

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES
AND ACCOUNTS FOR THE YEAR ENDED

30 JUNE 2012

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2012

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TRUSTEES AND PRINCIPAL ADVISERS

Trustees, Members of College Council

Lord Rees of Ludlow, Master (until 30th June 2012)
Sir Gregory Winter (w.e.f. 1st July 2012)
Professor Michael Proctor, Vice-Master (until 4th February 2012)
Professor David McKitterick, Vice-Master (w.e.f. 4th February 2012)
Professor Grae Worster, Senior Tutor
Mr Rory Landman, Senior Bursar
Dr Rod Pullen, Junior Bursar
Dr Hugh Hunt (until 4th February 2012)
Professor John Lister (until 4th February 2012)
Ms Joanne Miles (until 4th February 2012)
Professor Alan Windle
Dr Richard Serjeantson (until 4th October 2012)
Dr Paul Wingfield (w.e.f. 1st November 2012)
Professor Daniel Wolpert
Professor John Hinch
Dr Glen Rangwala
Professor Angela Leighton
Professor Roger Keynes (w.e.f. 4th February 2012)
Dr Tom Fisher (w.e.f. 4th February 2012)
Ms Louise Merrett (w.e.f. 4th February 2012)
Dr Chris Morley, Secretary to College Council

Bankers

Barclays Bank plc
Barclays Commercial Bank
PO Box 885
Mortlock House
Histon
Cambridge, CB24 9DE.

Custodians

The Northern Trust Company
50 Bank Street
London, E14 5NT

Property Advisers

Bidwells LLP
Bidwell House
Trumpington Road
Cambridge, CB2 9LD

Solicitors

Mills & Reeve
112 Hills Road
Cambridge, CB2 1PH

Savills LLP
9 Fletcher Gate
Nottingham, NG1 7QQ

Auditors

PricewaterhouseCoopers LLP
7 More London
Riverside
London, SE1 2RT

Registered Address

Trinity College
Trinity Street
Cambridge
CB2 1TQ

Historic name according to the Royal Charter dated 19th December, 1546:

**TRINITY COLLEGE WITHIN THE TOWN AND UNIVERSITY OF CAMBRIDGE OF KING HENRY
THE EIGHTH'S FOUNDATION**

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2012

Registered Charity No: 1137604

The board of Trustees, the College Council, presents its statutory report and accounts for the year ended 30 June 2012.

Structure, Governance and Management

Trinity College, Cambridge, was founded in 1546 by King Henry VIII. In October 2011, the College had 184 Fellows (academic staff involved in teaching, research and administration) and 1,030 junior members in residence (671 undergraduates, 359 graduates).

The current Statutes of the College were made under the Universities of Oxford and Cambridge Act 1923 by an Order in Council dated 30 April 1926. Subsequent alterations have been made on various dates by the procedure set out in the Statutes and in accordance with Section 7 of the 1923 Act.

In accordance with the Statutes, the College is administered by the College Council which meets once a week during Full Term and on occasion in the holidays. Members of the Council are charity trustees under the Charities Act 2006. The Master, plus thirteen Fellows, four ex officio, serve as members of the College Council. The charity trustees receive no payment as such. The Council has Standing Orders governing its meetings, including one on conflicts of interest. The Council sets down rules, regulations and procedures governing most aspects of College life.

The Council is (with limited exceptions) subject to review by a College Meeting, namely a meeting of the Master and Fellows. There are at least two College Meetings each year, the Accounts Meeting following the audit and the Annual College Meeting at which members of the Council are elected (three each year, to serve for three years). Newly elected members of the Council, who will as Fellows already be familiar with the College's Statutes and Ordinances, receive a briefing on the duties of Trustees and are required to register any interests under the College's conflicts of interest policy. Special College Meetings may be summoned by a procedure specified in the Statutes.

The principal officers of the College include the Master (who is appointed by the Crown on nomination by the College), the Vice-Master (who is elected by the Fellows), the Senior Tutor, and the Senior and Junior Bursars (all three appointed by the Council) - these are all members of the Council ex officio. Other officers include the other Tutors, the Deans of College and Chapel, the Librarian, the Lecturers, the Steward and the Chaplains.

There are a number of committees in the College, some standing, some appointed by the Council for a particular purpose. Members of committees are appointed by the Council, and membership of standing committees is reviewed annually. The committees make recommendations to the Council, and decisions are taken by the Council.

There is a Liaison Committee, including several representatives elected by the junior members of the College and some Fellows appointed by the Council, whose remit is to discuss and make recommendations about matters of concern to junior members. The Liaison Committee's minutes are received by the Council.

The Staff Consultation Committee, chaired by the Master, is where elected representatives of College's non-academic staff meet with the Junior Bursar and Head of Personnel to discuss matters of interest to staff collectively. It reports as appropriate to other College bodies.

Financial and operational risks are the responsibility of the Senior and Junior Bursars respectively and are reviewed by relevant College Committees who report to the College Council.

Objectives and Activities

The object of Trinity College is advancement for the public benefit of education, religion, learning and research, primarily by the maintenance and development of a College in the University and City of Cambridge.

The College provides, in conjunction with the University of Cambridge of which it is part, education for undergraduate and graduate students which is recognised internationally as being of the highest standard.

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Bursaries and studentships are provided, when needed, to both undergraduate and graduate members of the College of limited means.

The College admits as members those students and academics who have the highest potential to benefit from the educational and research facilities that the College provides as a constituent College in Cambridge University and who therefore must satisfy high academic requirements for entry. The College has no geographical or religious barriers to entry - members come from a very wide range of backgrounds - and there are no age restrictions, save that the College does not normally admit students under the age of 18 at entry.

As a constituent College in Cambridge University, dependent on the success of the University if the College's object is to be achieved, the College makes grants to other Colleges, Trusts and institutions in the University with objects similar to its own. The College makes grants to the Isaac Newton Trust, established by the College in 1988, which in turn supports Departments, bodies and individuals in the wider University. The Isaac Newton Trust is an independent charity which shares some common trustees. The College also under its Statute XLVI from time to time makes donations to charities in and around the City of Cambridge, and to appropriate bodies in areas where it owns property.

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. The College additionally provides many grants to students in support of their undergraduate and graduate studies.

The great majority of the academic staff are Fellows of the College, elected in the various ways prescribed by the College's Statutes. As well as Teaching Staff, the Fellowship also includes Research Fellows (Junior and Senior), certain senior administrative officers, some Professors in the University, and persons who have retired after long service in one or more of these roles.

The Council has given due regard to the guidance on public benefit published by the Charity Commission, and to its two key principles, that there must be identifiable benefit and that the benefit must be to the public or a section of the public. The Council is satisfied that the object and activities of the College fully meet the public benefit requirements.

Achievements and Performance

The College admitted 200 undergraduate students in October 2011 for regular study from all backgrounds across the wide range of subjects studied in the University. A further 4 students were admitted for one year on various exchange or visitor programmes. As usual, many students (48) returned after graduation for further study, and the College admitted a further 74 graduates of other Universities, rather more than in previous years, to read for Master's and/or Doctor's degrees in various subjects. Eight students continued to a PhD after completing a Master's degree. During the year junior members achieved 39 Master's degrees and 50 PhDs.

The College ranked first again in both the Baxter Tables and the Tompkins Table, which measure the relative academic performances of undergraduates in the various colleges. This year the College performed statistically significantly above average in six major subjects and below average in none. Considering the most recent three years of data, the College is assessed to be significantly above the average in Classics, English, Maths, Medical Sciences and Natural Sciences.

In January 2012, in an open competition, the College elected eight Junior Research Fellows to commence four years of research in October 2012. During the year it elected two Professors in the University to Fellowships, and one Teaching Fellow. The College's Teaching Staff are research-active and many distinctions are earned each year as reported in the College's Annual Record. At the end of the academic year 2011-12 the Fellowship included 37 Fellows of the Royal Society and 24 Fellows of the British Academy.

On 30 June 2012 Lord Rees of Ludlow stepped down from the Mastership of the College after over 8 years in post.

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Financial Review

The financial position of the College remains strong. As well as its direct activities, the College has been able to make substantial grants totalling £5.1m (2011: £5.3m) out of its resources to support wider Collegiate Cambridge. However, the College is not immune from wider economic pressures, and rents are likely to be a restraint on the College's income for a number of years. The charge for rates on empty properties at £528k (2011: £454k) remains a drag on the College's income.

In order to provide a cushion against downturns, the College seeks to maintain reserves at up to twice recurrent expenditure in its General Funds, and one year's income in the Amalgamated Trusts Fund. Reserves are built incrementally and as conditions allow and have not yet reached these levels. None of the College's funds is in material deficit.

The maintenance of the College's fabric and infrastructure is a constant draw on the College's resource with significant variations from year to year. Maintenance, repairs and improvements totalled £4.7m (2011: £7.6m). This expenditure is likely to remain low in 2013 as the College gears up to start renovating New Court over the following three years. In years of low expenditure, the College makes transfers to a designated College Reconstruction Fund. This transfer accounts for most of the transfers out of general funds in the current year. This Fund will be drawn upon in years of high expenditure.

The investment objective of the College's endowment is to maximise its long term real income growth. This is intended to be achieved mainly through investing in property and equities. The annual performance when measured in terms of valuation has a weak correlation with this long term objective, since in the short term asset prices are buffeted by external factors. The current valuation of the College's net assets fell under 1% in the year to £832.7m. The College's investment income rose 4.2%.

The College's Accounts are presented in SORP format for the second time. The Statement of Financial Activities shows net incoming resources of £14.3m (2011: £11.9m). As well as the usual items of income and expenditure this amount includes items such as realised capital gains, lease premiums, dilapidations and donations which the Council do not regard as expendable. Endowment Funds represent permanent capital and the income allocated to them needs to be retained to fund the maintenance of the investment assets and to guard against capital depletion. Restricted Funds, and the income arising, can only be used for the specific purposes for which they were originally given to the College. Therefore for operational purposes the key performance indicator is the net incoming resources for the College's General and Designated Funds.

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Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the College Council on 19th November 2012

Sir Gregory Winter, Master

Mr Rory Landman, Senior Bursar

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2012

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF TRINITY COLLEGE, CAMBRIDGE

We have audited the financial statements of Trinity College, Cambridge for the year ended 30 June 2012 which comprise Group Statement of Financial Activities, the Group and College Balance Sheets, the Group Cash Flow Statement and the 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).

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees are responsible for the preparation of financial statements which give a true and fair view.

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.

This report, including the opinions, has been prepared for and only for the College's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 30 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the 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 group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the annual report of the trustees 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 of the state of the group's and the College's affairs as at 30 June 2012, and of the group's incoming resources and application of resources and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008;
- comply with section 3 of Statute G, III, of the University of Cambridge Statutes; and
- the payment due from the College to the University of Cambridge under Statute G, II of the University of Cambridge is as advised in the provisional assessment by the University of Cambridge.

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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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the College; or
- the College 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.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London
Riverside
London
SE12RT

PricewaterhouseCoopers LLP is eligible to act as an auditor in terms of section 121 2 of the Companies Act 2006.

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2012

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2012

	Note	Endowment £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	2012 Total £000's	2011 Total £000's
INCOMING RESOURCES							
<i>Incoming resources from generated funds:</i>							
Benefactions and donations			631	42	196	869	1,684
Activities for generating funds	2		473	55	2	530	295
Investment Income	3	6,935	38,583	301	3,797	49,616	47,590
		6,935	39,687	398	3,995	51,015	49,569
<i>Incoming resources from charitable activities</i>							
	4		8,500		102	8,602	7,779
<i>Other Incoming resources</i>							
			525			525	733
TOTAL INCOMING RESOURCES		6,935	48,712	398	4,097	60,142	58,081
RESOURCES EXPENDED							
<i>Costs of generating funds:</i>							
Fundraising costs			730			730	488
Loan Interest			3,483			3,483	3,517
Investment management and estate costs	5		6,169		111	6,280	5,323
			10,382		111	10,493	9,328
<i>Cost of charitable activities</i>							
	6		30,683	794	1,681	33,158	34,731
<i>Governance costs</i>							
			328			328	317
<i>Other resources expended</i>							
	7		1,876			1,876	1,838
TOTAL RESOURCES EXPENDED			43,269	794	1,792	45,855	46,214
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		6,935	5,443	(396)	2,305	14,287	11,867
Transfers between funds			(2,344)	3,224	(880)		
NET INCOMING/(OUTGOING) RESOURCES AFTER TRANSFERS		6,935	3,099	2,828	1,425	14,287	11,867
<i>Other recognised gains & losses:</i>							
Gains & Losses on Investment Assets	10	(15,316)			(1,474)	(16,790)	72,323
Actuarial Gain/losses on defined benefit pension scheme			(3,021)			(3,021)	3,254
NET MOVEMENTS IN FUNDS		(8,381)	78	2,828	(49)	(5,524)	87,444
Total funds brought forward		699,539	27,459	2,0831	90,428	838,257	750,813
Total funds carried forward		691,158	27,537	23,659	90,379	832,733	838,257

There are no recognised gains or losses other than those disclosed above. All of the above results derive from continuing operations.

TRINITY COLLEGE, CAMBRIDGE
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CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2012

	Note	2012 Total £000's	2011 Total £000's
FIXED ASSETS			
Investments	10	892,529	893,198
		892,529	893,198
CURRENT ASSETS			
Stock	11	2,165	2,162
Debtors: due after more than one year	12	2,344	3,136
Debtors due within one year	12	7,322	9,998
Cash at bank in hand		21,364	18,160
		33,195	33,456
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
NET CURRENT ASSETS	13	(17,087)	(15,590)
		16,108	17,866
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	14	(70,000)	(70,128)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			
		838,637	840,936
PENSION SCHEME LIABILITY			
	16	(5,904)	(2,679)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			
		832,733	838,257
<i>Represented by:</i>			
Endowment funds	19	691,158	699,539
Restricted funds	19	90,379	90,428
Designated funds	19	23,659	20,831
General funds - general reserve	19	27,537	27,459
		832,733	838,257

The financial statements on pages 9 to 24 were approved by the College Council on 19th November 2012 and have been signed on their behalf by the Master and Senior Bursar.

Sir Gregory Winter, Master

Mr Rory Landman, Senior Bursar

TRINITY COLLEGE, CAMBRIDGE
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COLLEGE BALANCE SHEET AS AT 30 JUNE 2012

	Note	2012 Total £000's	2011 Total £000's
FIXED ASSETS			
Investments	10	883,799	889,071
		883,799	889,071
CURRENT ASSETS			
Stock	11	1,803	1,808
Debtors: due after more than one year	12	7,089	9,535
Debtors due within one year	12	6,011	5,515
Cash at bank in hand		19,624	16,608
		34,527	33,466
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(14,897)	(13,244)
NET CURRENT ASSETS		19,630	20,222
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	(70,000)	(70,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		833,429	839,293
PENSION SCHEME LIABILITY	16	(5,904)	(2,679)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		827,525	836,614
<i>Represented by:</i>			
Endowment funds	20	678,810	690,928
Restricted funds	20	94,304	94,353
Designated funds	20	23,615	20,787
General funds - general reserve	20	30,796	30,546
		827,525	836,614

The financial statements on pages 9 to 24 were approved by the College Council on 19th November 2012 and have been signed on their behalf by the Master and Senior Bursar.

Sir Gregory Winter, Master

Mr Rory Landman, Senior Bursar

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	£'000	£'000
NET CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(outgoing) resources before other recognised gains & losses	14,287	11,867
Defined benefit scheme service cost adjustment	204	356
Decrease/(increase) in stocks	(3)	131
Decrease/(increase) in debtors	3,468	321
Increase/(decrease) in creditors	1,369	(4,175)
Loan Interest	3,483	3,517
Investment income	(49,616)	(47,649)
Net cash outflow from operating activities	(26,808)	(35,632)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Investment income	49,616	47,649
Interest Paid	(3,483)	(3,517)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS		
Net purchase of fixed assets in investments	(16,121)	(16,432)
INCREASE/(DECREASE) IN CASH IN THE PERIOD	3,204	(7,932)
Cash balance at the start of the year	18,160	26,092
Cash balance at end of the year	21,364	18,160

TRINITY COLLEGE, CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

I. STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom Accounting standards and the Statement of Recommended Practice on Accounting by Charities (SORP 2005).

Basis of accounting

The financial statements have been prepared under the historical cost convention except for investments which are included at market value.

Basis of consolidation

The accounts show the results and state of affairs for Trinity College and its subsidiary undertakings (details of the subsidiary undertakings can be found in note 18). Subsidiaries are all entities over which the College has the power to control the financial and operating policies. Acquisitions made by the group are accounted for under the acquisition method of accounting. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases. Intra-group transactions and profits are eliminated fully on consolidation.

Results of affiliated clubs and societies are not consolidated as the College does not control the financial and operating policies of these undertakings with a view to gaining economic benefits from their activities. Grants made to clubs and societies are charged in the Statement of Financial Activities as expenditure for charitable purposes.

Incoming resources

Income is included in the statement of financial activities when the College is legally entitled to the income and the amount can be quantified with reasonable accuracy. Legacies and donations are accounted for when received.

Where income is received in advance, recognition is deferred and the amount included in creditors. Income is stated net of any VAT.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Charitable exemption

The College is a registered charity and claims exemption from income tax under Section 505 of the Income and Corporation Taxes Act 1988 and from capital gains tax under Section 256 of the Taxation of Chargeable Gains Act 1992.

Fund accounting

Funds held by the College are either:

Endowment funds - These are funds that cannot be spent. Income arising from investment of Endowment funds, apart from that proportion which is regarded as required for maintenance of capital, are classified as general income of the College and can be applied at the discretion of the College Council to any Collegiate purpose in accordance with the College Statutes.

General funds - These are funds that can be used at the discretion of the College Council.

Designated funds - These are funds that have been set aside by the College Council for specific purposes. They are a sub-set of General Funds and the purposes to which they are applied may be varied at the discretion of the College Council.

Restricted Funds - These are funds that can only be used for particular purposes, under a deed of trust or implied trust, to support various educational purposes of the College, including research, teaching and the student bursary scheme.

TRINITY COLLEGE, CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Pensions

The College participates in two funded defined benefits schemes, for Fellows and staff. The assets of the schemes are held in separate trustee-administered funds. Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the Fellows' or employees' service. In the case of the Trinity College Staff Pension Scheme this is the service and finance cost and for the Universities Superannuation Scheme (USS) it is on the basis of contributions due in the year.

The USS is a defined benefit scheme which is contracted out of the State Second Pension. The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period.

Operational tangible fixed assets

land and buildings

Land and buildings are stated at their original historical cost less depreciation. Due to their age the cost is not significant and no amounts have been included within these accounts.

As a result of the College's on-going maintenance programme, the difference between the original cost and the residual value, at historical cost, is such that any resulting depreciation charge is considered immaterial. To date all such expenditure is considered to have been maintenance in nature rather than enhancing the economic benefits of the asset and therefore no enhancement expenditure has been capitalised. Land is not depreciated.

Fixtures, fittings and equipment

Fixtures, fittings and equipment costing less than £100,000 per individual item are written off in the year of purchase.

Heritage assets

In accordance with FRS15 and FRS 30, heritage assets acquired before 1 July 2009 have not been capitalised, since reliable estimates of cost or value are not available on a basis that would justify the costs of establishing them. The threshold for capitalising heritage assets is 1% of total assets. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Donated assets are accounted for at their valuation at the time of the donation.

Investments

Fixed asset investments 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. Properties held for investment purposes are valued annually on the basis of estimated open market values on an existing use basis by third party valuers.

Stocks

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

Debtors

Debtors are shown net of bad and doubtful debts.

Short term investments

Bank deposits, which are not repayable on demand, are treated as short-term investments in accordance with FRS 1 'Cash flow statements'.

TRINITY COLLEGE, CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2. ACTIVITIES FOR GENERATING FUNDS

	Endowment Funds £'000	General Funds (Unrestricted) £'000	Designated Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
Conferences		110			110	83
Other		363	55	2	420	212
		473	55	2	530	295

3. INVESTMENT INCOME

	Endowment Funds £'000	General Funds (Unrestricted) £'000	Designated Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
Property	6,935	33,155	301	1,290	41,681	39,705
Equities		5,255		2,000	7,255	6,882
Fixed interest				507	507	610
Bank interest		173			173	393
	6,935	38,583	301	3,797	49,616	47,590

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Endowment Funds £'000	General Funds (Unrestricted) £'000	Designated Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
College Fees		3,454			3,454	3,313
Residence and catering		4,968		102	5,070	4,466
Other Fees		78			78	
		8,500		102	8,602	7,779

COLLEGE FEES

Fee Income paid on behalf of undergraduates at the publicly-funded undergraduate rate per capita fee £3,951 (2011 £3,861)	2,272	2,203
Privately-funded undergraduate fee income per capita fee £4,743 (2011 £4,479)	555	547
Fee income received at the graduate fee rate per capita fee £2,289 (2011 £2,229)	627	563
	3,454	3,313

5. INVESTMENT MANAGEMENT AND ESTATE COSTS

	Endowment Funds £'000	General Funds (Unrestricted) £'000	Designated Funds £'000	Restricted Funds £'000
College costs		3,560		
Subsidiaries Costs		2,609		
		6,169		

TRINITY COLLEGE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

6. COST OF CHARITABLE ACTIVITIES

	Endowment Funds £'000	General Funds (Unrestricted) £'000	Designated Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
Residence and catering		6,628		24	6,652	7,271
Teaching		9,708	190	135	10,033	10,189
Tutorial		2,941		5	2,946	3,297
Admissions		990		5	995	1,073
Research		3,703		149	3,852	3,889
Scholarships and awards		2,387	78	1,232	3,697	3,685
Donations		4,326	526	131	4,983	5,327
		30,683	794	1,681	33,158	34,731

	2012 Total £'000	2011 Total £'000
<i>An analysis of the donations is as follows:</i>		
Isaac Newton Trust	2,591	2,800
Cambridge Overseas Trust	1,250	1,250
Cambridge Home / EU Scholarship Scheme	400	200
Cambridge Colleges Teaching	522	601
Cambridge University Admissions Office: Wider Participation Activities - note I		110
Other	220	366
	4,983	5,327

Note I - In 2012 £125,000 is included in admissions expenditure.

7. OTHER RESOURCES EXPENDED

The University Contribution is assessed by the University of Cambridge in accordance with the provisions of Statute Gil of the University's Statutes and Ordinances. The amount payable by the College for the year ended 30 June 2012 is £1,876,000 (2011 : £1,838,000).

8. NET INCOMING RESOURCES BEFORE TRANSFERS

This is shown after charging:

	2012 Total £'000	2011 Total £'000
Auditors' remuneration		
External audit	81	92
Maintenance, Repairs and Improvements	4,679	7,537

In addition £7,000 (2011 : £7,000) was paid to the auditors in respect of the audit of the College's pension scheme.

TRINITY COLLEGE, CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

9. STAFF NUMBERS AND COSTS

The average number of employees during the year was 503 (2011: 477). The costs associated with these employees are:

	2012	2011
	£'000	£'000
Emoluments	9,851	9,394
Social security costs	732	695
Pension costs - defined benefit scheme service cost	1,472	1,358
Pension costs - defined contribution scheme	384	352
	12,439	11,799

The College Fellows or staff whose remuneration, excluding pension contributions, exceeded £60,000 were as follows:

	2012	2011
	No	No
£60,000 - £69,999	4	6
£70,000 - £79,999	10	7
£80,000 - £89,999	2	3
£90,000 - £99,999	1	
£110,000 - £119,999		

Retirement benefits are accruing to 15 (2011: 15) of the above individuals under a defined benefit pension scheme.

10. INVESTMENTS

	Consolidated 2012	Consolidated 2011	College 2012	College 2011
	£'000	£'000	£'000	£'000
Market value at 1 July	893,198	804,443	889,071	768,763
Additions	22,097	97,483	21,873	97,484
Disposals	(5,976)	(81,051)	(5,976)	(43,181)
Net investment gains/(losses)	<u>(16,790)</u>	72,323	<u>(21,169)</u>	66,005
Market value at 30 June	892,529	893,198	883,799	889,071

	Consolidated 2012	Consolidated 2011	College 2012	College 2011
	£'000	£'000	£'000	£'000
Represented by:				
Property	539,018	531,410	502,174	496,404
Equities	324,730	332,061	324,730	333,033
Unlisted investments	22,009	18,630	22,009	18,630
Fixed interest securities	6,772	9,794	6,772	9,794
Investments in subsidiary undertakings (See note 18)			28,114	29,962
Other		1,303		1,248
	892,529	893,198	883,799	889,071

Equities and fixed interest securities are valued at the closing price at the balance sheet date. Unlisted investments are valued based on information provided by the fund managers.

Properties have been valued at open market value by external valuers. All external valuers are members of the Royal Institution of Chartered Surveyors.

11. STOCK

	Consolidated 2012	Consolidated 2011	College 2012	College 2011
	£'000	£'000	£'000	£'000
Provisions	1,803	1,808	1,803	1,808
Crops and seeds	362	354		
	2,165	2,162	1,803	1,808

TRINITY COLLEGE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

12. DEBTORS

	Consolidated 2012 £'000	Consolidated 2011 £'000	College 2012 £000's	College 2011 £000's
Amounts due after more than one year				
Amounts owed by subsidiary undertakings			4,745	7,260
Other debtors	2,344	3,136	2,344	2,275
	2,344	3,136	7,089	9,535
Amounts due within one year				
Rents receivable	2,453	2,474	2,453	2,474
Prepayments and accrued income	111	11	111	310
Other debtors	4,381	7,231	2,774	2,399
Amounts owed by subsidiary undertakings			296	50
Trade Debtors	377	282	377	282
	7,322	9,998	6,011	5,515
	9,666	13,134	13,100	15,050

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated 2012 £'000	Consolidated 2011 £'000	College 2012 £000's	College 2011 £000's
Trade creditors	383	73	383	73
University contribution	1,876	1,838	1,876	1,838
Other taxes and social security	2,742	1,763	2,742	1,763
Other creditors	3,045	3,015	855	669
Accruals and deferred income	9,041	8,901	9,041	8,901
	17,087	15,590	14,897	13,244

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

	Consolidated 2012 £'000	Consolidated 2011 £'000	College 2012 £000's	College 2011 £000's
Bank loan	70,000	70,000	70,000	70,000
Accruals and deferred income		128		
	70,000	70,128	70,000	70,000

15. MATURITY OF BANK LOANS

Consolidated and College

	2012 £000's	2011 £000's
In more than five years	70,000	70,000
	70,000	70,000

The bank loan is split into three tranches of £35m - Fixed interest rate 4.9704%, £20m - Fixed interest rate 4.9604% and £15m - Fixed interest rate 5.0704% providing a weighted average Fixed interest rate of 4.989%. The loan is repayable on 29 June 2047.

16. PENSIONS

Consolidated and College

Trinity College Staff Pension Scheme

The scheme is a defined benefit final salary pension scheme.

The principal actuarial assumptions at the balance sheet date

(expressed as weighted averages) were as follows:

	2012	2011
	%	%
Discount rate	4.7	5.5
Expected long-term rate of return on Scheme assets	6.4	6.9
Salary inflation assumption	3.7	4.6
Price inflation assumption	2.7	3.6
Pension increases (inflation linked)		
Pension increases (capped inflation linked)	2.7	3.6

Mortality

The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows:

	2012	2011
Male	20.7	20.6
Female	23.1	23.0

The average life expectancy in years of a pensioner retiring at age 65, twenty years after the balance sheet date is as follows:

	2012	2011
Male	22.2	22.1
Female	24.5	24.4

The amounts recognised in the balance sheet as at 30 June 2012 are as follows:

	2012	2011
	£000's	£000's
Market value of Scheme assets	32,443	33,593
Present value of Scheme liabilities	(38,347)	(36,272)
Surplus/(deficit) in the Scheme	<u>(5,904)</u>	<u>(2,679)</u>

Analysis of the amount charged to the consolidated statement of financial activities:

	2012	2011
	£000's	£000's
Current service cost	1,472	1,358
	1,472	1,358
Interest on pension scheme liabilities	1,989	1,806
Expected return on pension scheme assets	(2,310)	(1,895)
Tota l	<u>(321)</u>	<u>(89)</u>

TRINITY COLLEGE, CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

16. PENSIONS (CONTINUED)

Changes in the present value of the scheme liabilities for the year ended 30 June 2012 are as follows:

	2012	2011
	£000's	£000's
Present value of Scheme liabilities at beginning of period	36,272	33,584
Service cost including employee contributions	1,784	1,650
Interest cost	1,989	1,806
Actuarial losses/(gains)	(668)	154
Benefits paid	(1,030)	(922)
Present value of Scheme liabilities at end of period	<u>38,347</u>	<u>36,272</u>

Changes in the fair value of scheme assets for the year ended 30 June 2012 are as follows:

	2012	2011
	£000's	£000's
Present value of Scheme Assets at beginning of period	33,593	28,007
Employee contributions	312	292
Expected Return	2,310	1,895
Contributions paid by the College	947	913
Actuarial losses/(gains)	(3,689)	3,408
Benefits paid	(1,030)	(922)
Present value of Scheme Assets at end of period	<u>32,443</u>	<u>33,593</u>

Movement in the surplus/(deficit) during the year ended 30 June 2012 are as follows:

	2012	2011
	£000's	£000's
Surplus/(deficit) in Scheme at beginning of year	(2,679)	(5,577)
Service Cost (Employer Only)	(1,472)	(1,358)
Contributions paid by the College	947	913
Finance Cost	321	89
Actuarial gain/(loss)	(3,021)	3,254
Surplus/(deficit) in Scheme at the end of year	<u>(5,904)</u>	<u>(2,679)</u>

The agreed contributions to be paid by the College for the forthcoming year are 24 % of Contribution Pay, subject to review at future actuarial valuations. These rates exclude PHI.

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 30 June 2012 are as follows:

	2012	2011
	%	%
Equities	74	76
Bonds	15	11
Property	6	6
Cash	5	<u>7</u>
	<u>100</u>	<u>100</u>

The expected long term rate of return on the Scheme assets has been calculated based upon their major asset categories shown in the above table as follows:

	2012	2011
	%	%
Equities	7.2	7.6
Bonds	4.25	5.5
Property	6.2	6.8
Cash	0.5	0.5

16. PENSIONS (CONTINUED)

The cumulative amount of actuarial losses recognised in the Consolidated Statement of Financial Activities at 30 June 2012 is £402,000 (2011: £2,619,000 gain).

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

	2012	2011	Unaudited 2010
	£000's	£000's	£000's
Present value of Scheme liabilities	(38,347)	(36,272)	(33,584)
Market value of Scheme assets	32,443	33,593	28,007
Surplus/(deficit)	<u>(5,904)</u>	<u>(2,679)</u>	<u>(5,577)</u>
Actual return less expected return on Scheme assets	(3,689)	3,408	2,812
Experience gain/(loss) arising on Scheme liabilities	(153)	(133)	(117)
Changes in assumptions underlying the present value of Scheme liabilities	821	(21)	(3,330)

In addition the College contributed £384,000 (2011: £352,000) to the Universities Superannuation Scheme, which is accounted for as a defined contribution scheme.

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension. 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; one is appointed by the Higher Education Funding Councils; and a minimum of two and a maximum of four are co-opted 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.

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 consolidated statement of financial activities represents the contributions payable to the scheme in respect of the accounting period.

TRINITY COLLEGE, CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second 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. The actuary also carries out regular reviews of the funding levels.

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a deficit of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

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

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

Since the previous valuation as at 31 March 2008 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011.

New Entrants - Other than in specific, limited circumstances, new entrants are now provided 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.

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.

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the end of the year, although the market's assessment of inflation has remained reasonably constant. The actuary has estimated that the funding level at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are cited as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.9% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2012 was 74%.

An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

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

At 31 March 2012, USS had over 14,000 active members and the College had 89 active members participating in the scheme.

In addition three members of the College were members of the Church of England Pension Scheme. The scheme is a multi employer defined benefit scheme with approximately 10,000 members.

TRINITY COLLEGE, CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

17. RELATED PARTY TRANSACTIONS

During the year no fees or expenses were paid to Fellows in respect of their duties as Trustees. (2011: nil)

Payments to Trustees (including benefits in kind and pension contributions), made under the authority of and in accordance with the Statutes of the College, in respect of teaching, research and administrative duties amounted to £698,000 (2011: £622,000).

Owing to the nature of the College's operations and the composition of its College Council it is possible that transactions will take place with organisations in which a member of the College Council may have an interest. All such transactions are conducted under normal commercial terms and in accordance with the College's normal procedures including those on conflicts of interest.

During the year the College made a donation of £2,591,000 (2011: £2,800,000) to the Isaac Newton Trust, a related party due to some common trustees. In addition the College charged the Isaac Newton Trust £142,000 (2011: £124,000) for administrative services. At the year end the trust owed the College £115,000 (2011: £118,000).

During the year the College advanced monies to certain of its subsidiaries and received gift aid and interest from its subsidiaries. The amount recorded as income by the College and the amount outstanding at the year end were:

	2012	2012	2012	2011	2011	2011
	Deed of Covenant	Interest	Amount owed to College	Deed of Covenant	Interest	Amount owed to College
	£000's	£000's	£000's	£000's	£000's	£000's
Broomfield Forest Limited						
Trinity (B) Limited						
Trinity College (CSP) Limited		354	4,581	1,632	266	7,226
Trinity (D) Limited	1,641			1,527		
Trinity (F) Limited			10			
Trinity College (N) Limited				881	125	
Trindev Limited		1	53		1	50
Walton Fanns Limited	99	2	154	84		29

18. SUBSIDIARY COMPANIES

The College's investments include the following subsidiaries, all of which are included in the consolidated financial statements:

	Country of registration and operation	Class of share	Proportion held	Nature of business
Broomfield Forest Limited	England	Ordinary	100%	Forestry
Trinity (B) Limited	England	Ordinary	100%	Land development
Trinity College (CSP) Limited	England	Ordinary	100%	Property
Trinity (D) Limited	England	Ordinary	100%	Property
Trinity (F) Limited	England	Ordinary	100%	Land development
Trindev Limited	England	Ordinary	100%	Property
Walton Farms Limited	England	Ordinary	100%	Farming

All of the above companies have a year end of 30 June.

TRINITY COLLEGE, CAMBRIDGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

19 . RESERVES CONSOLIDATED

	Balance at 1 July 2011 £'000	Donations £'000	Other Incoming Resources £'000	Resources Expended £'000	Transfers	Other Gains/(Losses) £'000	Balance at 30 June 2012 £'000
Endowment	699,539		6,935			(15,316)	691,158
Restricted	90,428	196	3,901	(1,792)	(880)	(1,474)	90,379
Designated	20,831	42	356	(794)	3,224		23,659
General	27,459	631	48,081	(43,269)	(2,344)	(3,021)	27,537
	838,257	869	59,273	(45,855)		(19,811)	832,733

20 . RESERVES COLLEGE

	Balance at 1 July 2011 £'000	Donations £'000	Other Incoming Resources £'000	Resources Expended £'000	Transfers	Other Gains/(Losses) £'000	Balance at 30 June 2012 £'000
Endowment	690,928		6,935			(19,053)	678,810
Restricted	94,353	196	3,901	(1,792)	(880)	(1,474)	94,304
Designated	20,787	42	356	(794)	3,224		23,615
General	30,546	631	45,644	(40,660)	(2,344)	(3,021)	30,796
	836,614	869	56,836	(43,246)		(23,548)	827,525