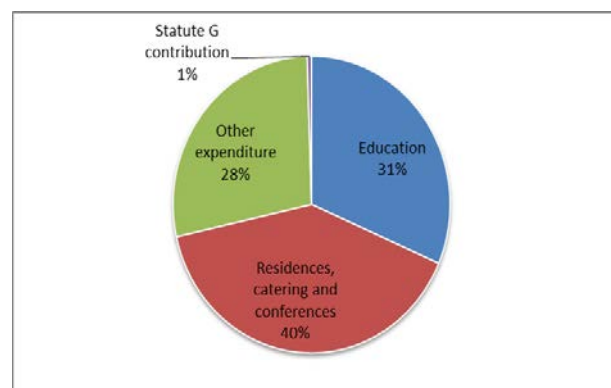
Academic fees were slightly higher but education expenditure also rose significantly. Income from catering and conferences continues to make a steady contribution to our revenues. A good year for investment markets was reflected in the strong growth of the endowment, which rose by 19.75%. Income from donations was slightly lower at £1.2 million compared to £1.4 million in 2015-16, partly due to the need to show the generous donation from the WYNG Foundation towards the funding of the WYNG Gardens student accommodation in total in the 2014-15 accounts even though the gift will be received over a period of five years.

This year's numbers show a deficit on the total column of the Income and Expenditure Account of £1.925 million (page 18). This figure is up significantly from last year (£0.297 million) and was primarily due to rises in academic stipends and staff salaries, the decision to offer more graduate studentships and one-off costs within two of the subsidiary companies.

2016-17 Unrestricted Income
£10,736,000



2016-17 Unrestricted Expenditure
£12,192,000





Students

During the year, the College educated 389 undergraduate students and 218 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.

A total of 135 Undergraduate offers were made to students, including three open offers to applicants wishing to study Medicine, Mathematics and Natural Sciences, and two for deferred entry. The table below summarises the offers made by subject type and gender, along with figures for the total intake for October 2017:

	Arts	Sciences	Total	Male	Female	Total
Offers	69	66	135	66	69	135
Acceptances	60	54	114	61	53	114

Including offers made to candidates who applied directly to Trinity Hall and candidates taken from the Pool, the College made offers to 78 applicants from Maintained schools, 27 from Independent schools and 30 from Other schools. Excluding schools in the Other category, 74% of all offers were made to applicants from the Maintained sector and 26% to those from Independent schools.

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 assistance to those of limited financial means through the Cambridge Bursary Scheme, a scheme operated in common with the University. (For the academic year 2016-17, the number of awards made was 79, out of a Home/EU undergraduate population of 333 [24%]; 48 of the awards were at the maximum value of £3,500; and the average value of the awards was £2,761) The Scheme is widely advertised on the University website, on college websites and in the Admissions Prospectus. In addition, the College provides further assistance to students through hardship grants and travel and long vacation residence awards.

To support the costs of graduate students, the College provides substantial financial assistance. 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 2016-17, £530,124 was spent on specific studentships for graduate students representing 102% of graduate fee income (£519,000)).

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 2016-17 the deficit on the Education Account exceeded £3.4 million; thus support for each student of all classes averaged £6,438.

The College also supports all students through a grant scheme to assist with the purchase of books and equipment, attendances at conferences, childcare and travel. In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship.



Academic performance

In 2017, 26.8% of Trinity Hall candidates achieved first class honours, with a further 47.6% receiving a 2.1. A good number of Trinity Hall graduates 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 a wide-ranging outreach programme. The outreach programme includes an extensive schedule of visits to schools by the Schools Liaison Officer and Admissions Tutors, 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 141 other full or part time members of staff (FTE 124) to provide the professional and service support necessary to run the College.

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

Overview of the Year

In the year ended 30th June 2017, there have been no substantive changes to either the RCCA or Charities SORP. While this is clearly welcome, and allows all the innovations introduced a year ago a further period to bed in, it deprives me of my favourite fodder to rail against.

A glance at the Consolidated Income and Expenditure Account suggests we had a poor year. Certainly we spent more than we earned and the overall deficit, a modest £297,000 last year, widened to £1.925 million. Although our income at £12.85 million was slightly higher than 2016's £12.3 million, expenditure was up considerably (17.5%) from £12.6 million to £14.8 million. There are multiple reasons for this, as we shall see, but, although some relate to accounting practices beyond our control, others are unavoidable (largely increases in stipends and salaries) while the decision to offer more graduate studentships was entirely our own.

The good news is that the endowment investments enjoyed very strong performance, up £31.5 million or 19.75%. All styles in the portfolio (whether securities or property led) performed well and the Cambridge & Counties Bank continued its successful run. Overall the endowment is now approaching £188 million by my measure (defined later) and the College's Balance Sheet has grown 11.6% to £276.2 million. This is the largest it has ever been and, happily, 68% of this number is composed of tangible, realisable assets. 10 years ago this percentage was only around 42% - the rest being mostly attributed to the putative value of Central Site.

I&E in 2016-17

Most income lines were flat (academic fees/residence, catering and conference) or slightly higher (endowment total return). The largest change, however, was to 'other' income which was down 57%



having benefitted last year from a large post-Brexit vote currency gain on the dollar-based WYNG Gardens gifts.

Expenditure is ascribed across various headings in the accounts according to an agreed set of parameters known as the Downing Formula. All three main lines (education/residence, catering and conference/other) were markedly higher. Surprisingly the only activity that was lower was the College's University Contribution (or the internal tax whereby more asset rich colleges contribute to the endowment-building of poorer ones). This declined from £166,000 to £135,000. This is the first time I have ever seen this and is largely explained by Pembroke College's receipt of a very substantial alumnus legacy.

£2.1 million of our spending came from restricted funds, which shows we are getting better at deploying these monies that can only be used for their original, specific purposes. Graduate based spending was up £327,000, 130% more than a year previously. With the exception of £70,000 spent from the Dr Cooper's Fund (for our graduands entering a career in law), all of the increase was in the form of graduate studentships. 90% of all graduate spending was from restricted funds. Fellows will undoubtedly feel that more spending to support our students is a good thing, I will merely comment that it was a big jump.

The £60,000 increase in IT expenditure was accounted for by upgrades to the network, the introduction of a new EPOS system and revamped Fellows and student accommodation modules. Professional fees at £290,000 overall is a large number, of which the £137,000 increase over last year was largely caused by legal charges to resolve a Fellowship issue and architects fees for the ongoing Avery Court redevelopment (these will be covered by the generous gift that is driving this project). Stipend increases amongst the academic staff have included an ex-gratia payment, having the full complement of Research Fellows, as well as another full-time Fellow and an additional College Lecturer. Staff pay was affected by the need to restructure kitchen and buttery pay scales in particular. Although these costs were collectively £332,000 higher than a year earlier, 73% of the spending on academic stipends was met from restricted funds.

Lastly, expenses that should not appear in isolation again include the circa £½ million for coupon costs on the Private Placement bond in place against WYNG Gardens. These were not incurred until the new building was opened but will be covered in future years by rents received. The late opening of WYNG Gardens also caused some loss of conference income and increase in costs in that department. We also incurred roughly £400,000 one-off consolidation costs in two subsidiaries, Aula Ltd and Trinity Hall Residences 1, from the successful conclusion of the Science Park and WYNG Gardens projects.

Endowment Performance and Balance Sheet

During the course of the year all constituents of our non-operational estate and investments (mostly equities and funds) performed satisfactorily, some very strongly. There are a number of ways to calculate the College's wealth and the Balance Sheet total growing to over £276 million certainly suggests we are getting bigger. By my measure, Trinity Hall is the 'least poor' it has ever been!

What is my measure? There are number of ways to calculate the value of the endowment and Note 11 of the accounts would suggest it has grown from £182 million to £228 million in the course of the year. Unfortunately, this is misleading as these numbers include the capital values of our various long-term borrowings. It is necessary to deduct £25 million (our 2007 Barclays loan) from the first figure and £40 million (which now includes last year's £15 million PRICOA Private Placement) from the second. This provides a movement from £157 million to £188 million, which is an accurate reflection of the value of all our investments whether held in restricted or spendable funds.

I will mention one new initiative this year as we have formed a joint-venture with Trinity Hall's long-term property advisor Chris Bartram. Aula Properties Partnership (APP) is being funded by both the College and Chris's vehicle Tramco. He, with his son Bill, will be identifying and then managing a small, focused commercial property portfolio designed to generate good rates of income over the medium term and profitable realisations in due course. We have benefitted from Chris's advice on our Property Committee for many years and it is exciting to have finally been able to launch this venture with him. APP has already made its maiden investment, there will be more to come.



Cambridge & Counties Bank (CCB) and the pension time-bomb

In the year to end June 2017 CCB had outperformed all its key forecasts. Profit before tax was healthily ahead of projections, Return on Investment (ROI) was at 52% against a budgeted 47.5%, while the Balance Sheet was over £833 million against an expected £797 million. Best of all the Bank's customer satisfaction score continued at 99%: this is almost undreamt of in the industry and is testament to how well the customer journey is handled. The Bank's new strap line "*to be the most human bank*" appears to be an aspiration justified by current customer feedback. CCB's year-end coincides with the calendar's – by this time I expect the customer lending book to be pushing toward £1 billion. Quite an achievement from a standing start five years ago. I am, as ever, grateful for all the dedication and hard work of my CCB colleagues in Leicester and around the country in the regional offices and to the continued support offered by the Fellows who compose the College's Board of Scrutiny which keeps an eagle-eye on CCB's progress.

I would add two more CCB-related points. We seem to be entering an interesting time in the banking market with two of the larger Challengers (Shawbrook and Aldermore) both being sold in the last few months – clearly this is an area of gathering corporate activity. The other issue relates to last year's accounts, when the value posted for the Bank was calculated incorrectly. The measure of value we use is the most conservative we could come up with: Enterprise Value (simply put the assets minus the liabilities). When putting this together, the Bank, the College and the auditors all missed the inclusion of Cambridgeshire Local Government Pension Fund's capital instrument (formerly preference share) holding. This non-equity investment would be paid out first and at face-value in any realisation and should have been removed from the Bank's balance sheet total when our interest was being determined. As a result we posted a value of £24.5 million when it should have been £18 million. This year the correct number is £26.5 million, which means our shareholding has really advanced by £8 million, rather than the £2 million it appears to have improved. With this correction, the auditors have decided not to restate last year's figure.

In the year under review, Trinity Hall's pension liability increased by £1.1 million to £6.2 million. This is mostly accounted for by the Cambridge Colleges Federated Pension Scheme (CCFPS) which applies to the staff, is already closed to new entrants and is in run-off. Although we will have to make further contributions to close the gap as the deficit widens, the scheme is well-managed and has made sensible investment decisions including large-scale risk hedging. The situation, although not happy, is at least controllable.

Unfortunately, the same cannot be said for the Universities Superannuation Scheme (USS) which covers academics nationwide. This is now the largest Defined Benefit (salary-based) scheme left open in the country. Its deficit continues to grow alarmingly, exacerbated by a poorly judged bet on the future direction of Gilts a decade ago. Although much loved by Fellows, who regard USS as a key tool to attract new teaching and research staff, the truth is that USS, as a last-man-standing scheme, is depending on the covenants of Oxford and Cambridge to keep the whole edifice aloft. Self-preservation must eventually call for a reassessment of current strategy and, at least, the closure of the scheme to new entrants. The servicing of past liabilities also looks undeliverable at this time. Something is going to have to give here – even Roadrunner could only hover in thin air for a short time!

Outlook

The Bank of England has just raised base-rates for the first time in a decade. The Brexit non-negotiations(!) look more perilous than ever. Politics here and almost everywhere else is at an astonishing low ebb. Yet the financial markets continue to function admirably and the trend of stock indices (which concern Trinity Hall most) is still upwards – with record highs being announced weekly. The UK property market, on the other hand and where the College is interested to increase its exposure, is certainly taking a breather. This will either throw up opportunities to add to the portfolios (see APP above) or be the precursor of a more substantial and damaging correction. At the moment it does not feel like the latter.

In one respect, worries about the viability of our investment markets, although unavoidable, are still largely otiose. Trinity Hall's policy is to keep fully invested at all times. Market timing is a luxury we cannot afford and are not very good at. Our capital preservation defence mechanism is not to be overly cautious but to try to identify the very best asset managers and advisors and let them do their thing. This does not prevent large drawdowns when markets collapse (such as 2008-9) but it does promote faster recovery thereafter (such as 2009-10). We are obliged to try to maximise the



performance of our investments to further the charity's proper objects – I hope our efforts continue to encourage friends and alumni to support us in this endeavour.

On behalf of the Governing Body
Paul ffolkes Davis
31 October 2017



TRINITY HALL

Corporate Governance and Public Benefit Statement

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, PREVENT 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, along with the principal officers.

There is a Register of Interests of Trustees and declarations of interest are made systematically at all 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 its Finance (Investments) and Finance (Property) Committees, which bodies also makes recommendations to the Governing Body on asset allocation issues. Membership of these committees is composed of those Fellows of the College who are members of the Finance Committee, augmented by the presence of the managers of individual investment portfolios and external professional advisers in an advisory capacity.

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 600 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 schoolchildren 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.



TRINITY HALL **Responsibilities of the Governing Body** **and Statement of Internal Control**

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 Statutes 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.



Opinion

We have audited the financial statements of Trinity Hall (the 'College') for the year ended 30 June 2017 which comprise the consolidated statement of comprehensive income and expenditure, the consolidated statement of changes in reserves, the consolidated balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2017 and of its incoming resources and application of resources for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report of the Governing Body other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with



the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the College trustees, as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the College trustees those matters we are required to state to

TRINITY HALL

Independent Auditors' Report to the Governing Body of Trinity Hall For the Year Ended 30 June 2017



them in an auditor's 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 11th December 2017



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 Statement of Comprehensive Income and Expenditure 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 26. 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.

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

Restricted donations – the donor has specified that the donation must be used for a particular objective.

Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.

Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income.

Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

Total Return

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 3.5% (2016:3.5%) 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.

Cambridge Bursary Scheme

The Cambridge Bursary Scheme (CBS) administration has changed for 2016-17:

- SLC (Student Loans Co) assesses the students for eligibility;
- SLC pays the student direct for the CBS payment and then takes the money from the College by direct debit;
- At the end of term, the University provides the College with a list of students and how much their and the College's contribution is.

The College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges", although strictly speaking this was not a College transaction for the year.

TRINITY HALL ACCOUNTING POLICIES



The net payment of £16,471 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income	(see note 1)	£108,600
Expenditure		£125,071

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.

Other income

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

Endowment and investment income

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Tangible fixed assets

Land and buildings

Land and buildings are valued at depreciated 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 and art) 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. 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

For assets which have a useful economic life of greater than 100 years an annual impairment review is undertaken to ensure the carrying value is still appropriate.

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. Acquisitions of heritage assets 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. The College does not consider that it holds any assets that should be classified as heritage assets.

Shared Equity Scheme Debtors

Debtors due from Fellows on "shared equity schemes" occur where the college has provided a portion of the finance of a house purchase and are included within debtors due after one year. Under the scheme rules these amounts are due for repayment on the earliest of: The date on which there is a future sale of the property or within two years of a Fellow ceasing to be an eligible Fellow whether by resignation, retirement death or otherwise, or a Fellow acquires the colleges' share of the value of the property.

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 institution participates in the Universities Superannuation Scheme (the scheme). With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits.. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Comprehensive Income and Expenditure.

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. The College now contributes to NEST in line with the Government auto enrolment policy.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Reserves

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity. Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

Critical accounting judgements

FRS102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss in accordance with section 28 of FRS 102. The Governing Body are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

TRINITY HALL
Consolidated Statement of Comprehensive Income and Expenditure Account
For the Year Ended 30 June 2017



		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
		Year Ended 30 June 17	Year Ended 30 June 17	Year Ended 30 June 17	Year Ended 30 June 17	Year Ended 30 June 16	Year Ended 30 June 16	Year Ended 30 June 16	Year Ended 30 June 16
	Note	£000	£000	£000	£000	£000	£000	£000	£000
INCOME									
Academic fees and charges	1	2,357	109		2,465	2,220	142		2,362
Residence, catering and conferences	2	4,232			4,232	4,295			4,295
Endowment return transferred	3	3,139	1,948	(5,087)	0	2,731	1,760	(4,491)	0
Other investment income	3	98		4,655	4,754	130		3,759	3,889
Other income	5	176			176	414			414
Total income before donations and endowments		10,001	2,057	(432)	11,626	9,791	1,902	(732)	10,961
Donations	4	735	278		1,013	598	134		732
New endowments				193	193			227	227
Other capital grants for assets	4		17		17		397		397
Total Income		10,736	2,352	(239)	12,849	10,389	2,433	(505)	12,318
EXPENDITURE									
Education	6	3,875	2,016		5,891	3,479	1,521		5,000
Residence, catering and conferences	7	4,878			4,878	4,625			4,625
Other Expenditure	8	3,379		493	3,872	2,363		460	2,823
Contribution under statute G.II		61	73		135	84	82		166
Total expenditure		12,192	2,089	493	14,775	10,551	1,603	460	12,615
Surplus (deficit) before other gains and losses		(1,456)	263	(732)	(1,925)	(162)	830	(965)	(297)
Gains/(loss) on disposal of fixed assets									
Gains/(loss) on investments		14,968	1,968	14,643	31,579	1,275	156	2,295	3,727
Surplus (deficit) for the year		13,512	2,231	13,911	29,653	1,112	986	1,330	3,430
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets									
Actuarial (loss) in respect of pension schemes		(974)			(974)	(284)			(284)
Total comprehensive income for the year		12,537	2,231	13,911	28,679	828	986	1,330	3,146

TRINITY HALL
Consolidated Statement of Changes in Reserves
For the Year Ended 30 June 2017



STATEMENT OF CHANGE IN RESERVES	INCOME AND EXPENDITURE RESERVE			TOTAL
	Unrestricted	Restricted	Endowment	
	£000	£000	£000	
BALANCE AT 01 JULY 2016	190,685	10,587	46,267	247,541
Surplus/(Deficit) from income and expenditure statement	13,512	2,231	13,911	29,653
Other comprehensive income	(974)			(974)
Release of restricted capital funds spent in the year				-
Transfers between revaluation and income and expenditure reserve	3,495	(4,008)	513	(0)
				-
BALANCE AT 30TH JUNE 2017	206,718	8,809	60,692	276,220

STATEMENT OF CHANGE IN RESERVES	INCOME AND EXPENDITURE RESERVE			TOTAL
	Unrestricted	Restricted	Endowment	
	£000	£000	£000	
BALANCE AT 01 JULY 2015	189,128	10,213	45,054	244,395
Surplus/(Deficit) from income and expenditure statement	1,112	986	1,330	3,429
Other comprehensive income	(284)			(284)
Release of restricted capital funds spent in the year				-
Transfers between revaluation and income and expenditure reserve	729	(612)	(117)	-
				-
BALANCE AT 30TH JUNE 2016	190,685	10,587	46,267	247,541

TRINITY HALL
Consolidated Balance Sheet
As at 30 June 2017



		30 June 17	30 June 16
	Note	£000	£000
Non Current Assets			
Fixed assets	10	98,367	94,970
Investments	11	227,936	182,011
		<u>326,303</u>	<u>276,981</u>
Current assets			
Stock		322	327
Debtors	12	5,002	5,331
Cash	13	4,333	10,017
		<u>9,657</u>	<u>15,674</u>
Creditors: amounts falling due within one year	14	(2,893)	(4,266)
Net current assets		<u>6,764</u>	<u>11,408</u>
Creditors: amounts falling due after more than one year	15	(50,648)	(35,800)
Net assets excluding pension liability		<u>282,418</u>	<u>252,589</u>
Pension Liability	16	(6,199)	(5,048)
Net assets including pension asset/(liability)		<u><u>276,220</u></u>	<u><u>247,541</u></u>
 Represented by:			
		Total	Total
		30 June 17	30 June 16
		£	£
 Restricted Reserves			
Income and expenditure reserve-endowment reserve (Restricted)		60,693	46,268
Income and expenditure reserve-restricted reserve		8,805	10,586
		<u>69,497</u>	<u>56,854</u>
 Unrestricted Reserves			
Income and expenditure reserve-unrestricted		<u>206,722</u>	<u>190,685</u>
TOTAL RESERVES		<u><u>276,220</u></u>	<u><u>247,541</u></u>

The financial statements were approved by the Governing Body on 31 October 2017 and signed on its behalf by:

.....
P folkes Davis
Bursar

TRINITY HALL
College Balance Sheet
As at 30 June 2017



		30 June 17	30 June 16
	Note	£000	£000
Non Current Assets			
Fixed assets	10	98,895	95,350
Investments	11	223,294	177,547
		<u>322,189</u>	<u>272,896</u>
Current assets			
Stock		322	327
Debtors	12	6,890	8,492
Cash	13	3,763	6,319
		<u>10,976</u>	<u>15,138</u>
Creditors: amounts falling due within one year	14	(2,604)	(2,560)
Net current assets		<u>8,372</u>	<u>12,578</u>
Creditors: amounts falling due after more than one year	15	(50,648)	(35,800)
Net assets excluding pension liability		<u>279,912</u>	<u>249,674</u>
Pension Liability	16	(6,199)	(5,048)
Net assets including pension asset/(liability)		<u><u>273,714</u></u>	<u><u>244,626</u></u>
Represented by:		Total	Total
		30 June 17	30 June 16
Restricted Reserves			
Restricted Reserves			
Income and expenditure reserve-endowment reserve (Restricted)		60,693	46,268
Income and expenditure reserve-restricted reserve		8,805	10,586
		<u>69,497</u>	<u>56,854</u>
Unrestricted Reserves			
Income and expenditure reserve-unrestricted		<u>204,215</u>	<u>187,770</u>
TOTAL RESERVES		<u><u>273,714</u></u>	<u><u>244,626</u></u>

The financial statements were approved by the Governing Body on 31 October 2017 and signed on its behalf by:

.....
P ffolkes Davis
Bursar

TRINITY HALL
Consolidated Cash Flow Statement
For the Year Ended 30 June 2017



		Year Ended 30 June 17	Year Ended 30 June 16
	Note	£000	£000
Net Cash (Outflow)/Inflow from Operating Activities	20	(6,096)	(2,896)
Cash flows from investing activities	21	(13,732)	(6,275)
Contribution to colleges fund		(135)	(166)
Cash flows from financing activities	21	14,280	(5,941)
(Decrease)/Increase in cash and cash equivalents in year		<u>(5,683)</u>	<u>(15,278)</u>
Cash and cash equivalents at the beginning of the year		10,017	25,294
Cash and cash equivalents at the end of the year	22	<u><u>4,333</u></u>	<u><u>10,017</u></u>

TRINITY HALL
NOTES TO THE ACCOUNTS



1. ACADEMIC FEES AND CHARGES	30 Jun 17	30 Jun 16
	£000	£000
College fees:		
Fee income received at the regulated Undergraduate rate	1,449	1,522
Fee income received at the unregulated Undergraduate rate	370	286
Fee income received at the Graduate rate	519	394
Other income	18	26
	<u>2,357</u>	<u>2,228</u>
 Cambridge Bursaries Income	 109	 134
	<u>2,465</u>	<u>2,362</u>
 2. RESIDENCES, CATERING AND CONFERENCES INCOME	 30 Jun 17	 30 Jun 16
	£000	£000
Accommodation		
College Members	1,957	1,913
Conferences	417	507
Catering		
College Members	1,048	1,118
Conferences	809	758
	<u>4,232</u>	<u>4,295</u>
 3. ENDOWMENT AND INVESTMENT INCOME		
3a. Analysis	Total	Total
	30 Jun 17	30 Jun 16
	£000	£000
Income from:		
Non-investment fund	98	130
Investment fund total return	5,087	4,491
	<u>5,185</u>	<u>4,621</u>
 3b. Summary of total return		
	30 Jun 17	30 Jun 16
	£000	£000
Endowment income from:		
Assets included in the Investment fund	4,655	3,759
Assets not included in the Investment fund	98	130
Gains/(losses) on Endowment Assets:		
Land and buildings	3,764	1,760
Quoted and other securities and cash	27,900	2,047
	<u>36,418</u>	<u>7,696</u>
Total return for the year	36,418	7,696
Total return transferred to the income and expenditure account (see note 3a)	(5,185)	(4,621)
Total return transferred to the Balance Sheet (Boat Club & St Edwards)	(85)	(80)
Investment managers costs (see note 3c)	(493)	(460)
 Unapplied Total Return for the year included within the Statement of Total Recognised Gains and Losses (see note 21)	 <u>30,654</u>	 <u>2,536</u>
 3c. Investment management costs		
	30 Jun 17	30 Jun 16
	£000	£000
Investment management costs	493	460
	<u>493</u>	<u>460</u>
 4. DONATIONS		
	30 Jun 17	30 Jun 16
	£000	£000
Unrestricted donations	735	598
Restricted donations	296	531
	<u>1,030</u>	<u>1,129</u>

TRINITY HALL
NOTES TO THE ACCOUNTS



5. OTHER INCOME	30 Jun 17	30 Jun 16
	£000	£000
Other income	176	414
	<u>176</u>	<u>414</u>

6. EDUCATION EXPENDITURE	30 Jun 17	30 Jun 16
	£000	£000
Teaching	2,290	2,183
Tutorial	647	578
Admissions and Access	421	384
Research	659	539
Scholarships and Awards	1,063	648
Other Educational Facilities	810	668
	<u>5,891</u>	<u>5,000</u>

7. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE	30 Jun 17	30 Jun 16
	£000	£000
Accommodation		
College Members	2,324	2,061
Conferences (incl. marketing costs)	450	545
Catering		
College Members	1,245	1,205
Conferences	859	814
	<u>4,878</u>	<u>4,625</u>

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

8a. ANALYSIS OF EXPENDITURE BY ACTIVITY 2017

	Note	Staff & Fellows Payroll Costs (Note 9) £000	Depreciation (Note 10) £000	Other Operating Expenses £000	Total £000
Education	6	2,673	387	2,830	5,891
Residences, Catering and Conferences	7	2,636	1,092	1,149	4,878
Other	8c	599	-	2,780	3,379
		<u>5,908</u>	<u>1,479</u>	<u>6,759</u>	<u>14,147</u>

8b. ANALYSIS OF EXPENDITURE BY ACTIVITY 2016

Education	6	2,443	364	2,193	5,000
Residences, Catering and Conferences	7	2,520	1,029	1,076	4,625
Other	8c	539	-	1,824	2,363
		<u>5,502</u>	<u>1,393</u>	<u>5,093</u>	<u>11,988</u>

8c. OTHER EXPENDITURE

	30 Jun 17	30 Jun 16
	£000	£000
Investment and property management		
Third party costs	233	208
Internal costs	187	169
	<u>420</u>	<u>378</u>
Long dated borrowing interest and set-up charges	1,935	1,220
Fundraising	634	582
Alumni	22	59
Miscellaneous	368	123
	<u>3,379</u>	<u>2,363</u>



8d. AUDITORS REMUNERATION

	30 Jun 17 £000	30 Jun 16 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	22	19
	<u>22</u>	<u>19</u>

9. STAFF COSTS

	College Fellows & Fellow Commoners 30 Jun 17 £000	Non - Academics 30 Jun 17 £000	Total 30 Jun 17 £000	Total 30 Jun 16 £000
Staff Costs*				
Emoluments	1,471	3,456	4,926	4,581
Social Security Costs	110	271	381	319
Other Pension Costs	136	465	601	602
	<u>1,717</u>	<u>4,192</u>	<u>5,908</u>	<u>5,502</u>
 Average Staff Numbers				
Academic	58		58	59
Non-Academics	1	141 **	142	135
Fellow Commoners	14		14	13
	<u>73</u>	<u>141</u>	<u>214</u>	<u>207</u>

** The full-time equivalent number for non-academic employees for 16/17 is 124.30
The number of officers and employees of the College, including Head Of House, who received emoluments in the following ranges was:

	30 Jun 17 £000	30 Jun 16 £000
£100,000-£110,000	0	1
£110,001-£120,000	1	0

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated emoluments paid to key management personnel.

	30 Jun 17 £000	30 Jun 16 £000
Key management personnel	<u>459</u>	<u>378</u>

The Trustees received no emoluments in their capacity as Trustees of the Charity



10. FIXED ASSETS Group

Tangible Assets	Land & Buildings £000	Equipment £000	Heritage assets £000	30 Jun 17 Total £000	30 Jun 16 Total £000
Cost or valuation					
At the beginning of the year	87,749	13,151	-	100,900	92,767
Transfer	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
At the beginning of the year as restated	87,749	13,151	-	100,900	92,767
Additions	4,594	282	-	4,877	8,133
Disposals at Cost/Valuation	-	-	-	-	-
Transfer to Investment assets	-	-	-	-	-
Revaluation During the Year	-	-	-	-	-
At the end of the year	92,343	13,433	-	105,776	100,900
Depreciation					
At the beginning of the year	4,473	1,457	-	5,930	4,537
Prior year adjustment	-	-	-	-	-
At the beginning of the year as restated	4,473	1,457	-	5,930	4,537
Provided for the year	1,311	168	-	1,479	1,393
Eliminated on Disposal	-	-	-	-	-
Transfer to Investment assets	-	-	-	-	-
Revaluation During the Year	-	-	-	-	-
At the end of the year	5,784	1,626	-	7,410	5,930
Net Book value					
At the end of the year	86,559	11,807	-	98,367	94,970
At the beginning of the year	83,276	11,694	-	94,970	88,230

10. FIXED ASSETS College

Tangible Assets	Land & Buildings £000	Equipment £000	Heritage assets £000	30 Jun 17 Total £000	30 Jun 16 Total £000
Cost or valuation					
At the beginning of the year	88,129	13,151	-	101,280	92,866
Transfer	-	-	-	-	-
Prior year adjustment	-	-	-	-	-
At the beginning of the year as restated	88,129	13,151	-	101,280	92,866
Additions	4,742	282	-	5,025	8,414
Disposals at Cost/Valuation	-	-	-	-	-
Transfer to Investment assets	-	-	-	-	-
Revaluation During the Year	-	-	-	-	-
At the end of the year	92,871	13,433	-	106,305	101,280
Depreciation					
At the beginning of the year	4,473	1,457	-	5,930	4,537
Provided for the year	1,311	168	-	1,479	1,393
Eliminated on Disposal	-	-	-	-	-
At the end of the year	5,784	1,626	-	7,410	5,930
Net Book value					
At the end of the year	87,088	11,807	-	98,895	95,350
At the beginning of the year	83,656	11,694	-	95,350	88,329

The insured value of freehold land and buildings as at 30 June 2017 was £116,768,377
Land and buildings are valued at depreciated replacement cost.
The valuation on 30th June 2012 was carried out by Gerald Eve, Chartered Surveyors.

TRINITY HALL
NOTES TO THE ACCOUNTS



11. FIXED ASSETS INVESTMENTS AND ENDOWMENT ASSETS

	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16
	Group	Group	College	College
	£000	£000	£000	£000
11 Total Investment Assets				
Balance as at 1 July 2016	182,011	176,255	177,547	171,931
Additions	29,683	33,911	29,505	33,770
Disposals	(31,789)	(34,406)	(31,789)	(34,406)
Appreciation on revaluation	32,907	4,185	32,907	4,185
Loan from general reserves	-	-	-	-
Decrease in Cash Balances	15,124	2,066	15,124	2,066
Balance as at 30 June 2017	<u>227,936</u>	<u>182,011</u>	<u>223,294</u>	<u>177,547</u>
Represented by:				
Freehold Land and Buildings	30,077	24,722	25,425	21,394
Quoted Securities - Equities	114,077	96,606	112,651	95,703
Quoted Securities - Indirect Property	4,085	717	4,085	717
Alternative Investments	32,295	29,963	32,295	28,817
Unquoted Securities - Equities	28,926	26,652	28,926	26,652
Investment in Subsidiary Undertakings	-	-	1,436	913
Cash held at Brokers	18,476	3,352	18,476	3,352
	<u>227,936</u>	<u>182,011</u>	<u>223,294</u>	<u>177,547</u>



	30 Jun 17 Group £000	30 Jun 16 Group £000	30 Jun 17 College £000	30 Jun 16 College £000
12. DEBTORS				
Members of the college	118	53	118	53
Amounts due from Subsidiary Undertaking	0	0	2,642	3,725
Other Debtors	4,175	4,865	3,423	4,303
Prepayments and accrued income	709	412	709	412
	<u>5,002</u>	<u>5,331</u>	<u>6,890</u>	<u>8,492</u>

13. CASH				
Bank Deposits	1,715	8,977	1,715	5,279
Current Accounts	2,617	1,039	2,047	1,039
Cash in Hand	1	1	1	1
	<u>4,333</u>	<u>10,017</u>	<u>3,763</u>	<u>6,319</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Overdrafts	-	-	-	-
Trade creditors	356	408	335	408
Members of the College	79	61	79	61
Contribution to Colleges Fund	138	166	138	166
Accruals and deferred income	1,839	1,665	1,839	1,665
Other	482	1,966	213	260
	<u>2,893</u>	<u>4,266</u>	<u>2,604</u>	<u>2,560</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
Barclays and PRICOA loans (Investment borrowing)	40,000	25,000	40,000	25,000
Cambridge Colleges Bond Issue (operational borrowing)	10,000	10,000	10,000	10,000
Deferred Income	648	800	648	800
	<u>50,648</u>	<u>35,800</u>	<u>50,648</u>	<u>35,800</u>

The Barclays bank loan is repayable in 2047 and bears interest at a blended rate of 4.86%. During 2014 the College borrowed from institutional investors, collectively with other Colleges, the College's share being £10million. The loans are unsecured and repayable during the period 2043-2053 and are at fixed rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges. During 2016 the College borrowed £15 million from The Pricoa Capital Group on private placement, coupon 1.98%, maturity 31/07/2056

	CCFPS 2017	USS 2017	Total 2017	Total 2016
Balance at the beginning of the year CCFP/US\$	4,783	265	5,048	4,578
Recognised in profit and loss	399	164	563	588
Contributions paid by the College	(224)	(163)	(387)	(402)
Actuarial gain/(loss) recognised in OCI	974	-	974	284
	<u>5,933</u>	<u>266</u>	<u>6,198</u>	<u>5,048</u>

TRINITY HALL
NOTES TO THE ACCOUNTS



17. ENDOWMENT FUNDS

Group and College	Restricted permanent Endowments £000	30 Jun 17 Total £000	30 Jun 16 Total £000
Balance at the beginning of the year:			
Balance at the beginning of the year	45,054	45,054	45,054
New endowments received	193	193	227
Transfers	513	513	(117)
Increase in the market value of investments	13,718	13,718	1,104
Balance at the end of the year	60,693	60,693	46,269
Representing			
Fellowship funds	19,428	19,428	14,939
Scholarship funds	14,775	14,775	11,375
Prize funds	1,014	1,014	783
Hardship funds	5,337	5,337	4,125
Travel grant funds	2,579	2,579	1,994
Other funds	17,561	17,561	13,053
	60,693	60,693	46,269

TRINITY HALL
NOTES TO THE ACCOUNTS



18. RESTRICTED RESERVES	Capital grants unspent	Permanent Unspent and other Restricted Income	Restricted expendable endowment	30 Jun 17 Total	30 Jun 16 Total
Group and College	£000	£000	£000	£000	£000
Balance at the beginning of the year:					
Balance at the beginning of the year	3,500	4,982	2,104	10,586	10,213
Capital Unspent income	3,500	4,982	2,048 56	2,048 8,538	1,757 8,456
	<u>3,500</u>	<u>4,982</u>	<u>2,104</u>	<u>10,586</u>	<u>10,213</u>
Income receivable from endowment asset investments	122	1,738	87	1,948	1,760
New Donations	17	8	380	405	674
Expenditure	(59)	(1,574)	(461)	(2,095)	(1,603)
Transfers	(3,495)	-	(513)	(4,008)	(612)
Increase in the market value of investments	35	1,466	467	1,968	156
Balance at the end of the year	<u><u>120</u></u>	<u><u>6,620</u></u>	<u><u>2,064</u></u>	<u><u>8,804</u></u>	<u><u>10,586</u></u>
Comprising:					
Capital Unspent income	120	6,620	2,009 56	2,009 6,796	2,048 8,538
Balance at the end of the year	<u><u>120</u></u>	<u><u>6,620</u></u>	<u><u>2,065</u></u>	<u><u>8,804</u></u>	<u><u>10,586</u></u>
Representing					
Fellowship funds	-	2,534	144	2,678	1,911
Scholarship funds	-	1,324	562	1,885	1,553
Prize funds	-	144	36	179	125
Hardship funds	-	311	149	460	336
Travel grant funds	-	197	23	220	160
Other funds	120	2,109	1,152	3,381	6,502
	<u><u>120</u></u>	<u><u>6,619</u></u>	<u><u>2,065</u></u>	<u><u>8,804</u></u>	<u><u>10,586</u></u>

19. Memorandum of Unapplied Total Return

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

	30 Jun 17 Total	30 Jun 16 Total
	£000	£000
Unapplied Total Return at the beginning of the year	113,884	111,349
Unapplied Total Return for the year (see note 3b)	30,654	2,535
Unapplied Total Return at the end of the year	<u><u>144,538</u></u>	<u><u>113,884</u></u>



20. RECONCILIATION OF CONSOLIDATED SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

		Year Ended 30 June 17 £000	Year Ended 30 June 16 £000
	Note		
Surplus for the year		28,679	3,145
Adjustment for non-cash items			
Depreciation of tangible fixed assets	10	1,479	1,393
(Gain)/loss on endowments, donations and investment property		(32,907)	(4,185)
Pension costs less contributions payable		1,150	470
(Increase)/Decrease in stocks		5	(28)
(Increase)/Decrease in debtors		329	(334)
Increase/(Decrease) in creditors		(1,524)	(537)
Contribution to College Fund		135	166
Adjustment for investing or financing activities			
Investment income		(4,655)	(3,889)
Interest payable		720	443
Interest receivable		-	-
Investment costs		493	460
Net Cash flow from Operating Activities		<u>(6,096)</u>	<u>(2,896)</u>

21. CASH FLOWS FROM INVESTING ACTIVITIES

Non-current investment disposal		16,665	32,340
Inflation swap disposal		-	-
Investment income		4,655	3,889
Investment costs		(493)	(460)
Endowment funds invested		(29,683)	(33,911)
Payments made to acquire non-current assets		(4,877)	(8,133)
Net cash flows from investing activities		<u>(13,732)</u>	<u>(6,275)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Bank loan acquired	15	15,000	(5,498)
Cambridge Colleges Bond Issue interest paid		(423)	(443)
Pricoa loan interest paid		(298)	
Net cash flows from financing activities		<u>14,280</u>	<u>(5,941)</u>

22. Analysis of cash and bank balances

	At the beginning of the year £000	Cash Flows £000	At the end of the year £000
Bank overdrafts	-	-	-
Cash at bank and in hand	10,017	(5,683)	4,334
Net funds	<u>10,017</u>	<u>(5,683)</u>	<u>4,334</u>



23. CAPITAL COMMITMENTS

	30 Jun 17	30 Jun 16
	£000	£000
Capital commitments at 30 June 2017 are as follows:		
Authorised and contracted	-	2,200
Authorised but not yet contracted for		

24. FINANCIAL COMMITMENTS

At 30 June 2017 the College had no annual commitments under non-cancellable operating leases.

25. 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 two defined contribution schemes, The Cambridge Colleges Group Personal Pension Scheme (CCGPPS) and NEST. The total pension cost for the period was £600,486 (2016: £602,319)

University Superannuation Scheme

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

The total cost charged to the profit and loss account is £163,507 (2016: £154,935) as shown in notes 9.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method.



25. PENSION SCHEMES (Continued)

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

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

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

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

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

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

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	2017	2016
Males currently aged 65	24.4	24.3
Females currently aged 65	26.6	26.5
Males currently aged 45	26.5	26.4
Females currently aged 45	29.0	28.8

Existing benefits	2017	2016
scheme assets	£60.0bn	£49.8bn
Total scheme liabilities FRS	£77.5bn	£58.3bn
102 total scheme deficit	£17.5bn	£8.5bn
FRS 102 total funding level	77%	85%



25. PENSION SCHEMES (Continued)

Cambridge Colleges Federated Pension Scheme

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

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

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

The major assumptions used by the actuary were:

	30 June 2017	30 June 2016
Discount rate	2.60%	2.80%
Increase in salaries	2.85%	2.40%
RPI assumption	3.35%	2.90%
CPI assumption	2.35%	1.90%
Pension increases in payment (RPI Max 5% p.a.)	3.25%	2.70%
Pension increases in payment (CPI Max 2.5% p.a.)	1.85%	1.70%

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2015 future improvement factors and a long term rate of future improvement of 1% p.a. (2015: same table with CMI_2014 future improvement factors and a long term future improvement rate of 1% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 22.1 years
- Female age 65 now has a life expectancy of 23.90 years
- Male age 45 now and retiring in 20 years has a life expectancy of 23.5 years
- Female age 45 now and retiring in 20 years has a life expectancy of 25.4 years

Employee Benefit Obligations

The amounts recognised in the balance sheet are as follows

	30 June 2017 £000	30 June 2016 £000
Present value of Scheme liabilities	(16,458)	(14,130)
Market value of Scheme assets	10,526	9,348
Net defined benefit asset/(liability)	(5,932)	(4,783)

The amounts recognised in profit or loss are as follows:

	30 June 2017 £000	30 June 2016 £000
Current service cost	264	273
Interest on net defined benefit (asset)/liability	135	160
Total	399	434

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

	30 June 2017 £000	30 June 2016 £000
Present value of plan liabilities at beginning of period	14,130	12,214
Current service cost (including employee's contributions)	370	406
Interest on plan liabilities	396	455
Actuarial losses/(gains)	1,956	1,337
Benefits paid	(394)	(281)
Present value of plan liabilities at end of period	16,458	14,130

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

	30 June 2017 £000	30 June 2016 £000
Market value of plan assets at beginning of period	9,348	7,904
Interest on plan assets	260	294
Return on assets, less interest included in profit and loss	995	1,053
Contributions by College	224	245
Employee contributions	125	133
Benefits paid	(426)	(281)
Market value of plan assets at end of period	10,526	9,348



25. PENSION SCHEMES (Continued)

The major categories of plan assets as a percentage of total Scheme assets were:

	30 June 2017	30 June 2016	30 June 2015	30 June 2014
Equities and Hedge Funds	67.0%	59%	69%	70%
Bonds & Cash	27.0%	35%	25%	23%
Property	6.0%	6%	6%	7%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	30 June 2017	30 June 2016
Actual return less expected return on plan assets	995	1,053
Experience gains and losses arising on plan liabilities	(8)	11
Changes in assumptions underlying the present value of plan liabilities	<u>(1,961)</u>	<u>(1,348)</u>
Actuarial gain/(loss) recognised in OCI	<u>(974)</u>	<u>(284)</u>

Movement in surplus/(deficit) during the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	30 June 2017 £000	30 June 2016 £000
Surplus/(deficit) in plan at beginning of year	(4,783)	(4,310)
Recognised in profit and loss	(399)	(434)
Contributions paid by the College	224	245
Actuarial gain/(loss) recognised in OCI	<u>(974)</u>	<u>(284)</u>
Surplus/(deficit) in plan at the end of the year	<u>(5,932)</u>	<u>(4,783)</u>

Funding Policy

Funding valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the funding valuation are different to those adopted under FRS102.

The last such valuation was at 31 March 2014. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 3 June 2015 and are as follows:

- Annual contributions of not less than £90,844 p.a. payable for the period from 1 July 2015 to 31 March 2034.

These payments are subject to review following the next funding valuation, due as at 31 March 2017.

The total pension cost, after personal health insurance contributions, for the year ended 30 June 2016 (see note 9) was as follows:

	30-Jun-17 £000	30-Jun-16 £000
USS: charged to I&E	164	155
CCFPS: charged to I&E	396	433
CCGPPS: Contributions	30	4
NEST: Contributions	<u>11</u>	<u>10</u>
	<u>601</u>	<u>602</u>



26. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS AND OTHER SIGNIFICANT INVESTMENTS

The College's investment in subsidiary undertakings represents 100% of the share capital of Aula Limited, Trinity Hall Residences (1) Limited, Aula Hospitality Limited, Aula America and Aula (2) Ltd all of which are incorporated in England except Aula America incorporated in Delaware.

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.

27. 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.

In addition, the college has provided loans to its fellows as part of a Shared Equity Scheme. These amounts are included in debtors, £569,423 (2016: £719,423)

28. CONTINGENT LIABILITIES AND ASSETS

USS Pension Scheme

A contingent liability exists in relation to the pension valuation recovery plan, since the college is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi employer scheme and the college is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the college's expenditure is similarly not recognised.