TRINITY HALL
CAMBRIDGE

ACCOUNTS FOR THE YEAR ENDED

30 June 2013

TRINITY HALL
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TRINITY HALL
Governing Body and Advisers
For the Year Ended 30 June 2013

Governing Body

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

Registered charity number
1137458

Professor Tom Körner	Dr John F Pollard	Dr Farhan Feroz
Dr Peter Hutchinson	Dr Matthew D Conaglen	Dr Elena Cooper
Dr Christopher Padfield	Dr Kylie Richardson	Professor John Trowsdale
Professor Michael Kelly	Dr Jerome Jarrett	Dr Alastair Fraser
Dr Simon Guest	Dr David Runciman	Dr Emily Kneebone
Professor Mike Hobson	Dr Tadashi Tokieda	Dr Alexandra Turchyn
Professor John Clarkson	Dr Edmund R S Kunji	Professor Jane Clarke
Professor James Montgomery	Dr William O'Reilly	Revd Dr Stephen Plant
Dr Florian Hollfelder	Dr Isabelle McNeill	Dr Kristin van Zwieten
Professor Brian Cheffins	Dr Lucia Prauscello	Dr Laura Kirkley
Dr Simon Moore	Miss A Hennegan	Dr Hermes Gadelha
Dr Vasant Kumar	Dr Martin Ruehl	Dr Alexander Marr
Dr John Bradley	Dr Damian Crowther	Dr John Biggins
Dr Louise Haywood	Dr Lorand Bartels	Dr Ewan Jones
Dr Clare Jackson	Dr Andrew Murray	Dr Emilie Ringe
Dr Jan Schramm	Dr Robert Asher	Dr Ramji Venkatamaranan
Dr Graham Pullan	Dr Fraster MacBride	Dr Stephen Watterson
Dr Cristiano A Ristuccia	Dr Teruyoshi Yoshida	
Professor Ian B Wilkinson	Dr Stephen Leonard	

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Principal Property Agents
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TRINITY HALL
Operating and Financial Review
For the financial year ended 30 June 2013

Status

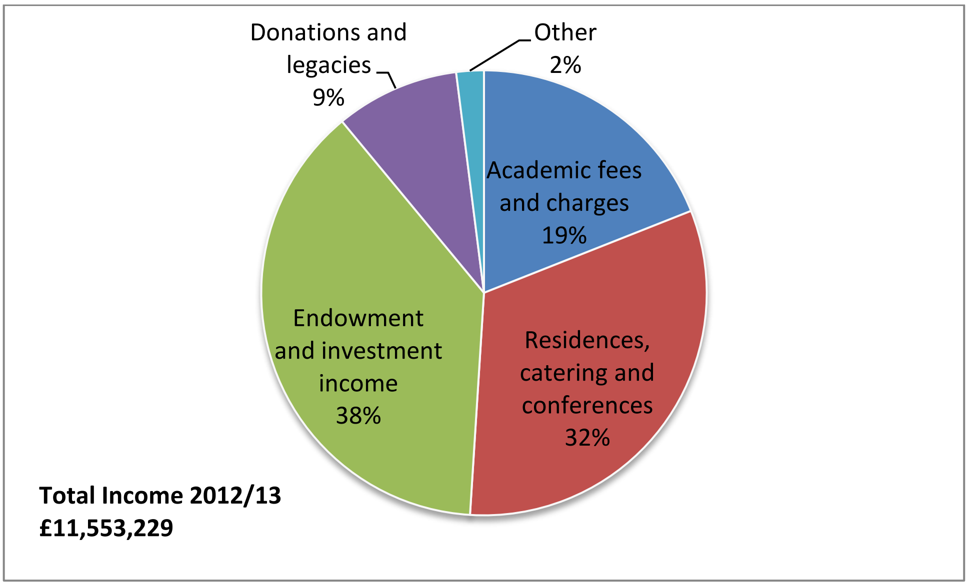
Trinity Hall, or The Master, Fellows and Scholars of the College or Hall of the Holy Trinity in the University of Cambridge, was founded by Bishop Bateman of Norwich in 1350. The College is an autonomous, self-governing community of scholars, and one of 31 Colleges within the University of Cambridge.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

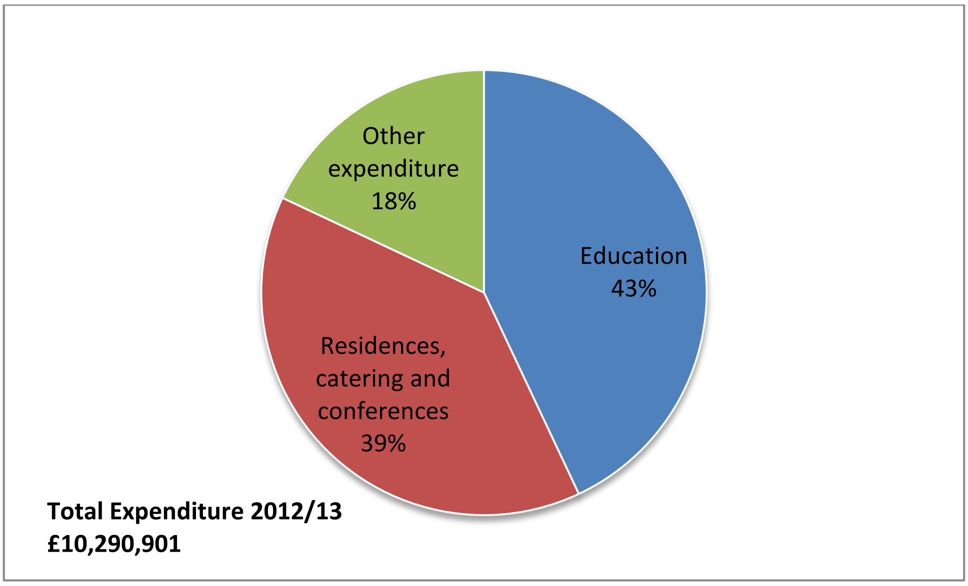
Aims and objectives

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

Overview of the Year

The Income and Expenditure Account witnessed a dramatic swing of over £1.2 million giving a final surplus on continuing operations after our £109,000 contribution to the Colleges' Fund of £1,153,328. This compares with the revised deficit for the previous year of £88,541. Over £800,000 of the improvement is explained by our much flagged move from full rebuild to depreciated replacement cost accounting. However, this should not mask an underlying improvement in like-for-like trading of £439,583, which itself reflects good performance in all our income lines and continued pressure on costs, particularly with only modest salary adjustments, keeping expenditure under control.





Changes to last year's accounts:

- The valuation methodology for the depreciation of operational property was changed on the advice of the new auditors from rebuild to depreciated replacement cost (DRC). A new valuation on this basis dated 30th June 2012 has been commissioned from Gerald Eve. The effects of this change are reflected in the depreciation line (£802,286 lower) and on the face of the I&E for the first time this year.
- There were no major changes to RCCA rules during the year.
- The allocation of Newton Trust Bursaries was restated – last year's re-allocation from academic income to donations was reversed.

Students

During the year, the College educated 377 undergraduate students and 263 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 129 Undergraduate offers were made to students, including five to those who had applied with extenuating circumstances. The table below summarises the offers made by subject type and gender:

	Arts	Sciences	Overall
Men	23	44	67
Women	41	21	62
TOTAL	64	65	129

Including offers made to candidates who applied directly to Trinity Hall and candidates taken from the Pool, the College made offers to 65 applicants from Maintained schools, 44 from Independent schools and 20 from Other schools. Excluding schools in the Other category, 60% of all offers were made to applicants from the Maintained sector and 40% to those from Independent schools. 15% of all offers were made to applicants from overseas (including EU) backgrounds.

The College charges the following fees:

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

Student Support
In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University, other colleges and the Isaac Newton Trust, bursary support for those of limited financial means. (For the academic year 2012-13, the number of awards made was 91, out of a Home/EU undergraduate population of 351 [26%]; 45 of the awards were at the maximum value of £3,400; and the average value of the awards was £2,400.) The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement. It is widely advertised on the University website, on College websites and in the Admissions Prospectus.

To support the costs of graduate students, the College provides substantial financial 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 2012-13, £166,000 was spent on specific studentships for graduate students representing 40% of graduate fee income.)

In addition to these specific awards the College supports its entire student body, both undergraduate and graduate, by subsidising their teaching and living arrangements with operational support from its endowment. This is taken annually as a dividend from the total return of investment assets. For the accounting year 2012-13 this figure exceeded £2 million; this support for every student of all classes equated to £3,861.

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
The percentage of Trinity Hall candidates achieving first class honours in 2013 rose to 26.8%, with a further 55% receiving a II.i. 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 and has appointed a Schools Liaison and Outreach Officer. The outreach programme includes an extensive schedule of visits to schools, visits by schools to the College, open days, admissions symposia for teachers as well as guidance and information on the College website for prospective applicants.

Employees
In order to fulfil its charitable purposes of advancing education, religion, learning and research, the College employs as Fellows, College Lecturers, Supervisors, Directors of Studies, Tutors, a Dean and senior administrative officers, who with the Master ex officio, serve as charity trustees through being members of the Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through salaries, stipends and

employment related benefits is objectively reasonable, measured against academic stipends generally; moreover annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge. The College also employs 131 other full or part time members of staff (FTE 101) to provide the professional and service support necessary to run the College. This figure compares with 132 in 2011-12.

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

Financial Performance

Income & Expenditure Account – highlights

All income lines were better, with a total year-on-year improvement of £517,000 or 4.7%. Expenditure fell by a massive £736,040 (<6.7%) against the year before, the improvement largely driven by the change in depreciation policy. Underlying costs were only up by £66,251, reflecting the continued tight employment backdrop where staff turnover remains subdued and cost-of-living pay rises have been minimal for a fifth year in succession. Staff costs as a percentage of our income have fallen slightly to 41%, although in absolute terms they are £112,000 higher in a year when costs generally have been artificially lowered by the new depreciation policy. Our University contribution (the tax wealthier colleges pay to support poorer ones and help equalise the student experience) is 12% higher – no bad thing and a reflection of our growing financial resources.

Academic fees at £2,246,228 were £58,000 higher than the restated prior year end figure. As ever, although academic fees were marginally higher, it should always be borne in mind that fees received for both undergraduate and most graduate courses are substantially below the cost of delivering tuition. Figures calculated on the education account for onward transmission to HEFCE by the University show a total deficit of £2,161,979 (an improvement of 4.4% on a year earlier). Using the numbers for actual fee paying students (364 undergraduates and 196 postgraduates), this suggests a cost or 'investment' of an average of £3,861 per student in College, or £4,894 per undergraduate and £1,941 per postgraduate. This subsidy is effectively the cost of Trinity Hall 'doing business', and it is little comfort that the cost is slightly lower than last year for undergraduates while that for graduates is largely unchanged and continues to mask the tensions being felt in the system to produce a long-term solution to graduate, particularly Arts PhD, funding.

Residences, Catering and Conferences income was up almost £265,000 with conference income a lot stronger. Costs were only marginally higher. The Downing Formula, as it is known, is applied to apportion costs across all departments and, thus, only gives a representative view. For the purposes of the management accounts the Conference business is valued at the margin, given the sunk costs of so many of the activities in this area. On this measure, the Conference and Banqueting Department has had a very good year with turnover exceeding £904,000 and margins being sustained at around 59% producing a profit at the margin of more than £500,000 for the first time.

Donations and legacies are gifts we are able to spend in the year under review. They are up £102,000 which is creditable in such a difficult environment for fundraising. Once again we benefited from a very successful Annual Fund with the telephone campaign yielding £313,000, £22,000 lower than the previous year when more donors had been reached.

Other income is mostly Fellows rent and partial exemption recoverable VAT.

Other expenditure includes the long-term loan set-up and servicing costs, the Development Office, property agents' fees and the Bursary.

Statement of Recognised Gains and Losses (STRGL) & Balance Sheet – highlights

Our ***investment portfolios*** had a good year in markets characterised by strong equity performance in mainstream economies. At a group level, the value of investments, including property, rose by £16.5 million (11.5%) to £143.4 million, if the long-term loan portfolios are included. If these are excluded, as they are for the management accounts in estimating the value of the 'endowment' (which for these purposes includes all fixed asset and endowment investment funds), performance has shown a £12 million growth (12.5%) to £107.8 million. It is this number that the College regards as its endowment total at year end. This is the first year we have broken the £100 million barrier, a target we set ourselves in 2005. It is very gratifying and the College is both indebted to and grateful to all the professional advisers and asset managers who have contributed to such a successful outturn.

The College is currently either examining the feasibility or in the planning process for several high value development capital projects, including those at the Science Park, the junction of Bateman Street and Hills Road and on our farm at Waltham Abbey. It will take time and money for all these to come to fruition, indeed, some may never do so, but the pipeline looks promising. Similarly, after only 14 months trading, the Cambridge & Counties Bank (CCB), in which the College is a 50% owner, reached profitability. CCB is one of the country's most promising 'Challenger' banks and its ability to grow so quickly in the SME secured lending sector augurs well for future value uplifts in our portfolios.

Benefaction for inclusion in the permanent endowment (as against being available for expenditure) has increased markedly to £2.3 million. This includes a number of large gifts but has been considerably boosted, unfortunately, by the sad death of Dennis Avery and his final generous legacy (as anticipated here last year).

The liability in the ***CCFPS pension scheme*** has, according to our annual FRS17 regime valuation, blown-out a further 44% or just over £1 million to £3,258,016. Next March we anticipate the triennial valuation to require the resumption of an annual payment schedule to close this gap and these payments can be expected to begin again in July 2015. The size and duration of these payments can only be negotiated with the scheme's trustees and the regulator on the extent of the 'gap' has been identified. Next year, we have been informed that a value for Trinity Hall's share of the ***USS*** deficit will be determined for the first time for inclusion in our accounts. USS has never been able to provide this level of granularity between the scheme's participants before. It is not clear what form of provision we will need to make.

Trinity Hall's restated ***Balance Sheet*** shrank by roughly £20 million last year to £190,013,157 as the new Gerald Eve valuation of our operational buildings undertaken on a DRC basis was introduced to accommodate our new depreciation policy. In the current year, it has recovered by £15.4 million to £205,439,367 largely through the growth of our investment assets (rather than the notional value of our ancient buildings). To my mind this is significant and I am pleased to say that 70% of the College's balance sheet total is now represented by investment assets, with the remainder being accounted for by the valuation of our operational estate.

Cash Flow and other highlights

The answer to a favourite question at Governing Body: 'is the College solvent on a **cash-in/cash-out basis'** continues to be, reassuringly, 'yes'. In the year under review, net cash decreased by £611,290, but again the College was able to contribute to the endowment, this time £1million, through meeting out of general resources the cash calls of our private equity and mezzanine debt investments. In addition, we have covered the shortfall on servicing costs of the long-term loan fund and other professional services fees to the tune of roughly £500,000 from the College's operational cash flow. So, despite the apparent reduction in cash at hand to just under £2 million, cash flow was actually about £1 million stronger this year and once again we have been able to demonstrate that, in good years, the College can and will help itself in growing the endowment – a positive message for our friends and benefactors.

Capital projects this year are focused on the exciting refurbishment of the hall, which has taken the place of one of the staircases in our on-going maintenance programme. Next year, it will be the turn of the boathouse, after which we should be able to revert to staircases. In the last few years we have increased our maintenance budget year-on-year, so that in the year under review our cap/ex jumped over £260,000 to reach £770,454. This has, however, had a negligible effect on our depreciation line which is £802,000 lower at £1,187,585 thanks to the change in our policy described elsewhere in this report.

The long-term loan fund, which started with the original borrowings of £25 million, is now valued at £35,600,705 after the servicing of the coupon. Given that several investments it has made, not least that in Cambridge & Counties Bank, have not had an adjusted return this year, this result is creditable and gratifying. If CCB continues to grow its loan book and its profitability in line with projections, but in keeping with our current policy to not take dividends so as to encourage further organic progress, thought will need to be given before long on how to reflect its increasing value within the accounts.

Outlook

This has been another strong year for Trinity Hall. Income was higher and expenditure flat – a good story made cosmetically better by the pyrotechnics of our change in depreciation policy. Our endowment continues to grow organically, while the projects we hope will provide additional boost over time, the Cambridge & Counties Bank, the development of the last three available plots at the Science Park, Bateman Street/Hills Road, and Quinton Hill Farm at Waltham Abbey, are all still on track to deliver, albeit with uncertain and probably protracted timing.

Operationally, the dining hall should be back in action, beautifully refurbished, by mid-February and work can then begin on long overdue upgrading of the boathouse. After three failed attempts to reach an understanding with the City Council's planning officers, we hope to put in a planning application for the demolition of the existing buildings at St Clement's Gardens and their replacement with a new student accommodation block in December for work to start in June 2014.

Last year I started this final paragraph: 'Trinity Hall is one of, if not the, most dynamic colleges in Cambridge. It is doing everything it can to help itself and remain strong as we face the most uncertain policy outlook for universities for a generation. I have never felt more strongly that the College is doing everything in its power to demonstrate its resolve and imagination and to deserve the affection and support it is so lucky to enjoy amongst its friends and alumni.' I concluded with: 'The outlook is uncompromisingly positive.' I am delighted to say, it still is.

On behalf of the Governing Body
Paul ffolkes Davis
November 2013

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 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 meetings.

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

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

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

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

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

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

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

Education:

- The College provides, in conjunction with the University of Cambridge, an education for some 640 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

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

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

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

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

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

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

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

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

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

We have audited the financial statements of Trinity Hall for the year ended 30 June 2013 which comprise the consolidated income and expenditure account,the consolidated statement of total recognised gains and losses,the consolidated balance sheet, the consolidated cash flow statement and related notes.The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) .

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

Respective Responsibilities of the Governing Body and Auditor

As explained more fully in the Governing Body's Responsibilities Statement set out on page 10, the Governing Body is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the College and the Group's affairs as at 30 June 2013 and of the surplus of the College and the Group for the year then ended; and

- have been properly prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Peters Elworthy & Moore
Chartered Accountants and Registered Auditor
Cambridge

Date:

Basis of preparation

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

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

Basis of accounting

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

Basis of consolidation

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

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

Recognition of income

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

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

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

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

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

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

Investment fund income taken to the income and expenditure account under the recognition of income on a total return basis is calculated at 4% (2012:4%) of an average of the market value of the investment assets. The long dated borrowing fund total return is calculated to ensure fund income matches the fund expenditure.

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

Tangible fixed assets

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

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

TRINITY HALL
Consolidated Income and Expenditure Account
For the Year Ended 30 June 2013

	Note	Year Ended 30 June 13 £	Year Ended 30 June 12 Restated £
INCOME			
Academic fees and charges	1	2,246,228	2,187,951
Residences, catering and conferences	2	3,745,646	3,480,921
Endowment and investment income	3	4,322,453	4,302,641
Donations and legacies	4	956,074	853,825
Other income	5	282,828	210,142
Total income		11,553,229	11,035,480
EXPENDITURE			
Education	6	4,408,207	4,450,457
Residences, catering and conferences	7	4,017,917	4,395,488
Other expenditure	8c	1,864,777	2,180,991
Total expenditure	8	10,290,901	11,026,936
Operating Surplus/(Deficit) before exceptional items		1,262,328	8,544
Exceptional repairs		-	-
Surplus on continuing operations before Contribution under Statute G, II		1,262,328	8,544
Contribution Under Statute G,II		109,000	97,085
Surplus/deficit on continuing operations after Contribution under Statute G, II		1,153,328	(88,541)
Surplus/deficit for the year transferred to accumulated income in endowment funds	19	(497,413)	(491,916)
Surplus/deficit for the year retained within general reserves		655,915	(580,457)

All items dealt with in arriving at the surplus/deficit for 2013 and 2012 relate to continuing operations.

TRINITY HALL
Consolidated & Parent Statement of Total Recognised Gains and Losses For the Year Ended 30 June 2013

	Note	Restricted funds £	Unrestricted funds £	Total 30 June 13 £	Total 30 June 12 £ Restated
Retained surplus/(deficit) for the year			655,915	655,915	(580,457)
Unspent endowment fund income		497,413	-	497,413	491,916
Increase in market value of investments					
Endowment assets	19	4,700,209	-	4,700,209	(1,215,808)
Fixed asset investments	20	-	7,980,386	7,980,386	(3,228,703)
Land	20		250,000	250,000	4,750,000
Unrealised deficit on revaluation of fixed assets	20	-	(11,211)	(11,211)	(19,991,347)
New endowments	19	2,302,984	-	2,302,984	307,496
Transfers		-	-	-	173,500
Actuarial gain/(loss) recognised in the STRGL	27	-	(890,107)	(890,107)	(1,379,509)
Total Recognised Gains relating to the Year		7,500,606	7,984,983	15,485,589	(20,672,912)
Reconciliation					
Opening reserves and endowments as previously stated		34,483,804	153,052,153	187,535,957	208,176,912
Prior year adjustment	30	46,402	(78,359)	(31,957)	-
Restated opening reserves and endowments		34,530,206	152,973,794	187,504,000	208,176,912
Closing reserves and endowments		42,030,812	160,958,777	202,989,589	187,504,000

The above figures exclude deferred capital grants of £2,449,778 (2012: £2,509,157), shown in note 18.

The notes on pages 21 to 35 form part of these accounts.

TRINITY HALL
Consolidated Balance Sheet
As at 30 June 2013

	Note	30 June 13 £	30 June 12 Restated £
Fixed assets			
Tangible assets	10	85,286,967	85,764,098
Investments	11	101,343,287	92,294,696
		186,630,254	178,058,794
Endowment assets			
Investments	12	42,030,812	34,530,206
Current assets			
Stock		250,432	211,699
Debtors	13	4,227,508	2,929,886
Cash	14	1,984,909	2,596,199
		6,462,849	5,737,784
Creditors: amounts falling due within one year	15	(1,426,532)	(1,058,447)
Net current assets		5,036,317	4,679,337
Creditors: amounts falling due after more than one year	16	(25,000,000)	(25,000,000)
Net assets excluding pension liability		208,697,383	192,268,337
Pension Liability	17	(3,258,016)	(2,255,180)
Net assets including pension asset/(liability)		205,439,367	190,013,157

Represented by: **Capital and Reserves:**		**Restricted funds** **£**	**Unrestricted funds** **£**	**Total 30 June 13** **£**	**Total 30 June 12** **£**
Deferred capital grants	18	2,449,778	-	2,449,778	2,509,157
Endowments					
Expendable endowments	19	1,715,633	-	1,715,633	1,468,194
Permanent endowments	19	40,315,179	-	40,315,179	33,062,012
		42,030,812	-	42,030,812	34,530,206
Reserves					
General reserves excluding pension reserve	20	-	162,084,635	162,084,635	156,007,385
Pension reserve	20	-	(3,258,016)	(3,258,016)	(2,255,180)
Operational property revaluation reserve	20	-	(19,991,347)	(19,991,347)	(19,991,347)
Fixed asset investment revaluation reserve	20	-	22,123,505	22,123,505	19,212,936
TOTAL		44,480,590	160,958,777	205,439,367	190,013,157

The financial statements were approved by the Governing Body on 05th November 2013 and signed on its behalf by:

……………………………………………………………………….
P ffolkes Davis
Bursar

TRINITY HALL
College Balance Sheet
As at 30 June 2013

	Note	30 June 13 £	30 June 12 Restated £
Fixed assets			
Tangible assets	10	85,298,178	85,764,098
Investments	11	96,353,717	87,555,126
		181,651,895	173,319,224
Endowment assets			
Investments	12	42,030,812	34,530,206
Current assets			
Stock		250,432	211,699
Debtors	13	4,135,167	3,215,603
Cash	14	1,736,598	2,225,980
		6,122,197	5,653,282
Creditors: amounts falling due within one year	15	(1,081,677)	(970,572)
Net current assets		5,040,520	4,682,710
Creditors: amounts falling due after more than one year	16	(25,000,000)	(25,000,000)
Net assets excluding pension liability		203,723,227	187,532,140
Pension Liability	17	(3,258,016)	(2,255,180)
Net assets including pension asset/(liability)		200,465,210	185,276,960

Represented by: **Capital and Reserves:**		Restricted funds £	Unrestricted funds £	Total 30 June 13 £	Total 30 June 12 £
Deferred capital grants	18	2,449,778	-	2,449,778	2,509,157
Endowments					
Expendable endowments	19	1,715,633	-	1,715,633	1,468,194
Permanent endowments	19	40,315,179	-	40,315,179	33,062,012
		42,030,812		42,030,812	34,530,206
Reserves					
General reserves excluding pension reserve	20	-	157,300,576	157,300,576	151,461,286
Pension reserve	20	-	(3,258,016)	(3,258,016)	(2,255,180)
Operational property revaluation reserve	20	-	(19,991,347)	(19,991,347)	(19,991,347)
Fixed asset investment revaluation reserve	20	-	21,933,407	21,933,407	19,022,838
TOTAL		44,480,590	155,984,620	200,465,210	185,276,960

The financial statements were approved by the Governing Body on 05th November 2013 and signed on its behalf by:

…………………………………………………………………….
P ffolkes Davis
Bursar

TRINITY HALL
Consolidated Cash Flow Statement
For the Year Ended 30 June 2013

	Note	Year Ended 30 June 13 £	Year Ended 30 June 12 Restated £
Net Cash (Outflow)/Inflow from Operating Activities	22	(2,823,814)	(4,515,414)
Returns on investments and servicing of finance	23	3,500,838	3,550,569
Contribution to colleges fund		(109,000)	(97,085)
Capital expenditure and financial investment	23	(1,179,314)	513,049
Cash inflow/(outflow) before financing		(611,290)	(548,881)
Financing	23	-	-
(Decrease)/Increase in cash		(611,290)	(548,881)
Net funds at the begining of the year		2,596,199	3,145,080
Net funds at the end of the year	24	1,984,909	2,596,199

1. ACADEMIC FEES AND CHARGES

	30 Jun 13 £	30 Jun 12 £ Restated
College fees:		
Fee Income paid on behalf of undergraduates at the Publicly-funded Undergraduate rate (per capita fee £3,951 - £4500)	1,449,221	1,381,188
Privately-funded undergraduate fee income (per capita fee £6,150)	170,129	154,974
Fee income received at the Graduate fee rate (per capita fee £2,349)	419,440	407,746
Other income	21,766	51,581
	2,060,556	1,995,489
Cambridge Bursaries Income	185,672	192,462
Total	2,246,228	2,187,951

2. RESIDENCES, CATERING AND CONFERENCES INCOME

		30 Jun 13 £	30 Jun 12 £
Accommodation	College Members	1,978,659	1,896,222
	Conferences	427,273	346,935
Catering	College Members	949,587	897,233
	Conferences	390,127	340,531
Total		3,745,646	3,480,921

3. ENDOWMENT AND INVESTMENT INCOME

3a. Analysis

	Total 30 Jun 13 £	Total 30 Jun 12 Restated £
Income from:		
Non-investment fund	-	-
Investment fund total return	3,168,596	2,991,737
Long dated borrowing fund total return	1,153,857	1,310,904
	4,322,453	4,302,641

3b. Summary of total return

	Long dated borrowing fund £	Remaining funds £	30 Jun 13 £	30 Jun 12 £ Restated
Endowment income from:				
Assets included in the Investment fund	-	2,511,146	2,511,146	2,418,246
Assets included in the Long Dated borrowing fund	989,692	-	989,692	1,132,323
Assets not included in the Investment fund	-	-	-	-
Gains/(losses) on Endowment Assets:				
Land and buildings	(250,000)	1,130,000	880,000	953,160
Quoted and other securities and cash	2,419,162	10,741,728	13,160,890	(4,075,897)
Total return for the year	3,158,854	14,382,874	17,541,728	427,832
Total return transferred to the income and expenditure account (see note 3a	(1,153,857)	(3,168,596)	(4,322,453)	(4,302,641)
Total return transferred to the Balance Sheet	-	-	-	-
Investment managers costs (see note 3c)	(95,112)	(443,568)	(538,680)	(569,702)
Unapplied Total Return for the year included within the Statement of Total Recognised Gains and Losses (see note 21)	1,909,885	10,770,710	12,680,595	(4,444,511)

3c. Investment management costs

	Long dated borrowing fund £	Remaining funds £	30 Jun 13 £	30 Jun 12 £
Quoted Securities-Equities	73,738	385,137	458,875	330,878
Alternative Investments	21,374	58,431	79,805	238,824
	95,112	443,568	538,680	569,702

4. DONATIONS

	30 Jun 13 £	30 Jun 12 £ Restated
Unrestricted donations	834,422	524,536
Restricted donations	62,273	269,910
Released from deferred capital grants (see note 18)	59,379	59,379
	956,074	853,825

5. OTHER INCOME

	30 Jun 13 £	30 Jun 12 £
Profit on sale of property	36,354	-
Other income	246,474	210,142
	282,828	210,142

6. EDUCATION EXPENDITURE

	30 Jun 13 £	30 Jun 12 £
Teaching	1,970,790	2,108,379
Tutorial	535,599	548,095
Admissions and Access	268,364	262,694
Research	407,025	378,591
Scholarships and Awards	654,690	546,448
Other Educational Facilities	571,739	606,250
Total	4,408,207	4,450,457

7. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

		30 Jun 13 £	30 Jun 12 £
Accommodation	College Members	2,122,488	2,394,430
	Conferences (incl. marketing costs)	458,332	438,088
Catering	College Members	1,018,612	1,132,969
	Conferences	418,485	430,001
Total		4,017,917	4,395,488

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

8a. ANALYSIS OF EXPENDITURE BY ACTIVITY 2013

	Note	Staff & Fellows Payroll Costs (Note 9) £	Depreciation (Note 10) £	Other Operating Expenses £	Total £
Education	6	2,191,945	324,521	1,891,741	4,408,207
Residences, Catering and Conferences	7	2,137,146	863,064	1,017,707	4,017,917
Other	8c	429,616	-	1,435,161	1,864,777
		4,758,707	1,187,585	4,344,609	10,290,901

8b. ANALYSIS OF EXPENDITURE BY ACTIVITY 2012

	Note	Staff & Fellows Payroll Costs (Note 9) £	Depreciation (Note 10) £	Other Operating Expenses £	Total £
Education	6	2,162,798	499,178	1,788,481	4,450,457
Residences, Catering and Conferences	7	2,050,777	1,490,693	854,018	4,395,488
Other	8c	433,380	-	1,747,611	2,180,991
		4,646,955	1,989,871	4,390,110	11,026,936

8c. OTHER EXPENDITURE

	Long dated borrowing fund £	Remaining funds £	30 Jun 13 £	30 Jun 12 Restated £
Investment and property management				
Third party costs	(61,727)	38,501	(23,226)	215,651
Internal costs	-	141,393	141,393	143,049
	(61,727)	179,894	118,167	358,700
Long dated borrowing interest and set-up charges	1,215,584	-	1,215,584	1,221,391
Fundraising	-	395,937	395,937	455,437
Alumni	-	60,973	60,973	58,512
Miscellaneous	-	74,116	74,116	86,951
	1,153,857	710,920	1,864,777	2,180,991

8d. AUDITORS REMUNERATION

	30 Jun 13 £	30 Jun 12 £
Other operating expenses include:		
Audit fees payable to the College's external auditors	15,000	12,900
Other fees payable to the College's external auditors		9,564
	15,000	22,464

The above amounts include related irrecoverable VAT.

9. STAFF COSTS

	College Fellows & Fellow Commoners 30 Jun 13 £	Other Academics 30 Jun 13 £		Total 30 Jun 13 £	Total 30 Jun 12 £
Staff Costs*					
Emoluments	1,262,918	-		4,067,061	4,004,334
Social Security Costs	91,577	-		279,613	266,727
Other Pension Costs	137,529	-		412,034	375,894
	1,492,024	-		4,758,707	4,646,955
Average Staff Numbers					
Academic	57	-		57	55
Non-Academics	-	-	**	131	132
Fellow Commoners	11	-		11	8
	68	-		199	195

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

** The full-time equivalent number for non-academic employees for 12/13 is 101

10. FIXED ASSETS Group

Tangible Assets	Land & Buildings £	Equipment £	30 Jun 13 Total £	30 Jun 12 Total £
Cost or valuation				
At the beginning of the year	74,321,105	12,205,700	86,526,805	122,828,520
Additions	657,321	113,133	770,454	509,053
Disposals at Cost/Valuation	-	(3,780)	(3,780)	-
Transfer to Investment assets	-	-	-	
Revaluation During the Year	-	(60,000)	(60,000)	(36,810,768)
At the end of the year	74,978,426	12,255,053	87,233,479	86,526,805
Depreciation				
At the beginning of the year	-	762,707	762,707	15,592,257
Prior year adjustment		-	-	-
At the beginning of the year as restated	-	762,707	762,707	15,592,257
Provided for the year	1,066,352	121,233	1,187,585	1,989,871
Eliminated on Disposal	-	(3,780)	(3,780)	-
Revaluation During the Year	-	-	-	(16,819,421)
At the end of the year	1,066,352	880,160	1,946,512	762,707
Net Book value				
At the end of the year	73,912,074	11,374,893	85,286,967	85,764,098
At the beginning of the year	74,321,105	11,442,993	85,764,098	107,236,263

The insured value of freehold land and buildings as at 30 June 2013 was £118,985,765 (2012: £154,635,769)

Land and buildings are valued at depreciated replacement cost. This has been adopted in the 2012 accounts for the first time after a review by the trustees of the appropriateness of their accounting policies. The valuation on 30th June 2012 was carried out by Gerald Eve, Chartered Surveyors.

10. FIXED ASSETS College

Tangible Assets	Land & Buildings £	Equipment £	30 Jun 13 Total £	30 Jun 12 Total £
Cost or valuation				
At the beginning of the year	74,321,105	12,205,700	86,526,805	122,828,520
Additions	668,532	113,133	781,665	509,053
Disposals at Cost/Valuation	-	(3,780)	(3,780)	-
Transfer to Investment assets	-	-	-	
Revaluation During the Year	-	(60,000)	(60,000)	(36,810,768)
At the end of the year	74,989,637	12,255,053	87,244,690	86,526,805
Depreciation				
At the beginning of the year	-	762,707	762,707	15,592,257
Provided for the year	1,066,352	121,233	1,187,585	1,989,871
Eliminated on Disposal	-	(3,780)	(3,780)	-
Revaluation During the Year	-	-	-	(16,819,421)
At the end of the year	1,066,352	880,160	1,946,512	762,707
Net Book value				
At the end of the year	73,923,285	11,374,893	85,298,178	85,764,098
At the beginning of the year	74,321,105	11,442,993	85,764,098	107,236,263

11. FIXED ASSETS INVESTMENTS AND ENDOWMENT ASSETS

11a. Total Investment Assets

	30 Jun 13 Group £	30 Jun 12 Group £	30 Jun 13 College £	30 Jun 12 College £
Balance as at 1 July 2012	126,824,902	126,481,947	122,085,330	126,492,375
Additions	40,908,672	7,630,569	40,908,672	7,630,569
Disposals	(57,851,161)	(4,552,063)	(57,851,161)	(4,552,064)
Transfer from tangible assets	-		-	
Transfer to current assets	-	(624,284)	-	(624,284)
Appreciation on revaluation	12,454,834	1,057,561	12,204,834	(3,692,438)
Loan from general reserves	(510,695)	(3,168,828)	(510,695)	(3,168,828)
Increase in Cash Balances	21,547,548		21,547,548	
Balance as at 30 June 2013	143,374,100	126,824,902	138,384,528	122,085,330
Represented by:				
Freehold Land and Buildings	21,010,001	19,880,001	16,010,001	15,130,001
Quoted Securities - Equities	67,383,957	65,347,571	67,383,957	65,347,571
Quoted Securities - Indirect Property	1,042,392	1,070,915	1,042,392	1,070,915
Alternative Investments	28,259,058	39,084,601	28,259,058	39,084,601
Unquoted Securities - Equities	8,916,843	5,716,819	8,916,843	5,716,819
Investment in Subsidiary Undertakings	-	-	10,428	10,428
Loan from general reserves	(2,060,873)	(1,550,178)	(2,060,873)	(1,550,178)
Cash held at Brokers	18,822,722	(2,724,827)	18,822,722	(2,724,827)
	143,374,100	126,824,902	138,384,528	122,085,330

Included in Freehold land and buildings above is an amount of £5,000,000 which relates to property held for development in Aula Limited.
The 2013 valuation was made by Savills on an open market, existing use basis.
During 2013 The College donated £1 million of working capital to the college Endowment

11b Allocation of investments

	30 Jun 13 Group £	30 Jun 12 Group £	30 Jun 13 College £	30 Jun 12 College £
Fixed asset investments	65,742,583	61,207,310	60,753,011	56,467,738
Long Dated Borrowing fund investments	35,600,705	31,087,386	35,600,705	31,087,386
Total fixed asset investments	101,343,288	92,294,696	96,353,716	87,555,124
Endowment assets (see note 12)	42,030,812	34,530,206	42,030,812	34,530,206
	143,374,100	126,824,902	138,384,528	122,085,330

11c. Long Dated Borrowing fund investments

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

	30 Jun 13 Group £	30 Jun 12 Group £	30 Jun 13 College £	30 Jun 12 College £
Balance as at 1 July 2012	31,087,386	31,742,788	31,087,386	31,742,788
Additions	18,614,946	-	18,614,946	-
Disposals	(21,843,968)	-	(21,843,968)	-
Appreciation on Disposals/Revaluation	2,074,050	(882,543)	2,074,050	(882,543)
Decrease in Cash Balances	6,178,986	227,141	6,178,986	227,141
Movement in loan balance	(510,695)	-	(510,695)	-
Balance as at 30 June 2013	35,600,705	31,087,386	35,600,705	31,087,386
Represented by:				
Freehold Land & Buildings	4,500,000	4,750,000	4,500,000	4,750,000
Quoted Securities - Equities	9,985,989	8,335,610	9,985,989	8,335,610
Alternative Investments	18,798,885	21,259,124	18,798,885	21,259,124
Loan from general reserves	(2,060,873)	(1,550,178)	(2,060,873)	(1,550,178)
Cash held at Brokers	4,376,704	(1,707,170)	4,376,704	(1,707,170)
	35,600,705	31,087,386	35,600,705	31,087,386

12. ENDOWMENT ASSETS

	30 Jun 13 Group £	30 Jun 12 Group £	30 Jun 13 College £	30 Jun 12 College £
Included in the investments in note 11 are the following endowment assets				
Freehold Land and Buildings	6,187,500	5,556,101	6,187,500	5,556,101
Quoted Securities - Equities	21,511,200	20,936,164	21,511,200	20,936,164
Quoted Securities - Indirect Property	390,660	393,265	390,660	393,265
Alternative Investments	3,545,416	6,545,944	3,545,416	6,545,944
Unquoted Securities - Equities	3,341,791	2,099,354	3,341,791	2,099,354
Cash	7,054,245	(1,000,622)	7,054,245	(1,000,622)
Total investments	42,030,812	34,530,206	42,030,812	34,530,206

	30 Jun 13 Group £	30 Jun 12 Group £	30 Jun 13 College £	30 Jun 12 College £
13. DEBTORS				
Members of the college	114,973	126,300	114,973	126,300
Amounts due from Subsidiary Undertaking	-	-	449,772	357,980
Other Debtors	3,953,974	2,669,030	3,411,861	2,596,767
Prepayments and accrued income	158,561	134,556	158,561	134,556
	4,227,508	2,929,886	4,135,167	3,215,603

Other debtors includes £2,060,873 owed by Long term Loan investment to College working capital. This represents the shortfall on servicing costs and other professional service fees.

14. CASH

	30 Jun 13 Group £	30 Jun 12 Group £	30 Jun 13 College £	30 Jun 12 College £
Bank Deposits	1,982,721	1,202,929	1,734,410	1,202,929
Current Accounts	-	1,392,183	-	1,021,968
Cash in Hand	2,188	1,087	2,188	1,083
	1,984,909	2,596,199	1,736,598	2,225,980

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 Jun 13 Group £	30 Jun 12 Group £	30 Jun 13 College £	30 Jun 12 College £
Overdraft	60,857	-	36,546	-
Trade creditors	562,413	231,290	321,710	226,419
Members of the College	205,683	145,257	205,683	145,257
Contribution to Colleges Fund	108,743	132,000	108,743	132,000
Accruals and deferred income	101,037	86,396	99,187	86,396
Other	387,799	463,504	309,808	380,500
	1,426,532	1,058,447	1,081,677	970,572

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 Jun 13 Group £	30 Jun 12 Group £	30 Jun 13 College £	30 Jun 12 College £
Bank loan	25,000,000	25,000,000	25,000,000	25,000,000
	25,000,000	25,000,000	25,000,000	25,000,000

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

17. PENSION LIABILITIES

	30 Jun 13 Group £	30 Jun 12 Group £	30 Jun 13 College £	30 Jun 12 College £
Balance at the beginning of the year	(2,255,180)	(988,114)	(2,255,180)	(988,114)
Movement in the year:				
Current service cost including life assurance	(191,203)	(204,775)	(191,203)	(204,775)
Contributions paid by the college	129,052	325,827	129,052	325,827
Other finance (income)/ cost	(50,578)	(8,609)	(50,578)	(8,609)
Actuarial loss/ (gain) recognised in statement of total recognised gains and losses	(890,107)	(1,379,509)	(890,107)	(1,379,509)
Balance at the end of the year	(3,258,016)	(2,255,180)	(3,258,016)	(2,255,180)

18. DEFERRED CAPITAL GRANTS

Group and College	Grants £	Donations £	30 Jun 13 Total £	30 Jun 12 Total £
At the beginning of the year	-	2,509,157	2,509,157	2,568,536
Grants and donations received	-	-	-	-
Released to income and expenditure account	-	(59,379)	(59,379)	(59,379)
Balance at the end of the year	-	2,449,778	2,449,778	2,509,157

19. ENDOWMENTS

Group and College	**Restricted Permanent**	**Total Permanent**	**Restricted Expendable**	**30 Jun 13 Total**	**30 Jun 12 Total Restated**
	£	**£**	**£**	**£**	**£**
Balance at the beginning of the year:					
Balance at the beginning of the year as previously stated	33,021,890	33,021,890	1,461,914	34,483,804	34,740,669
Prior year adjustment (note 30)	40,122	40,122	6,280	46,402	-
Balance at the beginning of the year as restated	33,062,012	33,062,012	1,468,194	34,530,206	34,740,669
Capital	30,707,674	30,707,674	1,373,185	32,080,859	32,645,367
Unspent income	2,354,338	2,354,338	95,009	2,449,347	2,095,302
	33,062,012	33,062,012	1,468,194	34,530,206	34,740,669
New endowments received	2,302,984	2,302,984	-	2,302,984	307,496
Income receivable from endowment asset investments	1,290,565	1,290,565	64,366	1,354,931	1,364,158
Restricted expendable donations	-	-	248,916	248,916	269,910
Expenditure	(839,825)	(839,825)	(266,609)	(1,106,434)	(1,142,152)
Transfers		-	-	-	
Net transfer (to)/from the income and expenditure account	450,740	450,740	46,673	497,413	491,916
Transfers	-	-	-	-	205,933
Increase in the market value of investments	4,499,443	4,499,443	200,766	4,700,209	(1,215,808)
Balance at the end of the year	40,315,179	40,315,179	1,715,633	42,030,812	34,530,206
Comprising:					
Capital	37,459,597	37,459,597	1,620,624	39,080,221	32,080,859
Unspent income	2,855,582	2,855,582	95,009	2,950,591	2,449,347
Balance at the end of the year	40,315,179	40,315,179	1,715,633	42,030,812	34,530,206
Representing					
Fellowship funds	13,061,342	13,061,342	75,432	13,136,774	11,263,754
Scholarship funds	9,971,389	9,971,389	380,279	10,351,668	8,908,058
Prize funds	645,726	645,726	19,990	665,716	577,915
Hardship funds	3,895,575	3,895,575	54,723	3,950,298	3,025,364
Bursary funds	-	-	-	-	-
Travel grant funds	1,767,811	1,767,811	-	1,767,811	1,539,938
Other funds	10,973,336	10,973,336	1,185,209	12,158,545	9,215,177
General endowments	-	-	-	-	-
	40,315,179	40,315,179	1,715,633	42,030,812	34,530,206

20. RESERVES

Group	General reserve	Operational property revaluation reserve	Fixed asset investment revaluation reserve	30 Jun 13 Total	30 Jun 12 Total Restated
	£	£	£	£	£
Balance at the beginning of the year as previously stated	154,676,731	(19,991,347)	18,366,769	153,052,153	173,436,243
Prior year adjustment (note 30)	(924,526)	(0)	846,167	(78,359)	-
Balance at the beginning of the year as restated	153,752,205	(19,991,347)	19,212,936	152,973,794	173,436,243
Surplus/(Deficit) retained for the year	655,915	-	-	655,915	(580,457)
Actual gain/(loss) in respect of pension schemes	(890,107)	-	-	(890,107)	(1,379,509)
Revaluation in Year	(11,211)	-	-	(11,211)	(19,991,347)
Transfer in respect of disposals of fixed asset investments	-	-		-	-
Transfers	-	-	-	-	(32,433)
Increase in the market value of investments	5,069,817	-	2,910,569	7,980,386	(3,228,703)
Increase in the market value of Land	250,000	-	-	250,000	4,750,000
Balance at the end of the year	158,826,619	(19,991,347)	22,123,505	160,958,777	152,973,794
College					
Balance at the beginning of the year	149,926,731	(19,991,347)	18,366,769	148,302,153	173,436,243
Prior year adjustment (note 30)	(720,625)	0	656,069	(64,556)	-
Balance at the beginning of the year as restated	149,206,106	(19,991,347)	19,022,838	148,237,597	173,436,243
Surplus/(Deficit) retained for the year	656,744	-	-	656,744	(566,654)
Actuarial gain/ (loss)	(890,107)	-	-	(890,107)	(1,379,509)
Revaluation in Year	-	-		-	(19,991,347)
Transfers	-	-	-	-	(32,433)
Increase in the market value of investments	5,069,817	-	2,910,569	7,980,386	(3,228,703)
Balance at the end of the year	154,042,560	(19,991,347)	21,933,407	155,984,620	148,237,597

21. Memorandum of Unapplied Total Return

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

	Long dated borrowing fund £	Remaining funds £	30 Jun 13 Total £	30 Jun 12 Total £
Unapplied Total Return at the beginning of the year	-	65,968,651	65,968,651	70,413,162
Unapplied Total Return for the year (see note 3b)	1,909,885	10,770,710	12,680,595	(4,444,511)
Unapplied Total Return at the end of the year	1,909,885	76,739,361	78,649,246	65,968,651

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

	Note	Year Ended 30 June 13 £	Year Ended 30 June 12 Restated £
Surplus/ (deficit on continuing operations before donations of heritage assets		1,262,328	8,544
Depreciation of tangible fixed assets	10	1,187,585	1,989,871
Surplus the on disposal of tangible fixed assets	5	(36,354)	-
Deferred capital grants released to income	18	(59,379)	(59,379)
Investment income		(4,322,453)	(4,302,641)
Pension costs less contributions payable		112,729	(112,443)
(Increase)/Decrease in stocks		(38,733)	25,474
(Increase)/Decrease in debtors		(1,297,622)	(2,244,730)
Increase/(Decrease) in creditors		368,085	179,890
Net Cash (Outflow)/Inflow from Operating Activities		(2,823,814)	(4,515,414)

23. CASH FLOWS

	Note	Year Ended 30 June 13 £	Year Ended 30 June 12 Restated £
Returns on investments and servicing of finance			
Endowment and investment income received		3,500,838	3,550,569
Net cash inflow from returns on investments and servicing of finance		3,500,838	3,550,569
Capital expenditure and financial investment			
Purchase of tangible fixed assets	10	(770,454)	(509,053)
New endowments received	19	2,302,984	307,496
Proceeds from the disposal of tangible fixed assets		96,354	
Sale/(purchase) of long-term investments	11	(3,318,893)	(2,454,222)
Drawdown of cash held for reinvestment	11	510,695	3,168,828
		(1,179,314)	513,049

24. Analysis of cash and bank balances

	At the beginning of the year £	Cash flows £	At the end of the year £
Cash at bank and in hand	2,596,199	(611,290)	1,984,909
Net funds	2,596,199	(611,290)	1,984,909

25. CAPITAL COMMITMENTS

	30 Jun 13	30 Jun 12
Capital comittments at 30 June 2013 are as follows:	£	£
Authorised and contracted	80,000	-
Authorised but not yet contracted for	-	-
Commitments under finance leases entered into but not yet provided for in the financial statements	-	-

26. FINANCIAL COMMITMENTS

At 30 June 2013 the College had annual commitments under non-cancellable operating leases as follows:

	30 Jun 13	30 Jun 12
	£	£
Land and buildings:		
Expiring within one year	-	-
Expiring between one and five years	47,331	36,467
Expiring in over five years	-	-
	47,331	36,467

27. PENSION SCHEMES

The College participates in two defined benefit pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS) and one defined contribution scheme, The Cambridge Colleges Group Personal Pension Scheme (CCGPPS). The total pension cost for the period was £412,034 (2012: £375,893)

University Superannuation Scheme

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 Limited.

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member, and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is dertimed by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2013 are also included in this note.

The triennial valuation was carried out 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% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and 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 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.
Standard mortality tables were used as follows:

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

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65	23.7 (25.6) years
Males (females) currently aged 45	25.5 (27.60) years

At the valuation date, the value of the assets of the scheme was £32,433.5M and the value of the scheme's technical provisions was £35,343.7M indicating a shortfall of £2,910.2M. The assets therefore were sufficient to cover 92% 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 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% 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 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

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 but the allowance for promotional salary increases was not as high. 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.

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the valuation effective date there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

New entrants - other than in specific, limited circumstances, new entrants are now provided for on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

Normal pension age - the Normal pension age was increased for future service and new entrants, to age 65.

Flexible retirement - flexible retirement options were introduced.

Member contributions increased - contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

Cost sharing - if the total contribution level exceeds 23.5% of salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

Pension increase cap - for service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

The actuary has estimated that the funding level as at 31 March 2013 under the scheme specific funding regime has fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2013 estimation

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27. PENSION SCHEMES (Continued)

On the FRS17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2013 was 68%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 55%.

Surpluses or deficits which arise at future valuations may impact on the institution'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. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below:

Asumptions	Change in assumption	Impact on shortfall
Investment return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

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

The trustees believe that over the long term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set by the trustee are designed to give the fund a significant exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that, putting the issue of the USS fund's size and scale to one side for a moment, it might be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long term funding objective within a level of contributions that it considers the sponsoring employers would be willing and able to make, it is necessary and appropriate for the trustee to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities , the trustee receives advice form its internal investment team, its investment consultant and the scheme actuary, and importantly considers the ability of the sponsoring employers to support the scheme if the investment strategy does not deliver the expected returns.

The positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities, and the scheme actuary has confirmed that this is likely to remain the position for the next ten years or more. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and most critically the ability of the employers to provide additional support to the scheme should additional contributions be required, enables it to take a longer term view of its investments. Some short term volatility in returns can be tolerated and need not feed through immediately to the contribution rate. However, the trustee is mindful of the difficult economic climate which exists for defined benefit pension schemes currently, and the need to be clear about the reponses that are available should the deficits persist and a revised recovery plan becomes necessary following the next actuarial valuation of the scheme as at March 2014. The trustee is making preparations ahead of the next valuation to compile a formal financial management plan, which will bring together in an integrated form the various funding strands of covenant strength, investment strategy and funding assumptions, in line with the latest guidance from the Pensions Regulator.

27. PENSION SCHEMES (Continued)

At 31 March 2013, USS had over 148,000 active members and the College had 49 active members participating in the scheme.

The total USS pension cost for the college was £159,217 (2012:£157,586).
The contribution rate payable by the College was 16% of pensionable salaries.

Cambridge Colleges Federated Pension Scheme

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

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

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

The contribution made by the College in respect of the 12 month period ended 30 June 2013 was £129,052, excluding PHI premiums. The agreed contributions paid by the College are 15.33% of contribution to 31 December 2010 then 13.33% of contribution pay to 31 December 2011 then 11.33% of contribution pay thereafter.

The major assumptions used by the actuary were:	**30 June 2013**	**30 June 2012**
Discount rate	4.6%	4.7%
Expected long-term rate of return on Scheme assets	6.2%	5.6%
Salary inflation assumption	2.8%	2.2%
RPI assumption	3.3%	2.7%
Pension increases (RPI linked)	3.3%	2.7%
CPI assumption	2.3%	1.7%

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

Employee Benefit Obligations

The amounts recognised in the balance sheet are as follows

	30 June 2013	**30 June 2012**
	£	**£**
Present value of Scheme liabilities	(9,910,607)	(8,290,330)
Market value of Scheme assets	6,652,591	6,035,150
Surplus/(Deficit) in Scheme as at 30 June	(3,258,016)	(2,255,180)
Related deferred tax asset	-	-
Net pension asset/ (liability) as shown in College Balance Sheet at 30 June	(3,258,016)	(2,255,180)

The main reasons for worsening in the financial position are:

- Changes in the FRS17 assumptions, mainly due to higher inflation expectation and lower discount rate assumption; and
- Contributions over the year being less than required to meet the FRS17 calculated service cost.

Only partially offset by:
- Higher than expected Investment returns

The amounts recognised in profit or loss are as follows:	**30 June 2013**	**30 June 2012**
	£	**£**
Current service cost	191,203	204,775
Interest Cost	388,610	419,392
Expected Return on Assets	(338,032)	(410,783)
Total	241,781	213,384
Actual Return on Assets	714,912	(745,089)

27. PENSION SCHEMES (Continued)

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

	30 June 2013 £	30 June 2012 £
Present value of Scheme liabilities at beginning of period	8,290,330	7,634,812
Service cost (including employee's contributions)	347,013	359,228
Interest cost	388,610	419,392
Actuarial losses/(gains)	1,266,987	223,637
Benefits paid	(382,333)	(346,739)
Present value of Scheme liabilities at end of period	9,910,607	8,290,330

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

	30 June 2013 £	30 June 2012 £
Market value of Scheme assets at beginning of period	6,035,150	6,646,698
Expected Return	338,032	410,783
Actuarial gains and (losses)	376,880	(1,155,872)
Contributions by College	129,052	325,827
Employee contributions	155,810	154,453
Benefits paid	(382,333)	(346,739)
Market value of Scheme assets at end of period	6,652,591	6,035,150

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 2013	Percentage of total Scheme Assets 30 June 2013	Long-term rate of return expected at 30 June 2012	Percentage of total Scheme Assets 30 June 2012
Equities and Hedge Funds		68%	6.4%	66%
Bonds & Cash		24%	3.7%	25%
Property		8%	5.4%	9%
Total		100%		100%

Movement in surpus/(deficit) during the Scheme year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	30 June 2013 £	30 June 2012 £
Surplus/(deficit) in Scheme at beginning of the Scheme year	(2,255,180)	(988,114)
Service Cost (Employer only)	(191,203)	(204,775)
Contributions paid by the College	129,052	325,827
Finance Cost	(50,578)	(8,609)
Actuarial gain/(loss)	(890,107)	(1,379,509)
Surplus/(deficit) in Scheme at the end of the year	(3,258,016)	(2,255,180)

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

	30-Jun-13 £	30-Jun-12 £	30-Jun-11 £	30-Jun-10 £	30-Jun-09 £
Present value of Scheme liabilities	(9,910,607)	(8,290,330)	(7,634,812)	(8,015,582)	(6,452,428)
Market value of Scheme assets	6,652,591	6,035,150	6,646,698	5,594,596	4,576,512
Surplus/(deficit) in the Scheme	(3,258,016)	(2,255,180)	(988,114)	(2,420,986)	(1,875,916)
Actual return less expected return on Scheme assets	376,880	(1,155,872)	443,264	334,365	(684,872)
Experience gain/(loss) arising on Scheme liabilities	(27,492)	(127,636)	109,888	171,434	(75,472)
Change in assumptions underlying present value of Scheme liabilities	(1,239,495)	(96,001)	881,139	(1,094,756)	389,041

The total pension cost, after personal health insurance contributions, for the year ended 30 June 2013 (see note 9) was as follows:

	30-Jun-13 £	30-Jun-12 £
USS: Contributions	159,217	157,586
CCFPS: Charged to income and expenditure account	241,781	213,384
CCGPPS: Contributions	11,036	4,923
	412,034	375,893

28. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS AND OTHER SIGNIFICANT INVESMENTS

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

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

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of its Governing Body it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

In addition, the college has provided loans to its fellows as part of a Shared Equity Scheme. These amounts are included in debtors, £870,806 (2012: £570,806)

30. PRIOR YEAR ADJUSTMENT

A number of changes have been made in the year to restate prior year figures:

1 Note 1 & 4- Newton Trust Bursaries are now included in other academic income rather than donations
2 Note 3 & 19- Change in allocation of total return to give all funds a straight 4% and the balance allocated to the college general fund. This adjustment increased the income allocated to the boat club funds which is not shown as college income.