



TRINITY HALL  
CAMBRIDGE

ACCOUNTS FOR THE YEAR ENDED

30 June 2016

**TRINITY HALL**  
**Index to the accounts**  
**For the Year Ended 30 June 2016**



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**TRINITY HALL**  
**Governing Body and Advisers**  
**For the Year Ended 30 June 2016**

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**Governing Body**

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

**Registered charity number**  
1137458

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

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

**Bankers**  
**Barclays Bank plc**  
St Andrews Street  
Cambridge  
CB2 3AA

**Solicitors**  
**Birketts**  
22 Station Road  
Cambridge  
CB1 2JD

**Mills & Reeve**  
Botanic House  
98-100 Hills Road  
Cambridge  
CB2 1PH

**Principal Property Agents**  
**Savills**  
Unex House  
132-134 Hills Road  
Cambridge  
CB2 8PA



# TRINITY HALL

## Operating and Financial Review

### For the financial year ended 30 June 2016

#### 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 7.

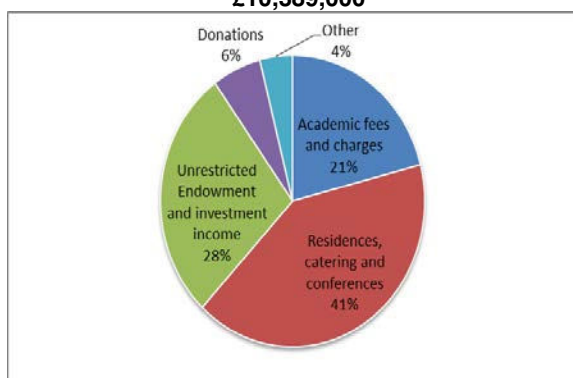
#### Overview of the Year

The major changes in this year's accounts arise from the overhaul in the Higher Education SORP by the introduction of the FRS 102 accounting standard. The impact of these changes is discussed in more detail later, however, behind the changes it has largely been a year of steady state.

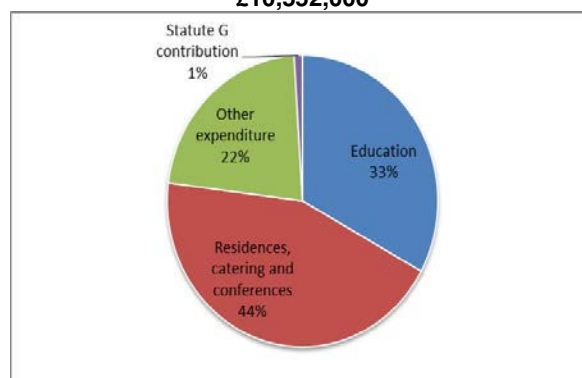
Academic fees were slightly higher, whilst education expenditure was marginally lower. Income from catering and conferences continues to make a growing contribution to our revenues. A tough year for investment markets impacted the growth of the endowment, which rose by a modest 3.3%, the positive return being due in the main to the continued strong performance of Cambridge & Counties Bank and the impact of the strong US\$ on our US\$ based investments. Income from donations appears disappointing, however, this line has been affected dramatically by the new requirement to show donations in their totality in the year they are recognised as being 'likely' to be received. On this basis, the generous donation from the WYNG Foundation towards the funding of our new WYNG Gardens student accommodation, which is due to be received at the rate of US\$ 1 million a year for five years, has had to be taken in full in last year's restated numbers.

Under the new format, the closest approach to the actual operating result can be seen by looking at the Unrestricted column in the new style Income and Expenditure Account. This year's numbers show a small deficit of £163,000 indicating that the College is broadly in balance and able to 'wash its face'.

**2015-16 Unrestricted Income**  
**£10,389,000**



**2015-16 Unrestricted Expenditure**  
**£10,552,000**





## Students

During the year, the College educated 376 undergraduate students and 253 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 five for deferred entry and eight to those who had applied with extenuating circumstances. The table below summarises the offers made by subject type and gender:

	Arts	Sciences	Overall
Men	24	40	64
Women	45	25	70
TOTAL	69	65	134

Including offers made to candidates who applied directly to Trinity Hall and candidates taken from the Pool, the College made offers to 71 applicants from Maintained schools, 41 from Independent schools and 22 from Other schools. Excluding schools in the Other category, 63% of all offers were made to applicants from the Maintained sector and 37% to those from Independent schools. 16% 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 assistance to those of limited financial means through the Cambridge Bursary Scheme, a scheme operated in common with the University. (For the academic year 2015-16, the number of awards made was 75, out of a Home/EU undergraduate population of 341 [22%]; 46 of the awards were at the maximum value of £3,500; and the average value of the awards was £2,803.) It is widely advertised on the University website, on college websites and in the Admissions Prospectus. In addition, the College provides further assistance to students through hardship grants and travel and long vacation residence awards.

To support the costs of graduate students, the College provides substantial financial assistance. This includes scholarships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages. (For the academic year 2015-16, £202,563 was spent on specific studentships for graduate students representing 51% of graduate fee income (£394,000)).

In addition to these specific awards the College supports its entire student body, both undergraduate and graduate, by subsidising their teaching and living arrangements with operational support from its endowment. This is taken annually as a dividend from the total return of investment assets. For the accounting year 2015-16 this figure exceeded £2.6 million; this support for every student of all classes equated to £4,850.



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

### **Academic performance**

In 2016, 26.7% of Trinity Hall candidates achieved first class honours, with a further 48.1% receiving a 2.1. A good number of Trinity Hall graduates continue to proceed to research fellowships and to other positions of academic distinction.

### **Broadening Access**

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the College, the College operates a wide-ranging outreach programme. The outreach programme includes an extensive schedule of visits to schools by the Schools Liaison 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 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; the same number as in 2014-15.

### **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**

Last year the first sentence of this section concluded that the profit made on our Science Park development and gift-aided to the College 'has made a mockery of the usefulness of the accounts'. I can barely begin to describe the total confusion occasioned by the latest wholesale overhaul in the Higher Education SORP by the introduction of FRS 102 (please see Note 29). Suffice it to say any comparability with previous years has been completely lost; the 2015 results have had to be heavily restated and a comprehensive reconciliation carried out. Anything that could transform last year's surplus of £3.3 million (itself a nonsense because of the need to include an investment outturn on the I&E) into one of £26 million was always going to be worrying, but the lunacy has not stopped there!

Our auditors have assured me that once we have got used to the new form of presentation, we will find the accounts clearer and more useful than in the past. I can see how splitting the old income and expenditure columns between unrestricted funds, restricted funds and endowments could be helpful. Unfortunately, changes made to the treatment of gains and losses on investments and pension movements, which are now captured on the I&E, are nonsensical to my mind. The endowment investments have nothing to do with operational management! It doesn't stop there, all donations whether spendable or destined for the endowment are now recognised as income. Here is the best part, all donations now have to be recognised when it is only 'likely' they will be received and there are no conditions to be met! This means that the entirety of the US\$5 million 'promise' from the WYNG Foundation which is due to be received at the rate of US\$1 million a year for five years (and which has helped towards the funding of our new WYNG Gardens accommodation), has had to be



taken in full in last years' restated numbers. This is the main driver for the need for the reconciliation which explains the restated figures, also to be found in Note 29. This counting of something long before it is even due to be received is reckless and makes a mockery of the actual financial position the College may find itself in.

If a line is drawn in the unrestricted column before investments and other gains, this should represent the closest approach to the actual operating result and most closely resembles the old I&E number before restricted or un-spendable monies were swept off. This figure will normally be a small deficit or surplus, suggesting the College is broadly in balance and able to 'wash its face'. Last year this did not work because of the gift-aided profit on our Science Park, without it we would have recorded a small deficit. For the year ended 30<sup>th</sup> June 2016, I am delighted to say it is a deficit of £163,000. This is the number I will be looking for in future – I am only sorry it is now so hard to find.

### **Restated 2015 numbers**

I have dealt with the reconciliation on last year's I&E above. Suffice it to say, the new rules produced a less profound change to the Balance Sheet. There were four main adjustments needed: the WYNG donation added £2.56 million (previously accounted as deferred capital grants, this creditor was added back), Trinity Hall's part of the USS (the academics' pension scheme) deficit has finally been quantified at £268,000, £44,000 was taken as an accrual for staff holiday pay not taken by year end, and, finally, £993,000 represented the cost of studentships, which now have to be recognised in full in the year of the offer of the grant. The overall effect of these changes was to advance last year's total of £243.15 million to a restated £244.40 million.

### **Income & Expenditure Account and Balance Sheet: Year Ended June 2016**

Academic fees were slightly higher, education expenditure very marginally lower. Residence, Catering and Conference show a modest deficit (at the margin, which is how we look at this from a management point of view, this activity continues to make a growing contribution to our revenues). Donations were only 23% of the previous year's restated total – an unfair comparison as 2015 was newly bloated with WYNG monies we will not receive for another two years! Some sort of accountancy-led dislocation in the space/time continuum, surely.

Trinity Hall's contribution to the College's Fund, the mechanism whereby 'less poor' colleges help support the endowment building efforts of 'more poor' members of the collegiate University has now reached £166,00, its highest ever figure. The near zero interest rate environment and very choppy markets have taken their toll on the investment performance of the CCFPS (college staff) pension scheme's portfolio. As a consequence, our net liability has widened by 10% to £5 million – we are already making annual special payments to close this gap over time. The depreciation charge has increased marginally.

Perhaps the most disappointingly small increase in the year was in the Consolidated Balance Sheet total. This only advanced 1.3% to £247.5 million which reflects the unusually poor performance of our investment portfolio in the period (see below).

### **Endowment and Investment Performance**

Last year I wrote: 'as usual, our equity managers outperformed their benchmarks. We have become so used to this, it no longer seems exceptional'. We should not be so blasé. In an exceptionally difficult and volatile market for world equities, especially in the period from January to June 2016, all our managers very unusually managed to underperform their already declining indices. Ironically, the dramatic fall in sterling following the Brexit vote right at the end of the financial year, helped our US\$ denominated funds – so much so, that one manager who was down 7.4% on the year actually returned a plus 8.7% performance in sterling! Sadly, most of our funds are still managed in our base currency.

The one highlight of the portfolio related to our version of private equity, namely the Cambridge & Counties Bank (CCB). CCB's financial reporting period is the calendar year, so final numbers will not be prepared until the audit in the New Year but developments of note are likely to include:

- Customer lending exceeding £500 million
- Turnover and profit before tax remaining in line with forecasts



- Staff numbers reaching 127
- Deposits at around £600 million
- CCB being ranked in the top 15 with a UK licence for Return on Equity (RoE) and profitability growth
- Still no losses being recorded

In addition, Net Interest Margin (NIM) has remained above 4% all year while our cost/income ratio has declined towards 35%. Although these metrics will be impossible to maintain as the pace of the Bank's growth inevitably slows, the outlook remains bright for our specialised sector of property lending, our new Asset Finance function has just won an industry 'newcomer' award, and we are still only just approaching 1% of the SME lending market by volume. CCB continues to make ambitious projections and to meet them.

CCB's excellent year has caused it to be our star performer for the second year running. Like last year, it has been revalued using Enterprise Value, the most conservative measure we could think of for an unquoted institution. This has had the effect of adding roughly £8 million to the value of our 50% shareholding. Overall, the College's investment assets have progressed from £176.26 million a year ago to £182 million, which after deduction of our £25 million long-term borrowing, produces a wealth of £157 million.

### **New Private Placement and Outlook**

Although it is something that has happened since our financial year end, I feel I should mention that the Investment Committee resolved to take advantage of the dislocation of the Gilt market in the aftermath of the referendum. Pricing in August, when yields were at their lowest, we were able to borrow £15 million with a forty year bullet maturity and a coupon of just under 2%. In retrospect, the timing was perfect, and were we to attempt the same transaction now, it is hard to imagine obtaining a rate much below 3%.

We have borrowed this money to invest, specifically to add to our property holdings as this area is deemed underweight, certainly compared with our peers. Next year, I hope to report what we have done with the money and how the income produced through its investment further validates and supports Trinity Hall's academic mission and our burgeoning contribution to the wider University.

On behalf of the Governing Body  
Paul folkes Davis  
1 November 2016





## **TRINITY HALL**

### **Corporate Governance and Public Benefit Statement**

#### **Governance**

The Master and Fellows constitute the Governing Body of the College, to whose meetings are invited Junior Member representatives (for unrestricted business). The Governing Body is constituted and regulated in accordance with the College Statutes. The body is responsible for the strategic direction of the College, for its on-going administration, and for the management of its finances and assets. Meetings are held eight times a year under the chairmanship of the Master. Supporting the Governing Body is a range of committees and advisory groups including: Finance, Fellowship, Investment, Development, Education Policy, PREVENT and Buildings and Health & Safety. Responsibilities of the Governing Body are more fully described on page 9.

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

There is a Register of Interests of Trustees and declarations of interest are made systematically at all meetings.

#### **Investment policy**

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

Asset classes that can be held include, but are not limited to: UK and international large, medium and small cap equities, and unit trusts and investment trusts comprising these, property (held both directly and indirectly), fixed income instruments, hedge funds, private equity and venture capital funds, soft and hard commodities funds, all forms of derivatives and financial futures, and cash.

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

#### **Risk assessment**

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

#### **Environmental policy**

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

#### **Equal opportunities**

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



### **Public benefit statement**

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

#### **Education:**

- The College provides, in conjunction with the University of Cambridge, an education for some 630 undergraduate and graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society.
- The provision of teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems.
- Social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

#### **Research:**

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

The College carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular the College:

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

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

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



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

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

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

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

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

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

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

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

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

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



We have audited the financial statements of Trinity Hall for the year ended 30 June 2016 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Shanges in Reserves, the Consolidated and College Balance Sheets, 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 College's Governing Body, as a body, in accordance with the College's Statutes and the Statutes of the University of Cambridge and with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's Governing Body those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the College's Governing Body and auditors**

As explained more fully in the Governing Body's Responsibilities Statement set out on page 9, 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 154 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 Financial Reporting Council's Ethical Standard for Auditors.

#### **Scope of the audit of financial statements**

An audit involves 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 and non-financial information in the Operating and Financial Review to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 of the state of the College and the Group's affairs as at 30 June 2016 and of its Consolidated Statement of Comprehensive Income and Expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been 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.

## **TRINITY HALL**

### **Independent Auditors' Report to the Governing Body of Trinity Hall For the Year Ended 30 June 2016**

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#### **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 Statutory Auditors

#### **CAMBRIDGE**

**Date: 22 December 2016**

Peters Elworthy & Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



#### **Basis of preparation**

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

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

#### **Basis of accounting**

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

#### **Basis of consolidation**

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 26. Intra-group balances are eliminated on consolidation. The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

#### **Recognition of income**

##### **Academic fees**

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

##### **Donations and endowments**

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

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

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

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

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

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

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

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

#### **Total Return**

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

Investment fund income taken to the income and expenditure account under the recognition of income on a total return basis is calculated at 3.5% (2015:3.5%) of an average of the market value of the investment assets. The long dated borrowing fund total return is calculated to ensure fund income matches the fund expenditure.

#### **Cambridge Bursary Scheme**

In 2015-16, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, Cambridge University reimbursed the SLC for the full amount and each College paid their portion (based on their own eligible students) to the University.

However, to remain consistent with previous years' presentation as well as the system agreed for 2016-17 (where the College pays Cambridge Bursaries to eligible students, via the SLC, and receives a contribution from the University), for 2015-16 the College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges", although strictly speaking this was not a College transaction for this year.

The net payment of £93,151 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income	(see note 1)	£133,785
Expenditure		£226,936

#### **Foreign currency translation**

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

#### **Other income**

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



#### ***Endowment and investment income***

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

#### **Tangible fixed assets**

##### ***Land and buildings***

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

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

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

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

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

##### ***Maintenance of premises***

The College has a rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to the income and expenditure account as it is incurred or capitalised and depreciated over the useful economic life of the asset concerned.

##### ***Equipment and motor vehicles***

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

Furniture and fittings	10% per annum
Motor vehicles	20% per annum
Plant and equipment	5%-20% per annum
Computer equipment	33% per annum

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

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

##### ***Leased assets***

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

##### ***Heritage assets***

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Acquisitions of heritage assets have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. The College does not consider that it holds any assets that should be classified as heritage assets.

##### **Shared Equity Scheme Debtors**

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

##### **Investments**

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

##### **Stocks**

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



### **Provisions**

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

### **Taxation**

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

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

### **Contribution under Statute G,II**

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

### **Pension Schemes**

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

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

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

### **Employment benefits**

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

### **Transition to the 2015 RCCA**

The College is preparing its financial statements in accordance with 2015 RCCA for the first time, amended for the adoption of FRS 102, and consequently has applied the first time adoption requirements. An explanation of how the transition to the 2015 RCCA has affected the reported financial position, financial performance and cash flows of the consolidated results of the College is provided in note 29.

### **Reserves**

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

### **Critical accounting judgements**

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



**TRINITY HALL**  
**Consolidated Statement of Comprehensive Income and Expenditure Account**  
**For the Year Ended 30 June 2016**



		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
		Year Ended 30 June 16	Year Ended 30 June 16	Year Ended 30 June 16	Year Ended 30 June 16	Year Ended 30 June 15	Year Ended 30 June 15	Year Ended 30 June 15	Year Ended 30 June 15
	Note	£000	£000	£000	£000	£000	£000	£000	£000
<b>INCOME</b>									
Academic fees and charges	1	2,220	142		2,362	2,120	134		2,254
Residence, catering and conferences	2	4,295			4,295	4,075			4,075
Endowment return transferred	3	2,731	1,760	(4,491)	0	2,622	1,635	(4,257)	0
Other investment income	3	130		3,759	3,889	55		3,537	3,592
Other income	5	414			414	12,212	6		12,218
<b>Total income before donations and endowments</b>		9,791	1,902	(731)	10,961	21,084	1,775	(720)	22,139
Donations	4	598	134		733	896	91		987
<b>Deferred capital write back</b>		-			-	(83)			(83)
New endowments				227	227			212	212
Capital grants from colleges fund					-				-
Other capital grants for assets	4		397		397		3,854		3,854
<b>Total Income</b>		10,389	2,433	(504)	12,318	21,897	5,720	(508)	27,110
<b>EXPENDITURE</b>									
Education	6	3,480	1,521		5,000	3,746	1,323		5,070
Residence, catering and conferences	7	4,625			4,625	4,492			4,492
Other Expenditure	8	2,363		460	2,824	11,014		631	11,645
Contribution under statute G.II		84	82		166	65	75		140
<b>Total expenditure</b>		10,552	1,602	460	12,615	19,317	1,398	631	21,346
<b>Surplus (deficit) before other gains and losses</b>		(163)	831	(965)	(297)	2,580	4,322	(1,139)	5,764
Gains/(loss) on disposal of fixed assets									
Gains/(loss) on investments		1,275	156	2,295	3,727	16,024	330	3,857	20,211
<b>Surplus (deficit) for the year</b>		1,112	987	1,331	3,430	18,604	4,653	2,718	25,975
<b>Other comprehensive income</b>									
Unrealised surplus on revaluation of fixed assets									
Actuarial (loss) in respect of pension schemes		(284)			(284)	89			89
<b>Total comprehensive income for the year</b>		828	987	1,331	3,146	18,693	4,653	2,718	26,064

**TRINITY HALL**  
**Consolidated Balance Sheet**  
**As at 30 June 2016**



		30 June 16	30 June 15
	Note	£000	£000
<b>Non Current Assets</b>			
Fixed assets	10	94,970	88,229
Investments	11	182,011	176,255
		<u>276,981</u>	<u>264,484</u>
<b>Current assets</b>			
Stock		327	299
Debtors	12	5,331	4,997
Cash	13	10,017	25,294
		<u>15,674</u>	<u>30,590</u>
<b>Creditors: amounts falling due within one year</b>	14	(4,266)	(5,603)
<b>Net current assets</b>		<u>11,408</u>	<u>24,987</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(35,800)	(40,498)
<b>Net assets excluding pension liability</b>		<u>252,589</u>	<u>248,973</u>
Pension Liability	16	(5,048)	(4,578)
<b>Net assets including pension asset/(liability)</b>		<u><u>247,541</u></u>	<u><u>244,395</u></u>
<b>Represented by:</b>		<b>Total</b>	<b>Total</b>
		<b>30 June 16</b>	<b>30 June 15</b>
		<b>£</b>	<b>£</b>
<b>Restricted Reserves</b>			
Income and expenditure reserve-endowment reserve (Restricted)		46,269	45,054
Income and expenditure reserve-restricted reserve		10,586	10,213
		<u>56,855</u>	<u>55,267</u>
<b>Unrestricted Reserves</b>			
Income and expenditure reserve-unrestricted		190,686	189,128
<b>TOTAL RESERVES</b>		<u><u>247,541</u></u>	<u><u>244,395</u></u>

The financial statements were approved by the Governing Body on 01 November 2016 and signed on its behalf by:

.....  
P folkes Davis  
Bursar

**TRINITY HALL**  
**College Balance Sheet**  
**As at 30 June 2016**



		30 June 16	30 June 15
	Note	£000	£000
<b>Non Current Assets</b>			
Fixed assets	10	95,350	88,328
Investments	11	177,547	171,931
		<u>272,896</u>	<u>260,259</u>
<b>Current assets</b>			
Stock		327	299
Debtors	12	8,492	15,280
Cash	13	6,319	7,301
		<u>15,138</u>	<u>22,880</u>
<b>Creditors: amounts falling due within one year</b>	14	(2,560)	(2,384)
<b>Net current assets</b>		<u>12,578</u>	<u>20,496</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(35,800)	(35,000)
<b>Net assets excluding pension liability</b>		<u>249,674</u>	<u>245,755</u>
Pension Liability	16	(5,048)	(4,578)
<b>Net assets including pension asset/(liability)</b>		<u><u>244,626</u></u>	<u><u>241,177</u></u>
<b>Represented by:</b>		<b>Total</b>	<b>Total</b>
		<b>30 June 16</b>	<b>30 June 15</b>
<b>Restricted Reserves</b>			
<b>Restricted Reserves</b>			
Income and expenditure reserve-endowment reserve (Restricted)		46,269	45,054
Income and expenditure reserve-restricted reserve		10,586	10,213
		<u>56,855</u>	<u>55,267</u>
<b>Unrestricted Reserves</b>			
Income and expenditure reserve-unrestricted		187,771	185,910
<b>TOTAL RESERVES</b>		<u><u>244,626</u></u>	<u><u>241,177</u></u>

The financial statements were approved by the Governing Body on 01 November 2016 and signed on its behalf by:

.....  
P folkes Davis  
Bursar

**TRINITY HALL**  
**Consolidated Statement of Changes in Reserves**  
**For the Year Ended 30 June 2016**



	INCOME AND EXPENDITURE RESERVE			
STATEMENT OF CHANGE IN RESERVES	Unrestricted	Restricted	Endowment	TOTAL
	£000	£000	£000	£000
<b>BALANCE AT 01 JULY 2015</b>	189,128	10,213	45,054	244,395
Surplus/(Deficit) from income and expenditure statement	1,112	987	1,331	3,430
Other comprehensive income	(284)			(284)
Release of restricted capital funds spent in the year				-
Transfers between revaluation and income and expenditure reserve	729	(613)	(117)	0
				-
<b>BALANCE AT 30TH JUNE 2016</b>	<b>190,686</b>	<b>10,586</b>	<b>46,269</b>	<b>247,541</b>

	INCOME AND EXPENDITURE RESERVE			
STATEMENT OF CHANGE IN RESERVES	Unrestricted	Restricted	Endowment	TOTAL
	£000	£000	£000	£000
<b>BALANCE AT 01 JULY 2014</b>	168,044	5,561	42,336	215,942
Prior Year Adjustment: deferred capital opening balance	2,390			2,390
Surplus/(Deficit) from income and expenditure statement	18,604	4,653	2,718	25,975
Other comprehensive income	89			89
Release of restricted capital funds spent in the year				-
Transfers between revaluation and income and expenditure reserve				-
				-
<b>BALANCE AT 30TH JUNE 2015</b>	<b>189,128</b>	<b>10,213</b>	<b>45,054</b>	<b>244,395</b>

**TRINITY HALL**  
**Consolidated Cash Flow Statement**  
**For the Year Ended 30 June 2016**



		<b>Year Ended 30 June 16</b>	<b>Year Ended 30 June 15</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	20	(2,895)	10,143
<b>Cash flows from investing activities</b>	21	(6,275)	6,838
<b>Contribution to colleges fund</b>		(166)	(140)
<b>Cash flows from financing activities</b>	21	(5,941)	4,028
<b>(Decrease)/Increase in cash and cash equivalents in year</b>		<u>(15,278)</u>	<u>20,870</u>
Cash and cash equivalents at the beginning of the year		25,294	4,424
<b>Cash and cash equivalents at the end of the year</b>	22	<u><u>10,017</u></u>	<u><u>25,294</u></u>



**1. ACADEMIC FEES AND CHARGES**

College fees:

Fee income received at the regulated Undergraduate rate	1,522	1,474
Fee income received at the unregulated Undergraduate rate	286	244
Fee income received at the Graduate rate	394	376
Other income	26	13
	<u>2,228</u>	<u>2,106</u>

Cambridge Bursaries Income

30 Jun 16 £000	30 Jun 15 £000
134	147
<u>2,362</u>	<u>2,254</u>

**2. RESIDENCES, CATERING AND CONFERENCES INCOME**

Accommodation	College Members	1,913	1,878
	Conferences	507	440
Catering	College Members	1,118	1,083
	Conferences	758	674
		<u>4,295</u>	<u>4,075</u>

**3. ENDOWMENT AND INVESTMENT INCOME**

**3a. Analysis**

Income from:

Non-investment fund	130	55
Investment fund total return	4,491	4,257
	<u>4,621</u>	<u>4,312</u>

Total 30 Jun 16 £000	Total 30 Jun 15 £000
130	55
4,491	4,257
<u>4,621</u>	<u>4,312</u>

**3b. Summary of total return**

Endowment income from:

Assets included in the Investment fund	3,759	3,537
Assets not included in the Investment fund	130	55
Gains/(losses) on Endowment Assets:		
Land and buildings	1,760	2,040
Quoted and other securities and cash	2,047	18,080
	<u>7,696</u>	<u>23,712</u>

**Total return for the year**

Total return transferred to the income and expenditure account (see note 3a)

Total return transferred to the Balance Sheet (Boat Club & St Edwards)

Investment managers costs (see note 3c)

**Unapplied Total Return for the year included within the  
Statement of Total Recognised Gains and Losses (see note 21)**

30 Jun 16 £000	30 Jun 15 £000
3,759	3,537
130	55
1,760	2,040
2,047	18,080
<u>7,696</u>	<u>23,712</u>
(4,621)	(4,312)
(80)	(80)
(460)	(631)
<u>2,535</u>	<u>18,690</u>

**3c. Investment management costs**

Investment management costs

30 Jun 16 £000	30 Jun 15 £000
460	631
<u>460</u>	<u>631</u>

**4. DONATIONS**

Unrestricted donations	598	813
Restricted donations	531	3,946
	<u>1,129</u>	<u>4,758</u>

30 Jun 16 £000	30 Jun 15 £000
598	813
531	3,946
<u>1,129</u>	<u>4,758</u>



**5. OTHER INCOME**

	<b>30 Jun 16</b>	<b>30 Jun 15</b>
	<b>£000</b>	<b>£000</b>
Other income	414	12,218
	<u>414</u>	<u>12,218</u>

**6. EDUCATION EXPENDITURE**

	<b>30 Jun 16</b>	<b>30 Jun 15</b>
	<b>£000</b>	<b>£000</b>
Teaching	2,183	2,121
Tutorial	578	559
Admissions and Access	384	418
Research	539	508
Scholarships and Awards	648	763
Other Educational Facilities	668	700
	<u>5,000</u>	<u>5,070</u>

**7. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE**

	<b>30 Jun 16</b>	<b>30 Jun 15</b>
	<b>£000</b>	<b>£000</b>
Accommodation	2,061	2,079
College Members	545	482
Conferences (incl. marketing costs)	1,205	1,198
Catering	814	733
College Members		
Conferences		
	<u>4,625</u>	<u>4,492</u>

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

**8a. ANALYSIS OF EXPENDITURE BY ACTIVITY 2016**

	<b>Note</b>	<b>Staff &amp; Fellows Payroll Costs (Note 9) £000</b>	<b>Depreciation (Note 10) £000</b>	<b>Other Operating Expenses £000</b>	<b>Total £000</b>
Education	6	2,443	364	2,193	5,000
Residences, Catering and Conferences	7	2,520	1,029	1,076	4,625
Other	8c	539	-	1,824	2,363
		<u>5,502</u>	<u>1,393</u>	<u>5,094</u>	<u>11,988</u>

**8b. ANALYSIS OF EXPENDITURE BY ACTIVITY 2015**

	<b>Note</b>	<b>Staff &amp; Fellows Payroll Costs (Note 9) £000</b>	<b>Depreciation (Note 10) £000</b>	<b>Other Operating Expenses £000</b>	<b>Total £000</b>
Education	6	2,483	350	2,236	5,070
Residences, Catering and Conferences	7	2,402	987	1,103	4,492
Other	8c	468	-	10,545	11,014
		<u>5,353</u>	<u>1,337</u>	<u>13,884</u>	<u>20,575</u>

**8c. OTHER EXPENDITURE**

	<b>30 Jun 16</b>	<b>30 Jun 15</b>
	<b>£000</b>	<b>£000</b>
Investment and property management		
Third party costs	208	145
Internal costs	169	151
	<u>378</u>	<u>296</u>
Long dated borrowing interest and set-up charges	1,220	1,215
Fundraising	582	523
Alumni	59	26
Miscellaneous	123	8,954
	<u>2,363</u>	<u>11,014</u>



**8d. AUDITORS REMUNERATION**

Other operating expenses include:

Audit fees payable to the College's external auditors

30 Jun 16 £000	30 Jun 15 £000
13	13
<u>13</u>	<u>13</u>

**9. STAFF COSTS**

	College Fellows & Fellow Commoners 30 Jun 16 £000	Non - Academics 30 Jun 16 £000	Total 30 Jun 16 £000	Total 30 Jun 15 £000
<b>Staff Costs*</b>				
Emoluments	1,324	3,257	4,581	4,426
Social Security Costs	78	241	319	296
Other Pension Costs	116	487	602	633
	<u>1,518</u>	<u>3,984</u>	<u>5,503</u>	<u>5,355</u>
 Average Staff Numbers				
Academic	59	-	59	55
Non-Academics	-	135	135	135
Fellow Commoners	13		13	13
	<u>72</u>	<u>135</u>	<u>207</u>	<u>203</u>

\*\* The full-time equivalent number for non-academic employees for 15/16 is 118

The number of officers and employees of the College, including Head Of House, who received emoluments in the following ranges was:

	30 Jun 16 £000	30 Jun 15 £000
£100,000-£110,000	1	0
£110,001-£120,000	0	0

**Key management personnel**

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

	30 Jun 16 £000	30 Jun 15 £000
Key management personnel	<u>378</u>	<u>434</u>

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





**10. FIXED ASSETS Group**

<b>Tangible Assets</b>	<b>Land &amp; Buildings £000</b>	<b>Equipment £000</b>	<b>Heritage assets £000</b>	<b>30 Jun 16 Total £000</b>	<b>30 Jun 15 Total £000</b>
<b>Cost or valuation</b>					
At the beginning of the year	79,768	12,999	-	92,767	89,123
Additions	7,981	152	-	8,133	3,643
Disposals at Cost/Valuation	-	-	-	-	-
Transfer to Investment assets	-	-	-	-	-
Revaluation During the Year	-	-	-	-	-
At the end of the year	<u>87,749</u>	<u>13,151</u>	<u>-</u>	<u>100,900</u>	<u>92,766</u>
<b>Depreciation</b>					
At the beginning of the year	3,293	1,244	-	4,537	3,200
Provided for the year	1,180	213	-	1,393	1,337
At the end of the year	<u>4,473</u>	<u>1,457</u>	<u>-</u>	<u>5,930</u>	<u>4,537</u>
<b>Net Book value</b>					
At the end of the year	<u>83,276</u>	<u>11,694</u>	<u>-</u>	<u>94,970</u>	<u>88,229</u>
At the beginning of the year	<u>76,475</u>	<u>11,755</u>	<u>-</u>	<u>88,229</u>	<u>85,923</u>

**10. FIXED ASSETS College**

<b>Tangible Assets</b>	<b>Land &amp; Buildings £000</b>	<b>Equipment £000</b>	<b>Heritage assets £000</b>	<b>30 Jun 16 Total £000</b>	<b>30 Jun 15 Total £000</b>
<b>Cost or valuation</b>					
At the beginning of the year	79,867	12,999	-	92,866	89,158
Additions	8,263	152	-	8,414	3,707
Disposals at Cost/Valuation	-	-	-	-	-
Transfer to Investment assets	-	-	-	-	-
Revaluation During the Year	-	-	-	-	-
At the end of the year	<u>88,129</u>	<u>13,151</u>	<u>-</u>	<u>101,280</u>	<u>92,865</u>
<b>Depreciation</b>					
At the beginning of the year	3,293	1,244	-	4,537	3,200
Provided for the year	1,180	213	-	1,393	1,337
Eliminated on Disposal	-	-	-	-	-
At the end of the year	<u>4,473</u>	<u>1,457</u>	<u>-</u>	<u>5,930</u>	<u>4,537</u>
<b>Net Book value</b>					
At the end of the year	<u>83,656</u>	<u>11,693</u>	<u>-</u>	<u>95,350</u>	<u>88,328</u>
At the beginning of the year	<u>76,573</u>	<u>11,755</u>	<u>-</u>	<u>88,328</u>	<u>85,958</u>

The insured value of freehold land and buildings as at 30 June 2016 was £131,214,992  
Land and buildings are valued at depreciated replacement cost.  
The valuation on 30th June 2012 was carried out by Gerald Eve, Chartered Surveyors.



**11. FIXED ASSETS INVESTMENTS AND ENDOWMENT ASSETS**

**11 Total Investment Assets**

	<b>30 Jun 16</b>	<b>30 Jun 15</b>	<b>30 Jun 16</b>	<b>30 Jun 15</b>
	<b>Group</b>	<b>Group</b>	<b>College</b>	<b>College</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance as at 1 July 2015	176,255	167,218	171,931	161,016
Additions	33,911	30,775	33,770	30,221
Disposals	(34,406)	(38,063)	(34,406)	(35,446)
Appreciation on revaluation	4,185	16,557	4,185	16,372
Loan from general reserves	-	1,197	-	1,197
Decrease in Cash Balances	2,066	(1,429)	2,066	(1,429)
Balance as at 30 June 2016	<u>182,011</u>	<u>176,255</u>	<u>177,547</u>	<u>171,931</u>
Represented by:				
Freehold Land and Buildings	24,722	22,425	21,394	19,095
Quoted Securities - Equities	96,606	101,472	95,703	100,678
Quoted Securities - Indirect Property	717	759	717	759
Alternative Investments	29,963	31,263	28,817	30,259
Unquoted Securities - Equities	26,652	19,051	26,652	19,051
Investment in Subsidiary Undertakings	-	-	913	804
Cash held at Brokers	3,352	1,285	3,352	1,285
	<u>182,011</u>	<u>176,255</u>	<u>177,547</u>	<u>171,931</u>



	30 Jun 16 Group £000	30 Jun 15 Group £000	30 Jun 16 College £000	30 Jun 15 College £000
<b>12. DEBTORS</b>				
Members of the college	53	39	53	39
Amounts due from Subsidiary Undertaking	0	-	3,725	10,461
Other Debtors	4,865	4,530	4,303	4,352
Prepayments and accrued income	412	428	412	428
	<u>5,331</u>	<u>4,997</u>	<u>8,492</u>	<u>15,280</u>

<b>13. CASH</b>				
Bank Deposits	8,977	25,259	5,279	7,266
Current Accounts	1,039	34	1,039	34
Cash in Hand	1	1	1	1
	<u>10,017</u>	<u>25,294</u>	<u>6,319</u>	<u>7,301</u>

<b>14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Overdrafts	-	11	-	-
Trade creditors	408	449	408	426
Members of the College	61	67	61	67
Contribution to Colleges Fund	166	140	166	140
Accruals and deferred income	1,665	1,933	1,665	1,249
Other	1,966	3,003	260	502
	<u>4,266</u>	<u>5,603</u>	<u>2,560</u>	<u>2,384</u>

<b>15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>				
Barclays Bank loans (Investment borrowing)	25,000	25,000	25,000	25,000
Cambridge Colleges Bond Issue (operational borrowing)	10,000	10,000	10,000	10,000
RBS Loan	-	5,498	-	-
Deferred Income	800	-	800	-
	<u>35,800</u>	<u>40,498</u>	<u>35,800</u>	<u>35,000</u>

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

The RBS loan was novated to Aula Ltd in 2015/16. This was repaid by Aula Ltd In July 2015.

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

<b>16. PENSION LIABILITIES</b>	<b>CCFPS 2016</b>	<b>USS 2016</b>	<b>Total 2016</b>	<b>Total 2015</b>
Balance at the beginning of the year CCFPS	(4,310)	(268)	(4,578)	(4,360)
Recognised in profit and loss	(434)	(154)	(588)	(577)
Contributions paid by the College	245	157	402	271
Actuarial gain/(loss) recognised in OCI	(284)	-	(284)	89
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at the end of the year CCFPS	<u>(4,783)</u>	<u>(265)</u>	<u>(5,048)</u>	<u>(4,578)</u>



**17. ENDOWMENT FUNDS**

<b>Group and College</b>	<b>Restricted permanent Endowments £000</b>	<b>30 Jun 16 Total £000</b>	<b>30 Jun 15 Total £000</b>
<b>Balance at the beginning of the year:</b>			
Balance at the beginning of the year	45,054	45,054	42,335
New endowments received	227	227	212
Transfers	(117)	(117)	-
Increase in the market value of investments	1,104	1,104	2,507
<b>Balance at the end of the year</b>	<b>46,269</b>	<b>46,269</b>	<b>45,054</b>
<b>Representing</b>			
Fellowship funds	14,939	14,939	14,578
Scholarship funds	11,375	11,375	11,176
Prize funds	783	783	764
Hardship funds	4,125	4,125	4,292
Travel grant funds	1,994	1,994	1,946
Other funds	13,053	13,053	12,298
	<b>46,269</b>	<b>46,269</b>	<b>45,054</b>



<b>18. RESTRICTED RESERVES</b>	<b>Capital grants unspent</b>	<b>Permanent Unspent and other Restricted Income</b>	<b>Restricted expendable endowment</b>	<b>30 Jun 16 Total</b>	<b>30 Jun 15 Total</b>
<b>Group and College</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at the beginning of the year:</b>					
Balance at the beginning of the year	3,854	4,546	1,813	10,213	5,560
Capital			1,757	1,757	1,715
Unspent income	3,854	4,546	56	8,456	3,845
	<u>3,854</u>	<u>4,546</u>	<u>1,813</u>	<u>10,213</u>	<u>5,560</u>
Income receivable from endowment asset investments	-	1,678	82	1,760	1,635
New Donations	397	20	257	674	4,086
Expenditure	(22)	(1,373)	(209)	(1,603)	(1,398)
Transfers	(729)		117	(612)	
Increase in the market value of investments	-	111	44	156	329
<b>Balance at the end of the year</b>	<u><u>3,500</u></u>	<u><u>4,982</u></u>	<u><u>2,104</u></u>	<u><u>10,586</u></u>	<u><u>10,213</u></u>
<b>Comprising:</b>					
Capital			2,048	2,048	1,757
Unspent income	3,500	4,982	56	8,538	8,456
Balance at the end of the year	<u><u>3,500</u></u>	<u><u>4,982</u></u>	<u><u>2,104</u></u>	<u><u>10,586</u></u>	<u><u>10,213</u></u>
<b>Representing</b>					
Fellowship funds	-	1,823	88	1,911	1,626
Scholarship funds	-	1,121	431	1,553	1,684
Prize funds	-	98	27	125	837
Hardship funds	-	225	112	336	240
Travel grant funds	-	143	17	160	115
Other funds	3,500	1,572	1,429	6,502	5,711
	<u><u>3,500</u></u>	<u><u>4,982</u></u>	<u><u>2,104</u></u>	<u><u>10,586</u></u>	<u><u>10,213</u></u>

## 19. Memorandum of Unapplied Total Return

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

	<b>30 Jun 16 Total £000</b>	<b>30 Jun 15 Total £000</b>
Unapplied Total Return at the beginning of the year	111,349	92,659
Unapplied Total Return for the year (see note 3b)	2,535	18,690
Unapplied Total Return at the end of the year	<u><u>113,884</u></u>	<u><u>111,349</u></u>



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

		Year Ended 30 June 16 £000	Year Ended 30 June 15 £000
	Note		
Surplus for the year		3,146	26,064
<b>Adjustment for non-cash items</b>			
Depreciation of tangible fixed assets	10	1,393	1,337
(Gain)/loss on endowments, donations and investment property		(4,185)	(16,557)
Pension costs less contributions payable		470	218
(Increase)/Decrease in stocks		(28)	(24)
(Increase)/Decrease in debtors		(334)	(1,423)
Increase/(Decrease) in creditors		(537)	2,899
Contribution to College Fund		166	140
<b>Adjustment for investing or financing activities</b>			
Investment income		(3,889)	(3,592)
Interest payable		443	450
Interest receivable		-	-
Investment costs		460	631
<b>Net Cash flow from Operating Activities</b>		<u>(2,895)</u>	<u>10,143</u>

**21. CASH FLOWS FROM INVESTING ACTIVITIES**

Non-current investment disposal	32,340	38,295
Inflation swap disposal	-	-
Investment income	3,889	3,592
Investment costs	(460)	(631)
Endowment funds invested	(33,911)	(30,775)
Inflation swap invested	-	-
Payments made to acquire non-current assets	(8,133)	(3,643)
<b>Net cash flows from investing activities</b>	<u>(6,275)</u>	<u>6,838</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Bank loan acquired	15	(5,498)	4,478
Cambridge Colleges Bond Issue interest paid		(443)	(450)
<b>Net cash flows from financing activities</b>		<u>(5,941)</u>	<u>4,028</u>

**22. Analysis of cash and bank balances**

	At the beginning of the year £000	Cash Flows £000	At the end of the year £000
Cash at bank and in hand	25,294	(15,278)	10,017
<b>Net funds</b>	<u>25,294</u>	<u>(15,278)</u>	<u>10,017</u>



## 23. CAPITAL COMMITMENTS

	30 Jun 16	30 Jun 15
	£000	£000
Capital commitments at 30 June 2016 are as follows:		
Authorised and contracted	2,200	7,100
Authorised but not yet contracted for	-	3,000

## 24. FINANCIAL COMMITMENTS

At 30 June 2016 the College had no annual commitments under non-cancellable operating leases.

## 25. PENSION SCHEMES

The College participates in two defined benefit pension schemes, the Universities Superannuation Scheme (USS) (until 31 March 2016) and the Cambridge Colleges Federated Pension Scheme (CCFPS) and two defined contribution schemes, The Cambridge Colleges Group Personal Pension Scheme (CCGPPS) and NEST. The total pension cost for the period was £602,319 (2015: £632,759)

### University Superannuation Scheme

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

The total cost charged to the profit and loss account is £154,935 (2015: £266,189) as shown in notes 9.

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



## 25. PENSION SCHEMES (Continued)

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

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

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

	2016	2015
Discount rate	3.6%	<b>3.3%</b>
Pensionable salary growth	n/a	3.5%
Price inflation (CPI)	2.2%	2.2%

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

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

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

	2016	2015
Males currently aged 65	24.3	24.2
Females currently aged 65	26.5	26.4
Males currently aged 45	26.4	26.3
Females currently aged 45	28.8	28.7

Existing benefits	2016	2015
scheme assets	£49.8bn	£49.1bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%





## 25. PENSION SCHEMES (Continued)

### Cambridge Colleges Federated Pension Scheme

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

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

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

The major assumptions used by the actuary were:

	30 June 2016	30 June 2015
Discount rate	2.80%	3.70%
Increase in salaries	2.40%	2.75%
RPI assumption	2.90%	3.25%
CPI assumption	1.90%	2.25%
Pension increases in payment (RPI Max 5% p.a.)	2.70%	3.05%
Pension increases in payment (CPI Max 2.5% p.a.)	1.70%	n/a

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI\_2015 future improvement factors and a long term rate of future improvement of 1% p.a. (2015: same table with CMI\_2014 future improvement factors and a long term future improvement rate of 1% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years
- Female age 65 now has a life expectancy of 23.90 years
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years
- Female age 45 now and retiring in 20 years has a life expectancy of 25.4 years

### Employee Benefit Obligations

The amounts recognised in the balance sheet are as follows

	30 June 2016 £000	30 June 2015 £000
Present value of Scheme liabilities	(14,130)	(12,214)
Market value of Scheme assets	9,348	7,904
<b>Net defined benefit asset/(liability)</b>	<b>(4,783)</b>	<b>(4,310)</b>

The amounts recognised in profit or loss are as follows:

	30 June 2016 £000	30 June 2015 £000
Current service cost	273	273
Interest on net defined benefit (asset)/liability	160	178
<b>Total</b>	<b>434</b>	<b>451</b>

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

	30 June 2016 £000	30 June 2015 £000
Present value of plan liabilities at beginning of period	12,214	11,177
Current service cost (including employee's contributions)	406	408
Interest on plan liabilities	455	472
Actuarial losses/(gains)	1,337	435
Benefits paid	(281)	(279)
<b>Present value of plan liabilities at end of period</b>	<b>14,130</b>	<b>12,214</b>

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

	30 June 2016 £000	30 June 2015 £000
Market value of plan assets at beginning of period	7,904	6,967
Interest on plan assets	294	294
Return on assets, less interest included in profit and loss	1,053	664
Contributions by College	245	123
Employee contributions	133	135
Benefits paid	(281)	(279)
<b>Market value of plan assets at end of period</b>	<b>9,348</b>	<b>7,904</b>
Actual return on plan assets	1,347	958



## 25. PENSION SCHEMES (Continued)

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

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

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

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

	30 June 2016	30 June 2015
Actual return less expected return on plan assets	1,053	664
Experience gains and losses arising on plan liabilities	11	102
Changes in assumptions underlying the present value of plan liabilities	(1,348)	(537)
<b>Actuarial gain/(loss) recognised in OCI</b>	<u><b>(284)</b></u>	<u><b>229</b></u>

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

	30 June 2016 £000	30 June 2015 £000
Surplus/(deficit) in plan at beginning of year	(4,310)	(4,210)
Recognised in profit and loss	(434)	(311)
Contributions paid by the College	245	123
Actuarial gain/(loss) recognised in OCI	(284)	89
<b>Surplus/(deficit) in plan at the end of the year</b>	<u><b>(4,783)</b></u>	<u><b>(4,310)</b></u>

### Funding Policy

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

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

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

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

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

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

	30-Jun-16 £000	30-Jun-15 £000
USS: charged to I&E	155	266
CCFPS: charged to I&E	434	311
CCGPPS: Contributions	4	48
NEST: Contributions	10	7
	<u>602</u>	<u>633</u>



## 26. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS AND OTHER SIGNIFICANT INVESTMENTS

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

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

## 27. RELATED PARTY TRANSACTIONS

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

In addition, the college has provided loans to its fellows as part of a Shared Equity Scheme. These amounts are included in debtors, £719,423 (2015: £719,423)

## 28. CONTINGENT LIABILITIES AND ASSETS

### USS Pension Scheme

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

## 29. PRIOR YEAR ADJUSTMENTS/TRANSITION TO 2015 RCCA

RCCA has been revised to comply with FRS 102 and the Statement of Recommended Practice: Accounting for Further and Higher Education (The SORP). On adoption of the new standards the opening balance sheet position as at 1 July 2014 and the prior year comparatives for the year ended 30 June 2015 were restated. The impact on the income and expenditure account for 2015 is set out below:

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
<i>RCCA Surpluses previously stated</i>	2,832	468		3,300
<i>Deferred capital write back</i>	(83)			(83)
<i>Increase in market value of investments</i>	16,024	330	3,857	20,211
<i>Net income from investments</i>			3,537	3,537
<i>Endowment return transferred to income and expenditure account</i>			(4,257)	(4,257)
<i>Investment management costs</i>			(631)	(631)
<i>New endowments</i>			212	212
<i>Other capital grants for assets (not in RCCA)</i>		1,299		1,299
<i>Unrealised surplus on revaluation of fixed assets</i>				-
<i>Actuarial (loss) in respect of pension schemes</i>	89			89
<i>WYNG donation (recognised year 1)</i>		2,556		2,556
<i>USS adjustment</i>	(118)			(118)
<i>Studentships provision movement</i>	(51)			(51)
<b>Total Comprehensive income as restated</b>	<b>18,693</b>	<b>4,653</b>	<b>2,718</b>	<b>26,064</b>

The new College Statement of Comprehensive Income and Expenditure (SOCIE) shows the movement in the College net assets from one year to the next. Gains/losses on investments, movements in the pension provision and all donations are now recognised in the SOCIE. Donations must now be recognised in full when it is "likely" they are to be received and there are no conditions to be met.

	30-Jun-15 £000
Balance sheet reserves at 30 June 2015 under previous RCCA	243,145
WYNG donation (recognised year 1)	2,556
USS pension deficit (new recognition of College share of deficit)	(268)
Holiday pay accrual (staff)	(44)
Studentships (recognised in full in year of offer)	(993)
Balance sheet reserves at 30 June 2016 under new RCCA	244,395