

**TRINITY COLLEGE, CAMBRIDGE**

**ANNUAL REPORT OF THE TRUSTEES  
AND ACCOUNTS FOR THE YEAR ENDED**

**30 JUNE 2014**

**TRINITY COLLEGE, CAMBRIDGE  
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

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**TRINITY COLLEGE, CAMBRIDGE**  
**ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

**TRUSTEES AND PRINCIPAL ADVISERS**

**Trustees, Members of College Council**

Sir Gregory Winter, Master  
Professor David McKitterick, Vice-Master  
Professor Grae Worster, Senior Tutor (until 30 September 2014)  
Professor Catherine Barnard, Senior Tutor (w.e.f. 1 October 2014)  
Mr Rory Landman, Senior Bursar  
Dr Rod Pullen, Junior Bursar  
Dr Paul Wingfield (until 8 February 2014)  
Professor John Hinch (until 8 February 2014)  
Professor Angela Leighton (until 8 February 2014)  
Professor Richard Hunter (w.e.f. 8 February 2014)  
Dr Richard Serjeantson (w.e.f. 8 February 2014)  
Professor Hamish Low (w.e.f. 8 February 2014)  
Dr David Washbrook (w.e.f. 8 February 2014)  
Dr Tom Fisher  
Dr Louise Merrett  
Professor Roger Keynes (until 30 September 2014)  
Dr Frederick Livesey (until 30 September 2014)  
Dr Stuart Haigh (until 30 September 2014)  
Professor Keith Moffatt (w.e.f. 17 October 2014)  
Ms Erica Segre (w.e.f. 17 October 2014)  
Dr Glen Rangwala (w.e.f. 17 October 2014)  
**Secretary of the College Council**  
Dr Christopher Morley

**Bankers**

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

**Property Advisers**

Bidwells LLP  
Bidwell House  
Trumpington Road  
Cambridge CB2 9LD

Savills LLP  
9 Fletcher Gate  
Nottingham NG1 7QQ

**Independent 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 19 December 1546:**

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

**Registered Charity Number: 1137604**

**Custodians**

The Northern Trust Company  
50 Bank Street  
London E14 5NT

**Solicitors**

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

## **TRINITY COLLEGE, CAMBRIDGE**

### **ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

The board of Trustees, the College Council, presents its statutory report and audited consolidated accounts for the year ended 30 June 2014.

#### **Structure, Governance and Management**

Trinity College, Cambridge, was founded in 1546 by King Henry VIII. In October 2013, the College had 184 Fellows (academic staff involved in teaching, research and administration) and 1,048 junior members in residence (670 undergraduates, 378 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 vacations. 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 of the College 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 the 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.

## **TRINITY COLLEGE, CAMBRIDGE**

### **ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

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.

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 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 202 undergraduate students in October 2013 for regular study from all backgrounds across the wide range of subjects studied in the University. A further 5 students were admitted for one year on various exchange or visitor programmes. As usual, many students (26) returned after graduation for further study, and the College admitted a further 77 graduates of other Universities to read for Master's and/or Doctor's degrees in various subjects. Seventeen students continued to a PhD after completing a Master's degree. During the year junior members achieved 39 Master's degrees and 74 PhDs.

The College again ranked first 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. Considering the most recent three years of data, the College is assessed to be significantly above the average in Chemical Engineering, Classics, Engineering, English, History, Mathematics, Medical Sciences, Natural Sciences and Philosophy.

In January 2014, in an open competition, the College elected six Junior Research Fellows to commence four years of research in October 2014. During the year it also elected two Teaching Fellows. 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 2013-14 the Fellowship included 34 Fellows of the Royal Society and 22 Fellows of the British Academy.

# TRINITY COLLEGE, CAMBRIDGE

## ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014

### Financial Report

The financial position of the College has been very stable year on year. In addition to funding its own activities and making its University contribution of £2.1m, the College has been able to make substantial grants totalling £5.0m (2013: £5.0m) out of its resources to support wider collegiate Cambridge. Net incoming resources (including both capital items and recurrent income) were £18.6m (2013: £15.2m). After deducting capital items allocated to Endowment which amounted to £11.7m and £1.0m of benefactions and donations, net underlying incoming resources amounted to £5.9m (2013: £7.0m). Much of this accumulation of income is accounted for by a pause in spending ahead of the New Court renovation – this will soon be reversed as the renovation proceeds.

However, the College is not immune from wider economic pressures. Rental growth remains subdued and is likely to remain a restraint on income growth for a number of years. Moreover the nature of the commercial rental markets is evolving. Upward only rent reviews are a dying breed, meaning that rental income is likely to become more volatile in the future. In order to provide a cushion against downturns, the College seeks to maintain reserves in the General Funds at around the level of its annual Cost of Charitable Activities (2014: £31.4m), and for the Amalgamated Trusts Fund at around one year's income. 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, but sometimes with significant variations from year to year. Towards the end of the current year the College embarked on a major renovation scheme for New Court which is due to be substantially completed in the autumn of 2015. Maintenance, repairs and improvements totalled £5.0m (2013: £4.6m) and New Court renovation costs are expected to be about £15m over the next two years. In years of low expenditure, the College makes transfers to the College Reconstruction Fund, which is part of Designated Funds. The transfer accounts for most of the transfer out of General Funds in the current year. This Fund will be used in years of higher than average renovation expenditure and is expected to be substantially depleted in 2015.

The College's Statement of Financial Activities (SOFA) is presented in the format required by Charity SORP which divides the College's income between various funds. The Endowment Fund represents permanent capital and its incoming resources are capital in nature. Restricted funds, and the income arising, can only be used for the specific purposes for which they were originally given to the College. The College's designated funds represent resources set aside for specific purposes including the College's Reconstruction Fund. Therefore in a given financial year the key indicator of the College's financial health is the net incoming resources after transfer for the College's Unrestricted General Funds which amounted to £1.9m in 2014 (2013: £2.6m).

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. Although the College's net investment income (after investment costs and net of Endowment Fund income) fell 2.4% due to lower net income from property, the current valuation of the College's net assets rose 9.9% in the year from £926.2m to £1,018.1m.

In 2014 the College made some significant adjustments to the property portfolio and sold a number of secondary retail shops. The College acquired a retail and office property in High Street Kensington and Dunsfold Park in Surrey, the former for its steady income and the latter for its development potential. Dunsfold Park is the largest brownfield site in the Borough of Waverley and there is an opportunity to extend the business park, build new homes, or expand the airfield business. The Dunsfold acquisition was financed partly through the sale of equities and partly through the issue of a £20m Senior note repayable in 2064.

**TRINITY COLLEGE, CAMBRIDGE**  
**ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

**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 College 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 judgements 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 College 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 College 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 College 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.

Approved by the College Council on 24 November 2014

Sir Gregory Winter, Master

Mr Rory Landman, Senior Bursar

# TRINITY COLLEGE, CAMBRIDGE

## ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014

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

#### Report on the financial statements

##### Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Group's and the College's affairs as at 30 June 2014 and of the Group's incoming resources and application of resources and the Group's 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 section 144 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.

This opinion is to be read in the context of what we say in the remainder of this report.

##### What we have audited

The Group financial statements and the College financial statements ("the financial statements"), which are prepared by Trinity College, Cambridge, comprise:

- the Consolidated and College balance sheet as at 30 June 2014;
- the Consolidated Statement of Financial Activities for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 the College'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.

**TRINITY COLLEGE, CAMBRIDGE**  
**ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF TRINITY COLLEGE,  
CAMBRIDGE (CONTINUED)**

In addition, we read all the financial and non-financial information in the Annual Report of the Trustees and Accounts (the "Annual Report") 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.

**Other matters on which we are required to report by exception**

**Sufficiency of accounting records and information and explanations received**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; 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.

We have no exceptions to report arising from this responsibility.

**Other information in the Annual Report**

Under the Charities Act 2011 we are required 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.

We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 6, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 ISAs (UK & 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.

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

24 November 2014

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

- (a) The maintenance and integrity of the Trinity College, Cambridge website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**TRINITY COLLEGE, CAMBRIDGE**

**ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Endowment £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	2014 Total £000's	2013 Total £000's
<b>INCOMING RESOURCES</b>							
<i>Incoming resources from generated funds:</i>							
Voluntary income			486	240	250	976	1,184
Activities for generating funds	2		922	56	9	987	731
Investment income	3	11,702	39,784	407	3,186	55,079	49,037
		<b>11,702</b>	<b>41,192</b>	<b>703</b>	<b>3,445</b>	<b>57,042</b>	<b>50,952</b>
<i>Incoming resources from charitable activities</i>	4		9,703			9,703	9,231
<i>Other incoming resources</i>			891		76	967	51
<b>TOTAL INCOMING RESOURCES</b>		<b>11,702</b>	<b>51,786</b>	<b>703</b>	<b>3,521</b>	<b>67,712</b>	<b>60,234</b>
<b>RESOURCES EXPENDED</b>							
<i>Costs of generating funds:</i>							
Fundraising costs			991			991	831
Loan interest			3,641			3,641	3,501
Investment management and estate costs	5		8,132		189	8,321	6,141
			<b>12,764</b>		<b>189</b>	<b>12,953</b>	<b>10,473</b>
<i>Cost of charitable activities</i>	6		31,387	630	1,778	33,795	32,293
<i>Governance costs</i>			296			296	280
<i>Other resources expended</i>	7		2,102			2,102	1,983
<b>TOTAL RESOURCES EXPENDED</b>			<b>46,549</b>	<b>630</b>	<b>1,967</b>	<b>49,146</b>	<b>45,029</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>11,702</b>	<b>5,237</b>	<b>73</b>	<b>1,554</b>	<b>18,566</b>	<b>15,205</b>
Transfers between funds	19,20	4,568	(3,328)	4,170	(5,410)		
<b>NET INCOMING RESOURCES AFTER TRANSFERS</b>		<b>16,270</b>	<b>1,909</b>	<b>4,243</b>	<b>(3,856)</b>	<b>18,566</b>	<b>15,205</b>
<i>Other recognised gains &amp; losses:</i>							
Gains on investment assets		64,963			9,939	74,902	80,303
Actuarial losses on defined benefit pension scheme			(1,556)			(1,556)	(2,067)
<b>NET MOVEMENTS IN FUNDS</b>		<b>81,233</b>	<b>353</b>	<b>4,243</b>	<b>6,083</b>	<b>91,912</b>	<b>93,441</b>
Total funds brought forward		768,458	31,528	31,444	94,744	926,174	832,733
<b>Total funds carried forward</b>		<b>849,691</b>	<b>31,881</b>	<b>35,687</b>	<b>100,827</b>	<b>1,018,086</b>	<b>926,174</b>

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

There is no material difference between the net incoming resources for the financial years stated above and their historical cost equivalents.

**TRINITY COLLEGE, CAMBRIDGE**  
**ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

**CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2014**

	Note	2014 Total £000's	2013 Total £000's
<b>FIXED ASSETS</b>			
Investments	10	1,079,328	975,271
		<u>1,079,328</u>	<u>975,271</u>
<b>CURRENT ASSETS</b>			
Stock	11	2,436	2,213
Debtors falling due after one year	12	1,977	2,155
Debtors falling due within one year	12	10,318	8,258
Cash at bank in hand		41,501	31,850
		<u>56,232</u>	<u>44,476</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	(17,288)	(15,338)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,118,272</u>	<u>1,004,409</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	14	(90,000)	(70,000)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>		<u>1,028,272</u>	<u>934,409</u>
<b>PENSION SCHEME LIABILITY</b>	16	(10,186)	(8,235)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>		<u>1,018,086</u>	<u>926,174</u>
<i>Represented by:</i>			
Endowment funds	19	849,691	768,458
Restricted funds	19	100,827	94,744
Designated funds	19	35,687	31,444
General funds – general reserve	19	31,881	31,528
		<u>1,018,086</u>	<u>926,174</u>

The financial statements on pages 9 to 25 were approved by the College Council on 24 November 2014 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 FOR THE YEAR ENDED 30 JUNE 2014**

**COLLEGE BALANCE SHEET AS AT 30 JUNE 2014**

	Note	2014 Total £000's	2013 Total £000's
<b>FIXED ASSETS</b>			
Investments	10	1,051,065	967,960
		<u>1,051,065</u>	<u>967,960</u>
<b>CURRENT ASSETS</b>			
Stock	11	1,752	1,811
Debtors falling due after one year	12	23,633	7,060
Debtors falling due within one year	12	6,111	5,767
Cash at bank in hand		39,076	29,868
		<u>70,572</u>	<u>44,506</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	(13,435)	(13,097)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,108,202</u>	<u>999,369</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	14	(90,000)	(70,000)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>		<u>1,018,202</u>	<u>929,369</u>
<b>PENSION SCHEME LIABILITY</b>	16	(10,186)	(8,235)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>		<u>1,008,016</u>	<u>921,134</u>
<i>Represented by:</i>			
Endowment funds	20	839,730	763,417
Restricted funds	20	100,827	94,743
Designated funds	20	35,687	31,444
General funds – general reserve	20	31,772	31,530
		<u>1,008,016</u>	<u>921,134</u>

The financial statements on pages 9 to 25 were approved by the College Council on 24 November 2014 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 FOR THE YEAR ENDED 30 JUNE 2014****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	2013
	<b>£'000</b>	£'000
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net incoming resources before other recognised gains & losses	<b>18,566</b>	15,205
Defined benefit scheme service cost adjustment	<b>394</b>	265
Increase in stocks	<b>(223)</b>	(49)
Increase in debtors	<b>(1,882)</b>	(747)
Increase/(decrease) in creditors	<b>1,950</b>	(1,749)
Loan interest	<b>3,641</b>	3,501
Investment income	<b>(55,079)</b>	(49,037)
Net cash outflow from operating activities	<b>(32,633)</b>	(32,611)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Investment income	<b>55,079</b>	49,037
Interest paid	<b>(3,641)</b>	(3,501)
<b>LONG TERM FINANCING</b>		
Issue of loan notes	<b>20,000</b>	
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS</b>		
Acquisitions of fixed asset investments	<b>(91,023)</b>	(9,540)
Disposals of fixed asset investments	<b>61,869</b>	7,101
<b>INCREASE IN CASH IN THE PERIOD</b>	<b>9,651</b>	10,486
Cash balance at the start of the year	<b>31,850</b>	21,364
Cash balance at end of the year	<b>41,501</b>	31,850

# TRINITY COLLEGE, CAMBRIDGE

## ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014

### 1. 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, Cambridge 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 may not 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

## ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014

### **Pensions**

The College participates in three pension schemes. 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.

Fellows employed by the College may join the University's Superannuation Scheme (USS), a defined benefits 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.

Staff employed prior to 31 December 2013 were eligible to join the Trinity College Staff Pension Scheme. This defined benefit scheme closed to new members on 31 March 2014. For this scheme, pension costs are accounted for as the service and finance cost for the year.

Staff employed since 1 January 2014, and those employed prior to that date who are not members of the Trinity College Staff Pension Scheme, have been placed in a new defined contribution scheme managed by "NOW : Pensions". The College is using this scheme to meet its employer obligations under the auto-enrolment legislation, albeit on more flexible and generous terms than the statutory minima. The assets of the scheme are held by NOW: Pensions in a master trust, and the amount charged to the statement of financial activities is thus 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 are valued annually by the Trustees based on estimated open market values on an existing use basis after taking advice from 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 (revised 1996) 'Cash flow statements'.

**TRINITY COLLEGE, CAMBRIDGE**  
**ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

**2. ACTIVITIES FOR GENERATING FUNDS**

	Endowment Funds £'000	General Funds (Unrestricted) £'000	Designated Funds £'000	Restricted Funds £'000	2014 Total £'000	2013 Total £'000
Conferences		209			209	86
Tourism		107			107	20
Bursaries		338			338	334
Other		268	56	9	333	291
		922	56	9	987	731

**3. INVESTMENT INCOME**

	Endowment Funds £'000	General Funds (Unrestricted) £'000	Designated Funds £'000	Restricted Funds £'000	2014 Total £'000	2013 Total £'000
Property	11,702	33,592	80	857	46,231	40,945
Equities		5,919	327	2,329	8,575	7,515
Fixed interest						330
Bank interest		273			273	247
	11,702	39,784	407	3,186	55,079	49,037

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Endowment Funds £'000	General Funds (Unrestricted) £'000	Designated Funds £'000	Restricted Funds £'000	2014 Total £'000	2013 Total £'000
College Fees		3,688			3,688	3,439
Residence and catering		5,584			5,584	5,347
Other Fees		431			431	445
		9,703			9,703	9,231

**COLLEGE FEES**

Fee income paid on behalf of undergraduates at the publicly-funded UK undergraduate rate

per capita fee £4,500 for matriculation after October 2012, £4,068 for matriculation before October 2012

(2013 £4,500, £3,951)

Privately-funded undergraduate fee income (per capita fee £5,556 (2013 £4,964))

Fee income received at the graduate fee rate (per capita fee £2,424 (2013 £2,349))

	2,368	2,258
	698	546
	622	635
	<b>3,688</b>	<b>3,439</b>

**5. INVESTMENT MANAGEMENT AND ESTATE COSTS**

	Endowment Funds £'000	General Funds (Unrestricted) £'000	Designated Funds £'000	Restricted Funds £'000	2014 Total £'000	2013 Total £'000
College costs		3,278		189	3,467	3,662
Subsidiaries costs		4,854			4,854	2,479
		8,132		189	8,321	6,141

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**ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

**6. COST OF CHARITABLE ACTIVITIES**

	Endowment Funds	General Funds (Unrestricted)	Designated Funds	Restricted Funds	<b>2014 Total £'000</b>	<b>2013 Total £'000</b>
	£'000	£'000	£'000	£'000	£'000	£'000
Residence and catering		9,464		24	<b>9,488</b>	9,103
Teaching, tutorial and admissions		11,028	142	88	<b>11,258</b>	10,670
Research		3,442	6	205	<b>3,653</b>	3,378
Scholarships and awards		2,982	92	1,360	<b>4,434</b>	4,107
Donations		4,471	390	101	<b>4,962</b>	5,035
		<b>31,387</b>	<b>630</b>	<b>1,778</b>	<b>33,795</b>	<b>32,293</b>

	<b>2014 Total £'000</b>	<b>2013 Total £'000</b>
<i>An analysis of the donations is as follows:</i>		
Isaac Newton Trust	<b>2,500</b>	2,500
Cambridge Overseas Trust	<b>1,250</b>	1,250
Cambridge Home / EU Scholarship Scheme	<b>600</b>	600
Cambridge Colleges Teaching	<b>385</b>	428
Other	<b>227</b>	257
	<b>4,962</b>	<b>5,035</b>

**7. OTHER RESOURCES EXPENDED**

The University contribution is assessed by the University of Cambridge in accordance with the provisions of Statute GII of the University's Statutes and Ordinances. The amount payable by the College for the year ended 30 June 2014 is £2,102,000 (2013: £1,983,000).

**8. NET INCOMING RESOURCES BEFORE TRANSFERS**

	<b>2014 Total £'000</b>	<b>2013 Total £'000</b>
<i>This is shown after charging:</i>		
Auditors remuneration: External audit	<b>83</b>	87
Maintenance, repairs and improvements	<b>5,034</b>	4,649

Maintenance, repairs and improvements includes salaries of the maintenance department in both years.

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**9. STAFF NUMBERS AND COSTS**

The monthly average number of employees during the year was 490 (2013: 491). The costs associated with these employees are:

	2014	2013
	£'000	£'000
Emoluments	10,587	9,910
Social security costs	769	750
Pension costs - defined benefit scheme service cost	1,972	1,530
Pension costs - USS defined contribution scheme	427	403
	13,755	12,593

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

	2014	2013
	No	No
£60,000 - £69,999	6	6
£70,000 - £79,999	9	9
£80,000 - £89,999	6	4
£90,000 - £99,999	1	
£130,000 - £139,999	1	1

Retirement benefits are accruing to 21 (2013: 17) of the above individuals under a defined benefit pension scheme. The total pension costs of these Fellows and staff amounts to £226,167.

**10. INVESTMENTS**

	Consolidated 2014 £'000	Consolidated 2013 £'000	College 2014 £'000	College 2013 £'000
Market value at 1 July	975,271	892,529	967,960	883,799
Additions	91,023	9,540	74,380	9,540
Disposals	(61,869)	(7,101)	(61,256)	(6,166)
Net investment gains	74,903	80,303	69,981	80,787
Market value at 30 June	1,079,328	975,271	1,051,065	967,960

	Consolidated 2014 £'000	Consolidated 2013 £'000	College 2014 £'000	College 2013 £'000
Represented by:				
Property	674,867	563,668	619,191	528,244
Equities	380,988	383,056	380,988	383,056
Unlisted investments	23,473	25,110	23,473	25,110
Fixed interest securities		3,437		3,437
Investments in subsidiary undertakings (See note 18)			27,413	28,113
	1,079,328	975,271	1,051,065	967,960

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 are valued annually by the Trustees based on estimated open market values on an existing use basis after taking advice from third party valuers.

**11. STOCK**

	Consolidated 2014 £'000	Consolidated 2013 £'000	College 2014 £'000	College 2013 £'000
Provisions	1,752	1,811	1,752	1,811
Crops and seeds	684	402		
	2,436	2,213	1,752	1,811

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**12. DEBTORS**

	<b>Consolidated</b> <b>2014</b> <b>£'000</b>	Consolidated 2013 £'000	<b>College</b> <b>2014</b> <b>£000's</b>	College 2013 £000's
<b>Amounts falling due after more than one year</b>				
Amounts owed by subsidiary undertakings	-	-	<b>21,656</b>	4,905
Other debtors	<b>1,977</b>	2,155	<b>1,977</b>	2,155
	<b>1,977</b>	2,155	<b>23,633</b>	7,060
<b>Amounts falling due within one year</b>				
Rents receivable	<b>6,605</b>	2,223	<b>3,740</b>	2,223
Prepayments and accrued income	<b>634</b>	418	<b>634</b>	418
Other debtors	<b>2,803</b>	4,881	<b>786</b>	2,390
Amounts owed by subsidiary undertakings			<b>675</b>	
Trade debtors	<b>276</b>	736	<b>276</b>	736
	<b>10,318</b>	8,258	<b>6,111</b>	5,767
	<b>12,295</b>	10,413	<b>29,744</b>	12,827

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Consolidated</b> <b>2014</b> <b>£'000</b>	Consolidated 2013 £'000	<b>College</b> <b>2014</b> <b>£000's</b>	College 2013 £000's
Trade creditors	<b>249</b>	523	<b>249</b>	523
University contribution	<b>2,102</b>	1,983	<b>2,102</b>	1,983
Taxes and social security	<b>2,155</b>	1,883	<b>2,155</b>	1,883
Other creditors	<b>4,557</b>	2,951	<b>704</b>	710
Accruals and deferred income	<b>8,225</b>	7,998	<b>8,225</b>	7,998
	<b>17,288</b>	15,338	<b>13,435</b>	13,097

**14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

**Consolidated and College**

	<b>2014</b> <b>£000's</b>	2013 £000's
Long term borrowing	<b>90,000</b>	70,000
	<b>90,000</b>	70,000

**15. MATURITY OF BANK LOANS**

**Consolidated and College**

	<b>2014</b> <b>£000's</b>	2013 £000's
In more than five years	<b>90,000</b>	70,000
	<b>90,000</b>	70,000

The £70m 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.

The £20m Senior Notes have been issued at 4.11% and are repayable 14 May 2064

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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:

	2014	2013
	%	%
Discount rate	4.2	4.6
Expected long-term rate on scheme assets	7.3	7.2
Salary inflation assumption	4.5	4.4
Price inflation assumption	3.5	3.4
Pension increases (capped inflation linked)	3.5	3.4

**Mortality**

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

	2014	2013
Male	22.1	22.2
Female	24.3	24.5

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

	2014	2013
Male	23.5	23.6
Female	25.8	26.0

The amounts recognised in the balance sheet as at 30 June 2014 are as follows:

	2014	2013
	£000's	£000's
Market value of scheme assets	42,259	38,000
Present value of scheme liabilities	(52,445)	(46,235)
Deficit in the scheme	<u>(10,186)</u>	<u>(8,235)</u>

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

	2014	2013
	£000's	£000's
Current service cost	<u>1,972</u>	<u>1,530</u>
Interest on pension scheme liabilities	2,126	1,799
Expected return on pension scheme assets	(2,731)	(2,067)
Total	<u>(605)</u>	<u>(268)</u>

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**16. PENSIONS (CONTINUED)**

**Changes in the present value of the scheme liabilities for the year ended 30 June 2014 are as follows:**

	2014	2013
	£000's	£000's
Present value of scheme liabilities at beginning of period	46,235	38,347
Service cost including employee contributions	2,447	1,855
Interest cost	2,126	1,799
Actuarial losses	2,954	5,276
Benefits paid	(1,317)	(1,042)
Present value of scheme liabilities at end of period	<u>52,445</u>	<u>46,235</u>

**Changes in the fair value of scheme assets for the year ended 30 June 2014 are as follows:**

	2014	2013
	£000's	£000's
Present value of scheme assets at beginning of period	38,000	32,443
Service cost including employee contributions	1,398	325
Expected return	2,731	2,067
Contributions paid by the College	972	998
Actuarial losses	475	3,209
Benefits paid	(1,317)	(1,042)
Present value of scheme assets at end of period	<u>42,259</u>	<u>38,000</u>

**Movement in the deficit during the year ended 30 June 2014 are as follows:**

	2014	2013
	£000's	£000's
Deficit in scheme at beginning of year	(8,235)	(5,904)
Service cost (employer only)	(1,972)	(1,530)
Contributions paid by the College	972	998
Finance cost	605	268
Actuarial loss	(1,556)	(2,067)
Deficit in scheme at the end of year	<u>(10,186)</u>	<u>(8,235)</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 PHL.

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 30 June 2014 are as follows:

	2014	2013
	%	%
Equities	83	80
Bonds	14	14
Property	1	4
Cash	2	2
	<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:

	2014	2013
	%	%
Equities	7.9	7.9
Bonds	4.2	4.5
Property	6.9	6.9
Cash	0.5	0.5

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**16. PENSIONS (CONTINUED)**

The cumulative amount of actuarial losses recognised in the Consolidated Statement of Financial Activities at 30 June 2014 is £1,556,000 (2013: £2,067,000 loss).

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

	2014 £000's	2013 £000's	2012 £000's
Present value of scheme liabilities	(52,445)	(46,235)	(38,347)
Market value of scheme assets	42,259	38,000	32,443
Deficit	<u>(10,186)</u>	<u>(8,235)</u>	<u>(5,904)</u>
Actual return less expected return on scheme assets	1,398	3,209	(3,689)
Experience gain/(loss) arising on scheme liabilities	947	2,006	(153)
Changes in assumptions underlying the present value of scheme liabilities	(3,901)	(7,282)	821

In addition the College contributed £427,000 (2013: £403,000) 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**

### **ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

#### **16. PENSIONS (CONTINUED)**

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 part of this valuation, the trustee has determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. In 2011 the actuary estimated that if experience remained in line with the assumptions made, the shortfall at 31 March 2014 would be £2.2 billion, equivalent to a funding level of 95%.

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

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

The funding level has decreased mainly due to a decrease in real gilt yields, reducing the implied net discount rate and therefore placing a higher value on the schemes liabilities. This increase has been partially offset by a higher than expected investment return.

On the FRS 17 basis, using an AA bond discount rate of 4.5% per annum based on spot yields, the actuary estimates the funding level at 31 March 2014 was 75%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 61%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historical, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve was included, in addition, on account of the variability mentioned above.

As at the 2011 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.

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**16. PENSIONS (CONTINUED)**

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.

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 2014, USS had over 162,000 active members and the College had 95 active members participating in the scheme.

**Church of England Pension 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.

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**17. RELATED PARTY TRANSACTIONS**

During the year no fees or expenses were paid to Fellows in respect of their duties as Trustees. (2013: 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 £819,000 (2013: £740,000).

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 £2,500,000 (2013: £2,500,000) to the Isaac Newton Trust, a related party due to some common trustees. In addition the College charged the Isaac Newton Trust £167,000 (2013: £157,000) for administrative services. At the year end the trust owed the College £167,000 (2013: £157,000).

The College also made a donation of £1,250,000 (2013: £1,250,000) to the Cambridge Overseas Trust, a related party due to some common trustees.

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:

	2014	2014	2014	2013	2013	2013
	Deed of	Interest	Amount	Deed of	Interest	Amount
	Covenant	£000's	owed to	Covenant	£000's	owed to
	£000's	£000's	College	£000's	£000's	College
			£000's			£000's
Broomfield Forest Limited	700			250		
Trinity (B) Limited			50			
Trinity College (CSP) Limited		284	4,956		275	4,696
Trinity (D) Limited	1,753		153	1,500		205
Trinity (F) Limited			20			15
Trindev Limited						53
Walton Farms Limited	103	8	352		2	158
Dunstable Airport Limited		514	16,285			

**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
Dunstable Airport Limited	England	Ordinary	100%	Property
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.

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

**TRINITY COLLEGE, CAMBRIDGE**  
**ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2014**

**19. RESERVES CONSOLIDATED**

	Balance at 30 June 2013	Donations	Other Incoming Resources	Resources Expended	Transfers	Other Gains/(Losses)	Balance at 30 June 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Endowment	768,458		11,702		4,568	64,963	849,691
Restricted	94,744	250	3,271	(1,967)	(5,410)	9,939	100,827
Designated	31,444	240	463	(630)	4,170		35,687
General	31,528	486	51,300	(46,549)	(3,328)	(1,556)	31,881
	<b>926,174</b>	<b>976</b>	<b>66,736</b>	<b>(49,146)</b>		<b>73,346</b>	<b>1,018,086</b>

**20. RESERVES COLLEGE**

	Balance at 30 June 2013	Donations	Other Incoming Resources	Resources Expended	Transfers	Other Gains/(Losses)	Balance at 30 June 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Endowment	763,417		11,702		4,568	60,043	839,730
Restricted	94,743	250	3,272	(1,967)	(5,410)	9,939	100,827
Designated	31,444	240	463	(630)	4,170		35,687
General	31,530	486	46,656	(42,016)	(3,328)	(1,556)	31,772
	<b>921,134</b>	<b>976</b>	<b>62,093</b>	<b>(44,613)</b>		<b>68,426</b>	<b>1,008,016</b>

**21. RECONCILIATION OF NET DEBT**

	2014	2013
	£'000	£'000
<b>At start of year:</b>		
Cash at bank and in hand	31,850	21,364
Bank loans	(70,000)	(70,000)
Net debt	<b>(38,150)</b>	<b>(48,636)</b>
Net increase in cash in period	9,651	10,486
Increase in bank loans	(20,000)	
Movement in net debt	<b>(10,349)</b>	10,486
<b>At end of the year:</b>		
Cash at bank and in hand	41,501	31,850
Bank loans	(90,000)	(70,000)
Net debt	<b>(48,499)</b>	<b>(38,150)</b>