



**TRINITY HALL
CAMBRIDGE**

**ACCOUNTS FOR THE YEAR ENDED
30 JUNE 2014**

TRINITY HALL
Index to the accounts
For the year ended 30 June 2014



<u>Page</u>	<u>Contents</u>
1	Governing Body and Advisers
2 - 7	Operating and Financial Review
8 - 9	Corporate Governance and Internal Control
10	Responsibilities of the Governing Body
11 -12	Report of the Auditors
13 - 16	Statement of Principal Accounting Policies
17	Consolidated Income and Expenditure Account
18	Statement of Total Recognised Gains and Losses
19	Consolidated Balance Sheet
20	College Balance Sheet
21	Cash Flow Statement
22 - 36	Notes to the Accounts

TRINITY HALL
Governing Body and Advisers
For the year ended 30 June 2014



Governing Body

Master: Professor Martin Daunton
Bursar: Mr Paul ffolkes Davis
Senior Tutor: Dr Clare Jackson

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

Registered Charity Number

1137458

Auditors

Peters Elworthy & Moore

Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

Barclays Bank plc

St Andrews Street
Cambridge
CB2 3AA

Solicitors

Taylor Vinters

Merlin Place
Milton Road
Cambridge
CB4 0DP

Mills & Reeve

Botanic House
100 Hills Road
Cambridge
CB2 1PH

Principal Property Agents

Savills

Unex House
132-134 Hills Road
Cambridge
CB2 8PA

TRINITY HALL

Operating and Financial Review

For the year ended 30 June 2014



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.

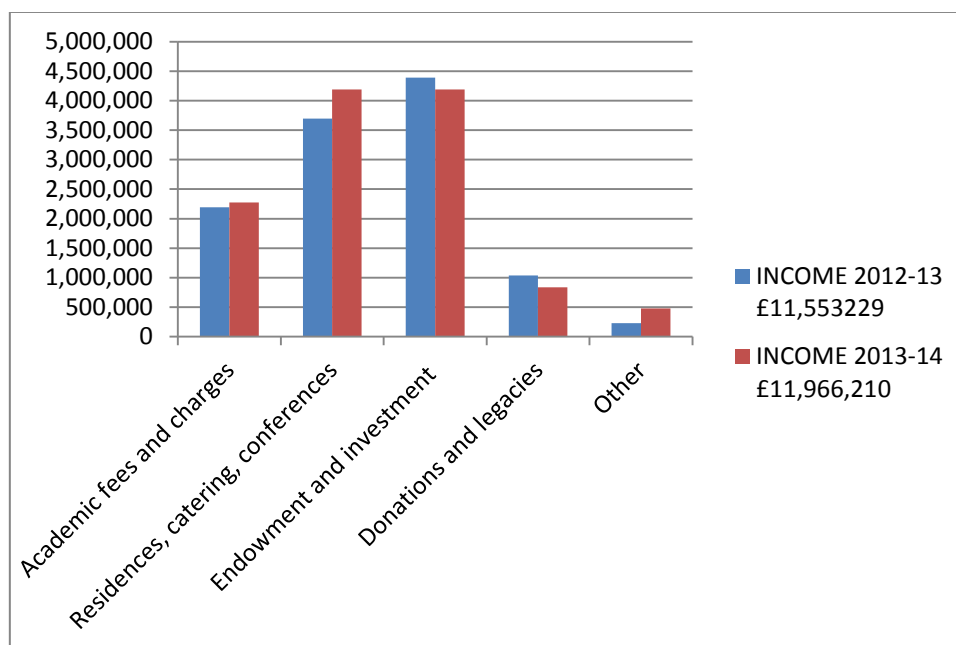
Aims and objectives

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.

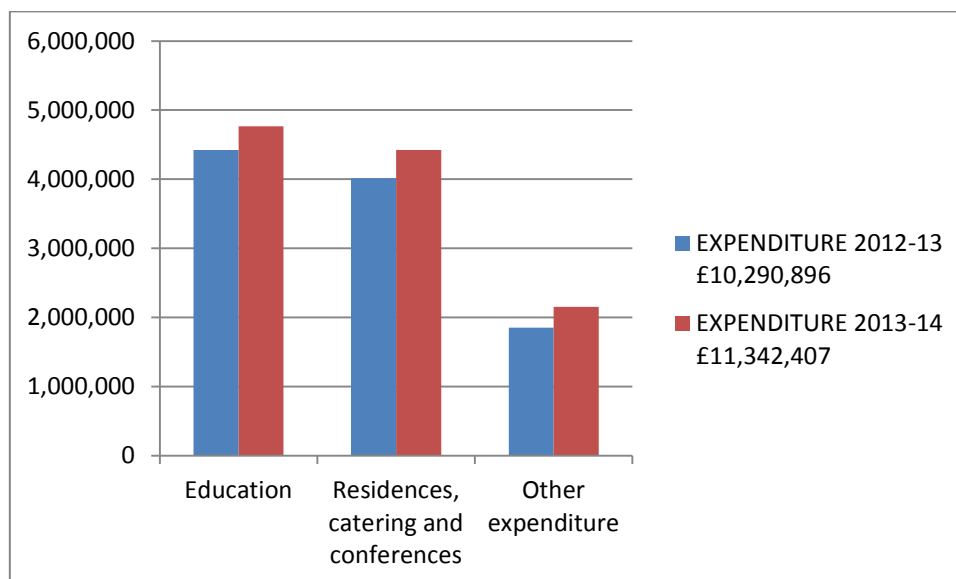
Overview of the Year

Last year's surplus of £1,153,333 has reduced to £496,803. Total income was better by just over £410,000 thanks to the Conference and Events Office and profit from a part disposal of land in our subsidiary company, Aula Limited. However, income from other sources was lower; although the reduction of income from the endowment was the result of lowering of the College's spending rule from 4% to 3.5% to reflect recent growth in the endowment value.

The real story is the growth in costs, up over £1 million. This reflects greater spending on student support, increased expenditure from the Art Fund in connection with the refurbishment of the Dining Hall and on music related activities, the introduction of staff meals, increased food costs generally, higher spending on staff training and a big increase in professional fees. Our contribution to Colleges' Fund rose again to £127,000, another reflection of the growth of our assets.



TRINITY HALL
Operating and Financial Review
For the year ended 30 June 2014



Students

During the year, the College educated 389 undergraduate students and 251 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 134 Undergraduate offers were made to students, including three to those who had applied with extenuating circumstances. The table below summarises the offers made by subject type and gender:

	Arts	Sciences	Overall
Men	28	46	74
Women	36	24	60
TOTAL	64	70	134

Including offers made to candidates who applied directly to Trinity Hall and candidates taken from the Pool, the College made offers to 69 applicants from Maintained schools, 42 from Independent schools and 23 from Other schools. Excluding schools in the Other category, 62% of all offers were made to applicants from the Maintained sector and 38% to those from Independent schools. 17% of all offers were made to applicants from overseas (including EU) backgrounds.

The College charges the following fees:

TRINITY HALL

Operating and Financial Review

For the year ended 30 June 2014



- 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 2013-14, the number of awards made was 83, out of a Home/EU undergraduate population of 350 [24%]; 42 of the awards were at the maximum value and the average value of the awards was £2,500.) 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 2013-14, £208,000 was spent on specific studentships for graduate students representing 51% 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 2013-14 this figure exceeded £2.5 million; this support for every student of all classes equated to £4,579.

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 2014 rose once again to 30.4%, with a further 48% 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. The outreach programme includes an extensive schedule of visits to schools by the Schools Liaison and Outreach Officer and Admissions Tutors, visits by schools to the College, open days, admissions symposia for teachers, as well as guidance and information on the College website for prospective applicants.

Employees

In order to fulfil its charitable purposes of advancing education, religion, learning and research, the College employs as Fellows, College Lecturers, Supervisors, Directors of Studies, Tutors, a Dean and senior administrative officers, who with the Master ex officio, serve as charity trustees through being members of the Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally; moreover annual pay increases normally follow national settlements applying to the

TRINITY HALL

Operating and Financial Review

For the year ended 30 June 2014



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 135 other full or part time members of staff (FTE 118) to provide the professional and service support necessary to run the College. This figure compares with 131 in 2012-13.

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

Generally income lines were lower, however, increases in our conferences business and a one-off land sale reflected in 'Other income', combined to produce an overall year-on-year improvement of £412,981 or 3.6%. Expenditure was up considerably by £1,051,507 (10.2% adverse to the previous year) as the growth in costs was reflected in every line. Two miss-postings from the previous year make this appear approximately £200,000 worse than it is, but genuine increases did include: £32,000 more on student support, over £50,000 from the Art Fund (which paid for the cleaning and restoration of paintings and frames placed in the refurbished dining hall), £23,000 from the Avery Fund for a new piano and the choir's Breton tour, £287,500 spent on introducing meals for all staff and the partly-associated rise in food purchase costs, £52,000 more on general maintenance, £8,000 on recruitment in an unusually busy year for staff turnover, an increase of £11,500 on staff training, and a massive £267,000 more on professional fees. Staff costs as a percentage of our income are unchanged at 41%. Our University contribution (the tax wealthier colleges pay to support poorer ones and help equalise the student experience) is £127,000, 16.5% higher than last year and a continuing indication of our growing resources.

Academic fees at £2,232,805 are little changed from the previous year. However, 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 £2,573,664 (a big jump of 19% from a year earlier). Using the numbers for actual fee paying students (394 undergraduates and 168 postgraduates), this suggests a cost or 'investment' of an average of £4,579 (£3,861) per student in College, or £5,274 (£4,894) per undergraduate and £2,950 (£1,941) per postgraduate. This subsidy is effectively the cost of Trinity Hall 'doing business', and the large rise reflects the general increase in our expenditure. Clearly, this type of deficit on the College's core activity is not sustainable over the long term.

Residences, Catering and Conferences income was up roughly 380,000 with conference income a lot stronger. Attributable expenditure was also up by a similar margin, reflecting the overall rise in costs. The Downing Formula, as it is known, is applied to apportion costs across all departments and, thus, only gives a representative view in the statutory accounts. In 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 Events Office (to use its new name) has had another very good year with turnover exceeding £932,000 and margins still being sustained at around 59% producing a profit at the margin of more than £550,000.

Donations and legacies, gifts we are able to spend in the year under review, were approximately £60,000 lower. Fundraising success is always hard to predict and this year we were slightly hampered by the availability of fewer student callers working on the annual telethon.

TRINITY HALL

Operating and Financial Review

For the year ended 30 June 2014



Other income was £187,925 above last year, largely due to the inclusion of the value realised by the sale of land at one of the plots on the Cambridge Science Park currently under development.

Other expenditure, up £302,192, includes its apportionment of the various costs listed overleaf in the year overview.

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

Our **investment portfolios** had a reasonable year, advancing 11.4%, in markets characterised by strong volatility. At a group level, the value of endowment investments, including property, rose by £12.3 million to £120 million. The value of the long-term loan investments reached £37.8 million after servicing related costs. During the year, we led and participated in a series of Private Placements organised as a 'club deal' for 18 colleges, taking a total of £10 million of a mixture of 30 and 40 year funds at a coupon cost of 4.5% until maturity – these borrowings will be used towards the construction of WYNG Gardens, a new student accommodation block that will rise from the ashes of St Clement's Gardens on Thompson's Lane. If this debt is added to the £25 million long-term loan and a small revolving credit taken out to facilitate the new building development at the Science Park, overall gearing has now reached in excess of £36 million.

We continue to invest time and money in preparing several capital projects which will only come to fruition over time. Cambridge & Counties Bank (CCB), in which the College is a 50% owner, has continued to grow in line with projections. It has now lent over £275 million to SMEs both locally and nationally and is projected to generate profit before tax in excess of £3.5 million in the calendar year. We continue to look forward to CCB making a significant contribution to the College's wealth as it continues to develop as a leading challenger bank.

Benefaction for inclusion in the permanent endowment (as against being available for expenditure) was only £246,000 against £2.3 million last year. This reflects the, perhaps happy, situation that we received no large-scale legacies in the period under review. As stated earlier, giving levels are notoriously hard to anticipate, but we continue to invest in new development personnel and systems and will be making a big push in this area.

The liability in the **CCFPS staff pension scheme** has blown-out a further 29% or almost £1 million to £4,210,131. The next triennial valuation will 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 will be negotiated with the scheme's trustees and the regulator on the strength of the College's covenant arguing for the longest repayment period possible. **USS**, the academics' pension provider, is in consultation with its members on methodologies to address its burgeoning deficit. It is still unable to provide the level of granularity needed to determine Trinity Hall's exposure, but it is clear that changes to the structure and provisions for members will be necessary – giving them less while the College's costs will inevitably rise.

Trinity Hall's **Balance Sheet** is the largest it has ever been at £219,467,048. Pleasingly, this is largely composed of the value of real investment assets rather than spurious values given to our ancient (and unsaleable) central buildings.

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', but, in the year under review, only just. Unlike the last two years, the College was not able to add to the endowment out of general resources. We can take some comfort, however, that had we not lowered our spending rule from 4% to 3.5% of the endowment total (as mentioned above), we would have had more than another £500,000 in additional cash flow.

TRINITY HALL

Operating and Financial Review

For the year ended 30 June 2014



Capital projects continue to present themselves apace. No sooner do we re-commission the dining hall following its very successful refurbishment, than we are plunged into the overdue resurrection of the boathouse, while simultaneously debating the nature of changes needed to the Master's Lodge to adequately accommodate Masters who might, like Jeremy Morris, have a family. Both of these exercises will prove costly.

Outlook

For the last two years I have commented on the positive prospects for the future. They are all still there but a new note of caution is now needed. The hiatus in remuneration, of both Fellows and support staff, cannot be expected to last much longer as the economy recovers. There are already signs of the return of the College's peculiar internal inflation rate (which has always handsomely exceeded RPI for reasons that are not immediately identifiable). Costs are starting to rise swiftly again, a trend unlikely to reverse in the short term.

The College will continue to do whatever it can to demonstrate a determination to help itself, but as the choppiness of the financial markets is already indicating, we are going to need the help and support of our friends and alumni to maintain the momentum of recent years. Negotiating the Higher Education sector in the UK is always challenging, it is clearly not about to get any easier.

On behalf of the Governing Body
Paul ffolkes Davis
December 2014

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

TRINITY HALL

Corporate Governance and Public Benefit Statement



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 Statutes of the University.

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

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

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

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

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

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

TRINITY HALL
Independent Auditors' Report to the Governing Body
of Trinity Hall
For the year ended 30 June 2014



We have audited the financial statements of Trinity Hall for the year ended 30 June 2014 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 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the College and the Group's affairs as at 30 June 2014 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 1993, the College's Statutes and the Statutes of the University of Cambridge.
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II of the University of Cambridge.

TRINITY HALL
Independent Auditors' Report to the Governing Body
of Trinity Hall
For the year ended 30 June 2014



Matters on which we are required to report by exception

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

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



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 3.5% (2013: 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.

Since 2010 The College contributes to a third scheme, The Cambridge Colleges Group Personal Pension Scheme (CCGPPS), a defined contribution scheme, for new employees. The scheme is administered by Aviva. The College now contributes to NEST in line with the Government auto enrolment policy.

TRINITY HALL
Consolidated Income and Expenditure Account
For the year ended 30 June 2014



		Year Ended 30 June 14	Year Ended 30 June 13
	Note	£	£
INCOME			
Academic fees and charges	1	2,232,805	2,246,228
Residences, catering and conferences	2	4,126,417	3,745,646
Endowment and investment income	3	4,240,621	4,322,453
Donations and legacies	4	895,614	956,074
Other income	5	470,753	282,828
Total income		11,966,210	11,553,229
EXPENDITURE			
Education	6	4,806,469	4,408,207
Residences, catering and conferences	7	4,368,970	4,017,917
Other expenditure	8c	2,166,968	1,864,776
Total expenditure	8	11,342,407	10,290,900
Surplus on continuing operations before Contribution under Statute G, II		623,803	1,262,329
Contribution Under Statute G,II		127,000	109,000
Surplus on continuing operations after Contribution under Statute G, II		496,803	1,153,329
Surplus/(deficit) for the year transferred to accumulated income in endowment funds	19	(494,177)	(497,413)
Surplus/(deficit) for the year retained within general reserves		2,626	655,916

All items dealt with in arriving at the surplus/deficit for 2014 and 2013 relate to continuing operations.

TRINITY HALL
Consolidated & Parent Statement of Total
Recognised Gains and Losses
For the year ended 30 June 2014



	Note	Restricted Funds £	Unrestricted Funds £	Total 30 June 14 £	Total 30 June 13 £
Retained surplus/(deficit) for the year			2,626	2,626	655,916
Unspent endowment fund income		494,177	-	494,177	497,413
Increase in market value of investments					
Endowment assets	19	5,125,275	-	5,125,275	4,700,209
Fixed asset investments	20	-	8,884,407	8,884,407	7,980,386
Land	20		135,000	135,000	250,000
Unrealised deficit on revaluation of fixed assets	20	-	(10,982)	(10,982)	(11,211)
New endowments	19	245,823	-	245,823	2,302,984
Transfers		-	-	-	
Actuarial gain/(loss) recognised in the STRGL	27	-	(789,267)	(789,267)	(890,107)
Total Recognised Gains relating to the Year		5,865,275	8,221,783	14,087,058	15,485,590
Reconciliation					
Opening reserves and endowments as previously stated		42,030,813	160,958,777	202,989,590	187,504,000
Closing reserves and endowments		47,896,088	169,180,560	217,076,648	202,989,590

The above figures exclude deferred capital grants of £2,390,399 (2013: £2,449,778), shown in note 18.

The notes on pages 22 to 36 form part of these accounts.

TRINITY HALL
Consolidated Balance Sheet
As at 30 June 2014



		30 June 14	30 June 13
	Note	£	£
Fixed assets			
Tangible assets	10	85,923,363	85,286,967
Investments	11	119,321,693	101,343,286
		<u>205,245,056</u>	<u>186,630,253</u>
Endowment assets			
Investments	12	47,896,088	42,030,813
Current assets			
Stock		276,392	250,432
Debtors	13	3,574,221	4,227,866
Cash	14	4,423,586	1,984,909
		<u>8,274,199</u>	<u>6,463,207</u>
Creditors: amounts falling due within one year	15	(1,718,164)	(1,426,890)
Net current assets		<u>6,556,035</u>	<u>5,036,317</u>
Creditors: amounts falling due after more than one year	16	(36,020,000)	(25,000,000)
Net assets excluding pension liability		<u>223,677,179</u>	<u>208,697,383</u>
Pension liability	17	(4,210,131)	(3,258,016)
Net assets including pension asset/(liability)		<u>219,467,048</u>	<u>205,439,367</u>

Represented by:		Restricted Funds £	Unrestricted funds £	Total 30 June 14 £	Total 30 June 13 £
Capital and Reserves:					
Deferred capital and grants	18	2,390,399	-	2,390,399	2,449,778
Endowments					
Expendable endowments	19	1,769,490	-	1,769,490	1,715,634
Permanent endowments	19	46,126,598	-	46,126,598	40,315,179
		<u>47,896,088</u>	-	<u>47,896,088</u>	<u>42,030,813</u>
Reserves					
General reserves excluding pension reserve	20	-	167,906,335	167,906,335	162,084,635
Pension Reserve	20	-	(4,210,131)	(4,210,131)	(3,258,016)
Operational property revaluation reserve	20	-	(19,991,347)	(19,991,347)	(19,991,347)
Fixed asset investment revaluation reserve	20	-	25,475,704	25,475,704	22,123,505
TOTAL		<u>50,286,487</u>	<u>169,180,561</u>	<u>219,467,048</u>	<u>205,439,367</u>

The financial statements were approved by the Governing Body on 04th November 2014 and signed on its behalf by:

Paul ffolkes Davis
 Bursar

TRINITY HALL
College Balance Sheet
As at 30 June 2014



	Note	30 June 14 £	30 June 13 £
Fixed assets			
Tangible assets	10	85,958,208	85,298,178
Investments	11	113,120,234	96,353,717
		<u>199,078,442</u>	<u>181,651,895</u>
Endowment assets			
Investments	12	47,896,088	42,030,812
Current assets			
Stock		276,392	250,432
Debtors	13	8,768,218	4,135,524
Cash	14	2,157,234	1,736,598
		<u>11,201,844</u>	<u>6,122,554</u>
Creditors: amounts falling due within one year	15	(1,575,669)	(1,082,035)
Net current assets		<u>9,626,175</u>	<u>5,040,519</u>
Creditors: amounts falling due after more than one year	16	(36,020,000)	(25,000,000)
Net assets excluding pension liability		<u>220,580,705</u>	<u>203,723,226</u>
Pension liability	17	(4,210,131)	(3,258,016)
Net assets including pension asset/(liability)		<u>216,370,573</u>	<u>200,465,210</u>

Represented by:		Restricted Funds £	Unrestricted funds £	Total 30 June 14 £	Total 30 June 13 £
Capital and Reserves:					
Deferred capital and grants	18	2,390,399	-	2,390,399	2,449,778
Endowments					
Expendable endowments	19	1,769,490	-	1,769,490	1,715,633
Permanent endowments	19	46,126,598	-	46,126,598	40,315,179
		<u>47,896,088</u>	-	<u>47,896,088</u>	<u>42,030,812</u>
Reserves					
General reserves excluding pension reserve	20	-	164,999,958	164,999,958	157,300,576
Pension Reserve	20	-	(4,210,131)	(4,210,131)	(3,258,016)
Operational property revaluation reserve	20	-	(19,991,347)	(19,991,347)	(19,991,347)
Fixed asset investment revaluation reserve	20	-	25,285,606	25,285,606	21,933,407
TOTAL		<u>50,286,487</u>	<u>166,084,086</u>	<u>216,370,573</u>	<u>200,465,210</u>

The financial statements were approved by the Governing Body on 04th November 2014 and signed on its behalf by:

Paul ffolkes Davis
Bursar

TRINITY HALL
Consolidated Cash Flow Statement
For the year ended 30 June 2014



		Year Ended 30 June 14	Year Ended 30 June 13
	Note	£	£
Net Cash (Outflow)/Inflow from Operating Activities	22	(1,600,845)	(2,823,814)
Returns on investments and servicing of finance	23	3,583,866	3,500,838
Contribution to colleges fund		(127,000)	(109,000)
Capital expenditure and financial investment	23	(10,437,344)	(1,179,314)
Cash inflow/(outflow) before financing		<u>(8,581,323)</u>	<u>(611,290)</u>
Financing	23	11,020,000	-
(Decrease)/Increase in cash		<u>2,438,677</u>	<u>(611,290)</u>
Net funds at the beginning of the year		1,984,909	2,596,199
Net funds at the end of the year	24	<u><u>4,423,586</u></u>	<u><u>1,984,909</u></u>

TRINITY HALL

Notes to the Accounts



1. ACADEMIC FEES AND CHARGES		30 Jun 14	30 Jun 13	
		£	£	
College fees:				
Fee Income paid on behalf of undergraduates at the Publicly-funded Undergraduate rate (per capita fee £4,068 - £4,500)		1,486,224	1,449,221	
Privately-funded Undergraduate fee income (per capita fee £6,333)		179,700	170,129	
Fee income received at the Graduate fee rate (per capita fee £2,424)		406,966	419,440	
Other income		12,652	21,766	
		<u>2,085,542</u>	<u>2,060,556</u>	
Cambridge Bursaries Income		147,263	185,672	
		<u>2,232,805</u>	<u>2,246,228</u>	
2. RESIDENCES, CATERING AND CONFERENCE		30 Jun 14	30 Jun 13	
		£	£	
Accommodation	College Members	2,045,335	1,978,659	
Conferences		511,560	427,273	
Catering	College Members	1,087,562	949,587	
Conferences		481,960	390,127	
		<u>4,126,417</u>	<u>3,745,646</u>	
3. ENDOWMENT AND INVESTMENT INCOME		30 Jun 14	30 Jun 13	
		£	£	
3a. Analysis				
Income from:				
Non-investment fund		122,836	-	
Investment fund total return		2,904,578	3,168,596	
Long dated borrowing fund total return		1,213,207	1,153,857	
		<u>4,240,621</u>	<u>4,322,453</u>	
3b. Summary of total return				
	Long dated borrowing fund	Remaining funds	30 Jun 14	30 Jun 13
	£	£	£	£
Endowment income from:				
Assets included in the Investment fund	-	2,367,019	2,367,019	2,511,146
Assets included in the Long Dated borrowing fund	1,904,011	-	1,094,011	989,692
Assets not included in the Investment fund	-	122,836	122,836	-
Gains/(losses) on Endowment Assets:				
Land and buildings	400,000	1,455,000	1,855,000	880,000
Quoted and other securities and cash	2,284,541	11,370,167	13,654,708	13,160,890
Total return for the year	3,778,552	15,315,022	19,093,574	17,541,728
Total return transferred to the income and expenditure account (see note 3a)	(1,213,207)	(3,027,414)	(4,240,621)	(4,322,453)
Total return transferred to the Balance Sheet (Boat Club & St Edwards)	-	(65,880)	(65,880)	-
Investment managers costs (see note 3c)	(137,078)	(640,313)	(777,391)	(538,680)
Unapplied Total Return for the year included within the Statement of Total Recognised Gains and Losses (see note 21)	2,248,267	11,581,415	14,009,682	12,680,595
3c. Investment management costs				
	Long dated borrowing fund	Remaining funds	30 Jun 14	30 Jun 13
	£	£	£	£
Investment management costs	137,078	640,313	777,391	538,680
	<u>137,078</u>	<u>640,313</u>	<u>777,391</u>	<u>538,680</u>
4. DONATIONS		30 Jun 14	30 Jun 13	
		£	£	
Unrestricted donations		738,545	626,785	
Restricted donations		97,690	269,910	
Released from deferred capital grants (see note 18)		59,379	59,379	
		<u>895,614</u>	<u>956,074</u>	

TRINITY HALL

Notes to the Accounts



5. OTHER INCOME

	30 Jun 14 £	30 Jun 13 £
Profit on sale of property	260,000	36,354
Other income	210,753	246,474
	470,753	282,828

6. EDUCATION EXPENDITURE

	30 Jun 14 £	30 Jun 13 £
Teaching	2,105,496	1,907,790
Tutorial	600,853	535,599
Admissions and Access	298,401	268,364
Research	461,118	407,025
Scholarships and Awards	698,575	654,690
Other Educational Facilities	642,026	571,739
	4,806,469	4,408,207

7. RESIDENCES, CATERING AND CONFERENCE EXPENDITURE

	30 Jun 14 £	30 Jun 13 £
Accommodation	2,247,492	2,122,488
College Members Conferences (inc. marketing costs)	493,088	458,332
Catering	1,195,054	1,018,612
College Members Conferences	433,336	418,485
	4,368,970	4,017,917

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

8a. ANALYSIS OF EXPENDITURE BY ACTIVITY 2014

		Staff & Fellows Payroll Costs (Note 9) £	Depreciation (Note 10) £	Other Operating Expenses £	Total £
Education	Note 6	2,268,767	337,390	2,200,312	4,806,469
Residences, Catering and Conferences	7	2,221,400	916,155	1,231,415	4,368,970
Other	8c	441,106	-	1,725,862	2,166,968
		4,931,273	1,253,545	5,157,589	11,342,407

8b. ANALYSIS OF EXPENDITURE BY ACTIVITY 2013

Education	6	2,191,943	324,521	1,891,743	4,408,207
Residences, Catering and Conferences	7	2,137,146	863,064	1,017,707	4,017,917
Other	8c	429,616	-	1,435,160	1,864,776
		4,758,705	1,187,585	4,344,610	10,290,900

8c. OTHER EXPENDITURE

	Long dated borrowing fund £	Remaining funds £	30 Jun 14 £	30 Jun 13 £
Investment and property management				
Third party costs	-	197,577	197,577	(23,226)
Internal costs	-	151,497	151,497	141,393
		-	349,074	118,167
Long dated borrowing interest and set-up charges	1,213,207	-	1,213,207	1,215,584
Fundraising	-	443,872	443,872	60,973
Alumni	-	74,873	74,873	74,116
Miscellaneous	-	85,942	85,942	
	1,213,207	953,761	2,166,968	1,864,776

TRINITY HALL

Notes to the Accounts



8d. AUDITORS REMUNERATION

Other operating expenses include:

Audit fees payable to the College's external auditors

	30 Jun 14 £	30 Jun 13 £
Audit fees payable to the College's external auditors	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

The above amounts include related irrecoverable VAT.

9. STAFF COSTS

	College Fellow & Fellow Commoners 30 Jun 14 £	Other Academics 30 Jun 14 £	Non- Academics 30 Jun 14 £	Total 30 Jun 14 £	Total 30 Jun 13 £
Staff Costs*					
Emoluments	1,263,814	-	2,955,633	4,219,447	4,067,062
Social Security Costs	71,138	-	191,650	262,788	279,613
Other Pension Costs	128,081	-	320,957	449,038	412,034
	<u>1,463,033</u>		<u>3,468,240</u>	<u>4,931,273</u>	<u>4,758,709</u>
Average Staff Numbers					
Academic	55	-	-	55	55
Non-Academics	-	-	135 **	135	132
Fellow Commoners	14		-	14	8
	<u>69</u>	<u>-</u>	<u>135</u>	<u>204</u>	<u>195</u>

* 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 2013/14 is 118

TRINITY HALL

Notes to the Accounts



10. FIXED ASSETS Group Tangible Assets

	Land & Buildings £	Equipment £	Heritage assets £	Total 30 Jun 14 £	Total 30 Jun 13 £
Cost or valuation					
At the beginning of the year	74,978,426	12,255,053	-	87,233,479	86,526,805
Additions	1,567,965	321,976	-	1,889,941	770,454
Disposals at Cost/Valuation	-	-	-	-	(3,780)
Revaluation During the Year	-	-	-	-	(60,000)
At the end of the year	76,546,391	12,577,029	-	89,123,420	87,233,479
Depreciation					
At the beginning of the year	1,066,352	880,160	-	1,946,512	762,707
Provided for the year	1,100,358	153,187	-	1,253,545	1,187,585
Eliminated on Disposal	-	-	-	-	(3,780)
At the end of the year	2,166,710	1,033,347	-	3,200,057	1,946,512
Net Book value					
At the end of the year	74,379,681	11,543,682	-	85,923,363	85,286,967
At the beginning of the year	73,912,074	11,374,893	-	85,286,967	85,764,098

10. FIXED ASSETS College Tangible Assets

	Land & Buildings £	Equipment £	Heritage assets £	Total 30 Jun 14 £	Total 30 Jun 13 £
Cost or valuation					
At the beginning of the year	74,989,637	12,255,053	-	87,244,690	86,526,805
Additions	1,591,599	321,976	-	1,913,575	781,665
Disposals at Cost/Valuation	-	-	-	-	(3,780)
Revaluation During the Year	-	-	-	-	(60,000)
At the end of the year	76,581,236	12,577,029	-	89,158,265	87,244,690
Depreciation					
At the beginning of the year	1,066,352	880,160	-	1,946,512	762,707
Provided for the year	1,100,358	153,187	-	1,253,545	1,187,585
Eliminated on Disposal	-	-	-	-	(3,780)
At the end of the year	2,166,710	1,033,347	-	3,200,057	1,946,512
Net Book value					
At the end of the year	74,414,526	11,543,682	-	85,958,208	85,298,178
At the beginning of the year	73,923,285	11,374,893	-	85,298,178	85,764,098

The insured value of freehold land and buildings as at 30 June 2014 was £118,895,766.

Land and buildings are valued at depreciated replacement cost.

The valuation on 30 June 2012 was carried out by Gerald Eve, Chartered Surveyors.

TRINITY HALL

Notes to the Accounts



11. FIXED ASSETS INVESTMENTS AND ENDOWMENT ASSETS

	30 Jun 14 Group £	30 Jun 13 Group £	30 Jun 14 College £	30 Jun 13 College £
11a. Total Investment Assets				
Balance as at 1 July 2013	143,374,100	126,824,902	138,384,528	122,085,330
Additions	80,027,697	40,908,672	76,960,822	40,908,672
Disposals	(55,008,741)	(57,851,161)	(53,018,741)	(57,851,161)
Transfer from tangible assets	-	-	-	-
Transfer to current assets	-	-	-	-
Appreciation on revaluation	14,068,934	12,454,834	13,933,934	12,204,834
Loan from general reserves	863,756	(510,695)	863,756	(510,695)
Increase in Cash Balances	(16,107,981)	21,547,548	(16,107,981)	21,547,548
Balance as at 30 June 2014	167,217,765	143,374,100	161,016,318	138,384,528
Represented by:				
Freehold Land and Buildings	23,626,876	21,010,001	17,865,001	16,010,001
Quoted Securities – Equities	99,478,011	67,383,957	99,478,011	67,383,957
Quoted Securities – Indirect Property	740,579	1,042,392	740,579	1,042,392
Alternative Investments	30,624,874	28,259,058	30,174,874	28,259,058
Unquoted Securities – Equities	11,229,802	8,916,843	11,229,802	8,916,843
Investment in Subsidiary Undertakings	-	-	10,428	10,428
Loan from general reserves	(1,197,117)	(2,060,873)	(1,197,117)	(2,060,873)
Cash held at Brokers	2,714,740	18,822,722	2,714,740	18,822,722
	167,217,765	143,374,100	161,016,318	138,384,528

Investments include a short term investment of £9,334,902 of Cambridge Bond Issue loan proceeds. This loan is to be used on development of St Clements Gardens.

11b. Allocation of Investments

Fixed asset investments	72,148,545	65,742,580	659,947,098	60,753,008
Long Dated Borrowing fund investments	37,838,232	35,600,705	37,838,232	35,600,705
Total fixed asset investments	109,986,777	101,343,285	103,785,330	96,353,713
Endowment assets (see note 12)	47,896,087	42,030,815	47,896,087	42,030,815
Cambridge Bond Issue Investments	9,334,901	-	9,334,901	-
	167,217,765	143,374,100	161,016,318	138,384,528

11c. Long Dated Borrowing Fund Investments

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

Balance as at 1 July 2013	35,600,705	31,087,386	35,600,705	31,087,386
Additions	7,202,837	18,614,946	7,202,837	18,614,946
Disposals	(8,659,508)	(21,843,968)	(8,659,508)	(21,843,968)
Appreciation on Disposals/Revaluation	3,936,577	2,074,050	3,936,577	2,074,050
Decrease in Cash Balances	(123,183)	6,178,986	(123,183)	6,178,986
Movement in loan balance	(119,196)	(510,695)	(119,196)	(510,695)
Balance as at 30 June 2014	37,838,232	35,600,705	37,838,232	35,600,705
Represented by:				
Freehold Land & Buildings	4,900,000	4,500,000	4,900,000	4,500,000
Quoted Securities – Equities	18,817,192	9,985,989	18,817,192	9,985,989
Alternative Investments	16,301,108	18,798,885	16,301,108	18,798,885
Loan from general reserves	(2,180,068)	(2,060,873)	(2,180,068)	(2,060,873)
Cash held at Brokers	-	4,376,704	-	4,376,704
	37,838,232	35,600,705	37,838,232	35,600,705

12. ENDOWMENT ASSETS

Included in the investments in note 11 are the following endowment assets:

Freehold Land and Buildings	7,471,755	6,187,500	7,471,755	6,187,500
Quoted Securities – Equities	30,577,042	21,511,201	30,577,042	21,511,201
Quoted Securities – Indirect Property	295,480	390,660	295,480	390,660
Alternative Investments	3,988,138	3,545,417	3,988,138	3,545,417
Unquoted Securities – Equities	4,480,530	3,341,791	4,480,530	3,341,791
Cash	1,083,142	7,054,246	1,083,142	7,054,246
Total investments	47,896,087	42,030,815	47,896,087	42,030,815

TRINITY HALL

Notes to the Accounts



13. DEBTORS	30 Jun 14 Group £	30 Jun 13 Group £	30 Jun 14 College £	30 Jun 13 College £
Members of the College	53,958	114,973	53,958	114,973
Amounts due from Subsidiary undertaking	-	-	5,712,128	449,772
Other Debtors	3,294,975	3,954,332	2,776,842	3,412,224
Prepayments and accrued income	225,288	158,561	225,288	158,561
	<u>3,574,221</u>	<u>4,227,866</u>	<u>8,768,216</u>	<u>4,135,530</u>

Other debtors include £2,180,069 owed by the Long Term Loan investment to College working capital. This represents the difference between loan coupon payable and the loan income received.

14. CASH

Bank Deposits	4,421,545	1,982,721	2,155,193	1,734,410
Cash in Hand	2,041	2,188	2,041	2,188
	<u>4,423,586</u>	<u>1,984,909</u>	<u>2,157,234</u>	<u>1,736,598</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Overdraft	45,158	60,857	45,062	36,546
Trade creditors	464,359	562,771	411,631	322,068
Members of the College	96,319	205,683	96,319	205,683
Contribution to the Colleges Fund	126,743	108,743	126,743	108,743
Accruals and deferred income	411,225	101,037	411,225	99,187
Other	574,360	387,799	484,689	309,808
	<u>1,718,164</u>	<u>1,426,890</u>	<u>1,575,669</u>	<u>1,082,035</u>

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

Barclays Bank loans	25,000,000	25,000,000	25,000,000	25,000,000
Cambridge Colleges Bond Issue	10,000,000	-	10,000,000	-
RBS Loan	1,020,000	-	1,020,000	-
	<u>36,020,000</u>	<u>25,000,000</u>	<u>36,020,000</u>	<u>25,000,000</u>

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

The RBS loan is a 3 year revolving credit facility agreement from 02 April 2014 with an interest rate of 0.75% over LIBOR.

During 2014 the College borrowed from institutional investors, collectively with other colleges, the College's share being £10 million. The loans are unsecured and repayable during the period 2043-2053 and are fixed rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing colleges.

17. PENSION LIABILITIES

Balance at the beginning of the year	(3,258,016)	(2,555,180)	(3,258,016)	(2,555,180)
Movement in the year:				
Current service cost including life assurance	(235,555)	(191,203)	(235,555)	(191,203)
Contributions paid by the College	117,959	129,052	117,959	129,052
Other finance (income)/cost	(45,252)	(50,578)	(45,252)	(50,578)
Actuarial loss/(gain) recognised in statement of total recognised gains and losses	(789,267)	(890,107)	(789,267)	(890,107)
Balance at the end of the year	<u>(4,210,131)</u>	<u>(3,258,016)</u>	<u>(4,210,131)</u>	<u>(3,258,016)</u>

18. DEFERRED CAPITAL GRANTS

	Grants £	Donations £	30 Jun 14 Total £	30 Jun 13 Total £
Group and College				
At the beginning of the year	-	2,449,778	2,449,778	2,509,157
Grants and donations received	-	-	-	-
Released to income and expenditure account	-	(59,379)	(59,379)	(59,379)
Balance at the end of the year	<u>-</u>	<u>2,390,399</u>	<u>2,390,399</u>	<u>2,449,778</u>

TRINITY HALL

Notes to the Accounts



19. ENDOWMENTS	Restricted Permanent £	Total Permanent £	Restricted Expendable £	30 Jun 14 Total £	30 Jun 13 Total £
Group and College					
Balance at the beginning of the year:	40,315,179	40,315,179	1,715,634	42,030,813	34,530,206
Capital	37,459,598	37,459,598	1,620,625	39,080,223	32,080,859
Unspent income	2,855,581	2,855,581	95,009	2,950,590	2,449,347
	40,315,179	40,315,179	1,715,634	42,030,813	34,530,206
New endowments received	245,823	245,823	-	245,823	2,302,984
Income received from endowment asset investments	1,371,566	1,371,566	64,599	1,436,165	1,354,931
Restricted expendable donations	258	258	246,135	246,393	248,916
Expenditure	(839,282)	(839,282)	(349,099)	(1,188,381)	(1,106,434)
Net transfer (to)/from the income and expenditure account	532,542	532,542	(38,365)	494,177	497,413
Transfers	117,000	117,000	(117,000)	-	-
Increase in the market value of investments	4,916,054	4,916,054	209,221	5,125,275	4,700,209
Balance at the end of the year	46,126,598	46,126,598	1,769,490	47,896,088	42,030,812
Comprising:					
Capital	42,726,287	42,726,287	1,714,880	44,441,167	39,080,222
Unspent income	3,400,311	3,400,311	54,610	3,454,921	2,950,590
Balance at the end of the year	46,126,598	46,126,598	1,769,490	47,896,088	42,030,812
Representing:					
Fellowship funds	14,918,857	14,918,857	64,831	14,983,688	13,136,774
Scholarship funds	11,778,588	11,778,588	258,870	12,037,458	10,351,668
Prize funds	775,596	775,596	23,302	798,898	665,716
Hardship funds	4,147,576	4,147,576	65,631	4,213,207	3,950,298
Bursary funds	-	-	-	-	-
Travel grant funds	1,894,323	1,894,323	15,000	1,909,323	1,767,811
Other funds	12,611,658	12,611,658	1,314,855	13,953,513	12,158,545
General endowments	-	-	-	-	-
	46,126,598	46,126,598	1,769,490	47,896,088	42,030,812

TRINITY HALL

Notes to the Accounts



20. RESERVES

Group	General Reserve £	Operational property revaluation £	Fixed asset investment revaluation reserve £	30 Jun 14 Total £	30 Jun 13 Total £
Balance at the beginning of the year	158,826,619	(19,991,347)	22,123,505	160,958,777	152,973,794
Surplus/(Deficit) retained for the year	2,626	-	-	2,626	655,915
Actual gain/(loss) in respect of pension schemes	(789,267)	-	-	(789,267)	(890,107)
Revaluation in year	(10,982)	-	-	(10,982)	(11,211)
Transfer in respect of disposals of fixed asset investments	-	-	-	-	-
Transfers	-	-	-	-	-
Increase in market value of investments	5,532,208	-	3,352,199	8,884,407	7,980,386
Increase in market value of land	135,000	-	-	135,000	250,000
Balance at the end of the year	<u>163,696,204</u>	<u>(19,991,347)</u>	<u>25,475,704</u>	<u>169,180,561</u>	<u>160,958,777</u>

College

Balance at the beginning of the year	154,042,560	(19,991,347)	21,933,407	155,984,620	148,302,153
Prior year adjustment (note 30)	-	0	-	0	(64,556)
Balance at the beginning of the year restated	<u>154,042,560</u>	<u>(19,991,347)</u>	<u>21,933,407</u>	<u>155,984,620</u>	<u>148,237,597</u>
Surplus/(Deficit) retained for the year	2,004,326	-	-	2,004,326	656,774
Actuarial gain/(loss)	(789,267)	-	-	(789,267)	(890,107)
Revaluation in year	-	-	-	-	-
Transfers	-	-	-	-	-
Increase in market value of investments	5,532,208	-	3,352,199	8,884,407	7,980,386
Balance at the end of the year	<u>160,789,827</u>	<u>(19,991,347)</u>	<u>25,285,606</u>	<u>166,084,086</u>	<u>155,984,620</u>

21. MEMORANDUM OF UNAPPLIED TOTAL RETURN

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

	Long dated borrowing fund £	Remaining funds £	30 Jun 14 Total £	30 Jun 13 Total £
Unapplied Total Return at the beginning of the year	-	78,649,246	78,649,246	65,968,651
Unapplied Total Return for the year (see note 3b)	2,428,267	11,581,415	14,009,682	12,680,595
Unapplied Total Return at the end of the year	<u>2,428,267</u>	<u>90,230,661</u>	<u>92,658,928</u>	<u>78,649,246</u>

TRINITY HALL

Notes to the Accounts



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

		Year Ended 30 Jun 14	Year Ended 30 Jun 13
	Note	£	£
Surplus/(deficit) on continuing operations before donations of heritage assets		623,803	1,262,329
Depreciation of tangible fixed assets	10	1,253,545	1,187,585
Surplus on the disposal of tangible fixed assets	5	(260,000)	(36,354)
Deferred capital grants released to income	18	(59,379)	(59,379)
Investment Income		(4,240,621)	(4,322,453)
Pension costs less contributions payable		162,848	112,729
(Increase)/Decrease in stocks		(25,960)	(38,733)
(Increase)/Decrease in debtors		653,645	(1,297,622)
(Increase)/Decrease in creditors		291,274	368,085
Net Cash (Outflow)/Inflow from Operating Activities		(1,600,845)	(2,823,813)

23. CASH FLOWS

Returns on investments and servicing of finance

Endowment and investment income received		3,583,866	3,500,838
Net cash inflow from returns on investments and servicing of finance		3,583,866	3,500,838

Capital expenditure and financial investment

Purchase of tangible fixed assets	10	(1,889,941)	(770,454)
New endowments received	19	245,823	2,302,984
Proceeds from the disposal of tangible fixed assets		2,250,000	96,354
Sale/(purchase) of long-term investments	11	(10,179,470)	(3,318,893)
Drawdown of cash held for reinvestment	11	(863,756)	510,695
		(10,437,344)	(1,179,314)

Financing:

Bank loan acquired	16	1,020,000	-
Cambridge Colleges Bond Issue	16	10,000,000	-
		11,020,000	-

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	1,984,909	2,438,677	4,423,586
Net funds	1,984,909	2,438,677	4,423,586

25. CAPITAL COMMITMENTS

Capital commitments as at 30 June 2014 are as follows:

	30 Jun 14 £	30 Jun 13 £
Authorised and contracted	5,500,555	80,000
Authorised but not yet contracted for	-	-
Commitments under finance leases entered into but not yet provided in the financial statements	-	-



26. FINANCIAL COMMITMENTS

At 30 June 2014 the College had annual commitments under non-cancellable operating leases as follows:

	30 Jun 14	30 Jun 13
	£	£
Land and buildings:		
Expiring within one year	-	-
Expiring between one and five years	-	47,331
Expiring in over five years	-	-
	<u>-</u>	<u>47,331</u>

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 two defined contribution scheme, The Cambridge Colleges Group Personal Pension Scheme (CCGPPS) and NEST. The total pension cost for the period was £449,038 (2013: £412,034).

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 determined 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 2014 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



27. PENSION SCHEMES (Continued)

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. In 2011 the actuary estimated that if experience remained in line with the assumptions made, the shortfall at 31 March 2014 would be £2.2 billion, equivalent to a funding level of 95%.

However changes in market conditions between March 2011 and March 2014 have had an impact on scheme funding. The next formal triennial actuarial valuation will take place as at 31 March 2014, and work is currently underway to update the actuarial assumptions and allow for any adjustments to the overall funding approach adopted by the trustee board in consultation with stakeholders.

As work on the 2014 valuation is not yet complete the trustee cannot provide the final figure however, an estimate has been provided using the assumptions used to deliver the 2011 actuarial valuation. On that basis, the actuary has estimated that the funding level under the scheme specific funding regime will have fallen from 92% to 85%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions.

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 2011 valuation 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 of 31 March 2011 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%.

On the FRS17 basis, using an AA bond discount rate of 4.5% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2014 was 75%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 61%.



27. PENSION SCHEMES (Continued)

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:

Assumptions	Change in assumptions	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 trustee's role is to set risk and return parameters which reflect the strength of the sponsoring employers and the nature of the scheme's liabilities. These parameters, taken together with the anticipated returns form the basis of the trustee's funding strategy. These parameters are informed by advice from its internal investment team, its investment consultant and the scheme actuary, as well as an independent assessment of the support available from the sponsoring employers. The trustee remains confident that it can continue to take a long term view of scheme funding, backed as it is by a robust Higher Education (HE) sector.

The fund is invested in a wide range of asset classes, both publicly traded (including equities and fixed income) and private (including private equity, infrastructure, property and timberland). A diversified portfolio helps to spread investment risk across different asset classes and to boost the level of confidence in maintaining sufficient investment returns from the fund as a whole. This investment approach is innovative and responsible, and targeted at achieving returns required to meet the scheme's liabilities. Recently the trustee has invested directly in infrastructure assets. These investments are typically illiquid, but can achieve attractive inflation linked returns in ways often not available in the publicly traded markets and which can match the schemes' liabilities to a high degree.

At 31 March 2014, USS had over 162,000 active members and the College had 50 active members participating in the scheme.

The total USS pension cost for the College was £149,625 (2013: £159,217).

The contribution rate payable by the College was 16% of pensionable salary.

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 2014 was £117,959, excluding PHI premiums. The agreed contributions paid by the College are 11.33% of contribution.

TRINITY HALL

Notes to the Accounts



27. PENSION SCHEMES (Continued)

	30 Jun 2014	30 Jun 2013
The major assumptions used by the actuary were:		
Discount rate	4.2%	4.6%
Expected long-term rate of return on Scheme assets	6.2%	6.2%
Salary information assumption	2.8%	2.8%
RPI assumption	3.3%	3.3%
Pension increases (RPI linked)	2.3%	3.3%
CPI assumption	3.3%	2.3%

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

	30 Jun 2014	30 Jun 2013
	£	£
The amounts recognised in the balance sheet are as follows:		
Present value of Scheme liabilities	(11,176,682)	(9,910,607)
Market value of Scheme assets	6,966,551	6,652,591
Surplus/(Deficit)in Scheme as at 30 June	(4,210,131)	(3,258,016)
Related deferred tax asset	-	-
Net pension asset/(liability) as shown in College Balance Sheet at 30 June	(4,210,131)	(3,258,016)

The main reasons for worsening in the financial position are:

- changed in the FRS17 assumptions, mainly due to a lower discount rate assumption; and
- contributions over the year being less than required to meet the FRS17 calculated service cost.

	30 Jun 2014	30 Jun 2013
	£	£
The amounts recognised in profit and loss are as follows:		
Current service cost	235,555	191,203
Interest cost	456,330	388,610
Expected Return on Assets	(411,078)	(338,032)
Total	280,807	241,781
Actual Return on Assets	406,962	714,912

	30 Jun 2014	30 Jun 2013
	£	£
Changes in the present value of the Scheme liabilities are as follows:		
Present value of Scheme liabilities at beginning of period	9,910,607	8,290,330
Service cost (including employee's contributions)	378,350	347,013
Interest cost	456,330	388,610
Actuarial losses/(gains)	785,151	1,266,987
Benefits paid	(353,756)	(382,333)
Present value of Scheme liabilities at end of period	11,176,682	9,910,607

	30 Jun 2014	30 Jun 2013
Changes in the fair value of the Scheme assets are as follows:		
Market value of Scheme assets at beginning of period	6,652,591	6,035,150
Expected Return	411,078	338,032
Actuarial gains and (losses)	(4,116)	376,880
Contributions by College	117,959	129,052
Employee contributions	142,795	155,810
Benefits paid	(353,756)	(382,333)
Market value of Scheme assets at end of period	6,966,551	6,652,591

TRINITY HALL

Notes to the Accounts



27. PENSION SCHEMES (Continued)

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

	Percentage of total Scheme Assets 30 Jun 14	Percentage of total Scheme Assets 30 Jun 13	Percentage of total Scheme Assets 30 Jun 12
Equities and Hedge Funds	70%	68%	66%
Bonds & Cash	23%	24%	25%
Property	7%	8%	9%
Total	100%	100%	100%

Movement in surplus/(deficit) during the Scheme year ending 30 June 2014 (with comparative figures for the year ending 30 June 2013)

	30 Jun 14 £	30 Jun 13 £
Surplus/(deficit) in Scheme at beginning of the Scheme year	(3,258,016)	(2,255,180)
Service cost (Employer only)	(235,555)	(191,203)
Contributions paid by the College	117,959	129,052
Finance cost	(45,252)	(50,578)
Actuarial gain/(loss)	(789,267)	(890,107)
Surplus/(deficit) in Scheme at the end of the year	(4,210,131)	(3,258,016)

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

	30 Jun 14 £	30 Jun 13 £	30 Jun 12 £	30 Jun 11 £	30 Jun 10 £
Present value of Scheme liabilities	(11,176,682)	(9,910,607)	(8,290,330)	(7,634,812)	(8,015,582)
Market value of Scheme assets	6,966,551	6,652,591	6,035,150	6,646,698	5,594,596
Surplus/(deficit) in the Scheme	(4,210,131)	(3,258,016)	(2,255,180)	(988,114)	(2,420,986)
Actuarial return less expected return on Scheme assets	(4,116)	376,880	(1,155,872)	443,264	334,365
Experience gain/(loss) arising on Scheme liabilities	(12,947)	(27,492)	(127,636)	109,888	171,434
Changes in assumptions underlying present value of Scheme liabilities	(772,204)	(1,239,495)	(96,001)	881,139	(1,094,756)

The total pension cost, after personal health insurance contributions, for the year ended 30 June 2014 (see note 9) was as follows:

	30 Jun 14 £	30 Jun 13 £
USS: Contributions	149,625	159,217
CCFPS: Charged to income and expenditure account	280,807	241,781
CCGPPS: Contributions	18,606	11,036
Total	449,038	412,034



28. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS AND OTHER SIGNIFICANT INVESTMENTS

The College's investment in subsidiary undertakings represents 100% of the share capital of Aula Limited, Trinity Hall Residences (1) Limited, Aula Hospitality Limited and Aula (2) Ltd 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, £719,423 (2013: £870,806).