

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES
AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 JUNE 2017

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

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TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

TRUSTEES AND PRINCIPAL ADVISERS

Trustees, Members of College Council

Sir Gregory Winter, Master
Professor David McKitterick, Vice-Master (until 31 August 2016)
Professor Grae Worster, Vice-Master (w.e.f. 1 September 2016)
Professor Catherine Barnard, Senior Tutor
Mr Rory Landman, Senior Bursar
Dr Rod Pullen, Junior Bursar (until 31 December 2016)
Mr Jonny Bourne, Junior Bursar (w.e.f. 1 January 2017)
Professor Richard Hunter (until 31 August 2016)
Dr Richard Serjeantson (until 11 February 2017)
Professor Hamish Low (until 11 February 2017)
Professor John Marenbon
Dr Sean Holden
Dr Jeremy Butterfield
Professor Lynn Gladden
Professor Sir David Baulcombe
Prof Paul Brakefield (w.e.f. 11 February 2017)
Prof Didier Queloz (w.e.f. 11 February 2017)
Dr Nicolas Bell (w.e.f. 11 February 2017)
Dr Stuart Haigh (w.e.f. 1 September 2016 until 21 July 2017)
Dr Emma Widdis (w.e.f. 6 February 2016 until 31 December 2016,
and w.e.f. 16 October 2017)

Secretary of the College Council

Dr Christopher Morley

Bankers

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

Property Advisers

Bidwells LLP
Bidwell House
Trumpington Road
Cambridge CB29LD

Savills (UK) Ltd
Enfield Chambers
18 Low Pavement
Nottingham NG1 7DG

Independent Auditors

PricewaterhouseCoopers LLP
Abacus House Castle Park
Cambridge CB3 0AN

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 2017
TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The board of Trustees, the College Council, presents its statutory report and audited consolidated financial statements for the year ended 30 June 2017.

Structure, Governance and Management

Trinity College, Cambridge, was founded in 1546 by King Henry VIII. In October 2016, the College had 194 Fellows (academic staff involved in teaching, research and administration) and 1,058 junior members in residence (693 undergraduates, 365 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 principally through enacting or amending where appropriate College Ordinances.

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. Among these is the Audit Committee which reviews all aspects of financial governance including risk.

The College's Stipends Committee and Staff Committee recommend the pay and remuneration of Fellows and Staff respectively for the approval of the College Council. The operation of the Stipends Committee is governed by a College Ordinance, which provides that stipends of major officers are reviewed by a special sub-committee with no members who are major officers.

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2017 (continued)

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. Bursaries and studentships are provided, when needed, to both undergraduate and graduate members of the College of limited means, including some support for undergraduates through a scheme operated in common with the University and the other Colleges.

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 may share 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.

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 204 undergraduate students in October 2016 for regular study from all background across the wide range of subjects studied in the University. A further 6 students were admitted for one year on various exchange or visitor programmes. As usual, many students (41) returned after graduation for further study, and the College admitted a further 63 graduates from other Universities to read for Master's degrees and/or doctorates in various subjects. Fifteen students continued to a PhD after completing a Master's degree. During the year junior members achieved 40 Master's degrees and 53 PhDs. Our student body is international with nearly 70 nationalities represented.

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. We were again in first position in the analysis of Baxter scores over a three-year period (2015-17), a position held for nine consecutive years. For the third time, our first, second and final year students separately ranked first among their peers from other colleges. We were again top for Science subjects. With the exception of 2003, this is a position we have held every year since 1997. For the first time ever, Trinity was in first position in the Arts subjects, both in the analysis of one year of data and the analysis of three years' data (2015-17).

In January 2017, in an open competition, the College elected eight Junior Research Fellows to commence four years of research in October 2017. During the year it also elected six Teaching Fellows. The Assistant Bursar appointed in September 2016 took up the post of Junior Bursar in January 2017. 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 2016-17 the Fellowship included 30 Fellows of the Royal Society and 26 Fellows of the British Academy.

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017
TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2017 (continued)

Financial Report

The financial position of the College remains very stable year on year. In addition to funding its own activities and making its University Contribution of £2.3m to the Colleges Fund, the College has been able to make substantial grants totalling £4.3m (2016: £5.3m) to support wider collegiate Cambridge. Net income (including both capital items and recurrent income) was £17.8m (2016: £10.1m). After deducting capital items allocated to Endowment, which amounted to £7.9m, and £4.6m (2016: £11.1m and £2.1m) of benefactions and donations there was an underlying Net Income of £5.3m (2016: Spend £3.1m). This was mainly accounted for by much lower spend on renovations.

The College is not immune from the wider economy. Rental growth has begun to pick up, but the impact of the UK's decision to leave the European Union is as yet unquantifiable. There have been short term gains and losses, but the medium term impact of the uncertainty will undoubtedly be negative. Meanwhile, shortening leases, empty rates charges and fewer upward only rent reviews mean that rental income is likely to become more volatile. In order to provide a cushion against downturns, the College seeks to maintain reserves in the Consolidated General Funds (2017: £31.7m) at around the level of the annual cost of its charitable activities, and for the Amalgamated Trusts Fund at around one year's income. The General Funds have increased by £8.3m this year due to the Net Income in General Funds of £6.4m together with the £1.8m actuarial gain on the defined benefit pension scheme. 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. In 2014 the College embarked on a major renovation scheme for New Court which was completed in 2016. Maintenance, repairs and improvements totalled £5m, down from £12.9m in 2016 (and down from a New Court inflated £19.1m in 2015). In years of low expenditure the College makes transfers to the College Reconstruction Fund which is part of Designated Funds. This Fund is used in years of higher than average renovation expenditure. The Fund was exhausted in 2015 resulting in a £4.2m higher than normal charge to General Funds in 2016. No charge was made in 2017 to allow general funds to recover the cumulated deficit.

The College's Statement of Financial Activities (SOFA) is presented in the format required by the Charity SORP, which divides the College's income between various funds. The Endowment Fund represents permanent capital and its incoming resources are of a capital nature. Restricted funds, and the income arising, can only be used for the purposes for which they were originally given. The College's Designated Funds represent resources set aside for specific purposes. Therefore in any given year the key indicator of the College's financial health is the net incoming resources in the College's unrestricted General Funds which were £6.4m in surplus in 2017 (2016: £3.0m deficit).

The investment objective of the College's endowment is to maximise its long term real income growth. This is intended to be achieved through investing mainly 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 College's net investment income (after deducting investment costs and interest and net of Endowment Fund income) increased by 5.9% to £36.2m. The current valuation of the College's net assets rose 13.5%.

During 2017, the College invested over £40m in building property assets including the Bradfield Centre and Unit 26 on the Cambridge Science Park and on the business park at Dunsfold. Income will only benefit with a lag.

TRINITY COLLEGE, CAMBRIDGE
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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 College and the group and of the incoming resources and application of resources of the College and 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, comprising FRS 102, 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 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 charity 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 20 November 2017

Sir Gregory Winter, Master

Mr Rory Landman, Senior Bursar

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TRINITY COLLEGE,
CAMBRIDGE

Report on the audit of the financial statements

Our opinion

In our opinion, Trinity College, Cambridge's Group financial statements and the College financial statements (the "financialstatements"):

- give a true and fair view of the state of the Group's and College's affairs as at 30 June 2017 and the Group's and College'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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) and
- 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, 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 of the University of Cambridge.

What we have audited

We have audited the financial statements, included within the Annual Report of the Trustees and Accounts for the Year ended 30 June 2017 (the "Annual Report"), which comprise:

- the Consolidated and College balance sheets as at 30 June 2017;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and the College's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report of the Trustees other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' 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

Responsibilities of the Trustees for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the College's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group and the College or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity'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.

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

Other required reporting

Charities Act 2011 exception reporting

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 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.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge

20 November 2017

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2017

	Note	Endowment £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	2017 Total £000's	2016 Total £000's
INCOMING RESOURCES							
Income from donations and legacies			1,491	622	2,525	4,638	2,076
Income from charitable activities	2		10,567			10,568	10,179
Income from other trading activities	4		536	114	15	665	612
Investment Income	3	7,881	47,142	413	3,608	59,044	59,553
TOTAL INCOME		7,881	59,736	1,150	6,148	74,915	72,420
<i>Expenditure 011 generating funds</i>							
Fundraising costs			1,275			1,275	1,146
Loan interest			4,301			4,301	4,338
Estates and Investment Management costs	5		10,606		58	10,664	9,910
			16,182		58	16,240	15,394
<i>Cost of charitable activities</i>	6		34,763	1,161	2,346	38,270	44,391
<i>Other Expenditure</i>							
Governance costs			321			321	346
Contribution under Statute GI	7		2,082	23	208	2,313	2,214
TOTAL RESOURCESEXPEDED			53,348	1,184	2,612	57,144	62,345
NET INCOME		7,881	6,388	(34)	3,536	17,771	10,075
Unrealised gains on investment Assets		118,692		2,032	18,289	139,013	101,159
NET INCOMING RESOURCES BEFORE TRANSFERS		126,573	6,388	1,998	21,825	156,784	111,234
Transfers between funds	19,20		33	866	(899)		
NET INCOMING RESOURCES AFTER TRANSFERS		126,573	6,421	2,864	20,926	156,784	111,234
<i>Other recognised gains & losses:</i>							
Actuarial Gains/(Losses) on defined benefit pension scheme	16		1,833			1,833	(4,299)
NET MOVEMENTS IN FUNDS		126,573	8,254	2,864	20,926	158,617	106,935
Total funds brought forward		1,022,239	23,442	32,077	109,849	1,187,607	1,080,672
Total funds carded forward		1,148,812	31,696	34,941	130,775	1,346,224	1,187,607

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 YEAR ENDED 30 JUNE 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2016

	Note	Endowment £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	2016 Total £000's	2015 Total £000's
INCOMING RESOURCES							
Income from donations and legacies			548	668	860	2,076	2,538
Income from chaitable activities	2		10,179			10,179	9,560
Income from other trading activities	4		499	68	45	612	766
Investment Income	3	11,125	44,524	390	3,514	59,553	54,291
TOTAL INCOME		11,125	55,750	1,126	4,419	72,420	67,455
Expenditure 011 generating funds							
Fundraising costs			1,146			1,146	1,009
Loan interest			4,338			4,338	4,315
Estates and Investment Management costs	5		9,855		55	9,910	9,147
			15,339		55	15,394	14,471
<i>Cost of charitable activities</i>	6		41,389	985	2,017	44,391	47,280
Other Expenditure							
Governance costs			346			346	334
Contribution under Statute G	7		2,015	31	168	2,214	2,200
TOTAL RESOURCES EXPENDED			59,089	1,016	2,240	62,345	64,285
NET INCOME/(EXPENSE)		11,125	(3,339)	110	2,179	10,075	3,170
Unrealised gains on Investment Assets		93,980		2,113	5,066	101,159	63,421
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		105,105	(3,339)	2,223	7,245	111,234	66,591
Transfers between funds	19,20		338	4,099	(4,437)		
NET INCOMING/(OUTGOING) RESOURCES AFTER TRANSFERS		105,105	(3,001)	6,322	2,808	111,234	66,591
Other recognised gains & losses:							
Actuarial Losses on defined benefit pension scheme	16		(4,299)			(4,299)	(4,005)
NET MOVEMENTS IN FUNDS		105,105	(7,300)	6,322	2,808	106,935	62,586
Total funds brought forward		917,134	30,742	25,755	107,041	1,080,672	1,018,086
Total funds carried forward		1,022,239	23,442	32,077	109,849	1,187,607	1,080,672

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 YEAR ENDED 30 JUNE 2017

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 £000's	2016 £000's
FIXED ASSETS			
Investments	10	1,428,646	1,251,273
		<u>1,428,646</u>	<u>1,251,273</u>
CURRENT ASSETS			
Stock	11	2,264	2,273
Debtors: amounts falling due after more than one year	12	1,517	1,677
Debtors: amounts falling due within one year	12	11,697	10,616
Cash at bank in hand		41,283	53,024
		<u>56,761</u>	<u>67,590</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(22,766)</u>	<u>(19,545)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,462,641</u>	<u>1,299,318</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	(94,090)	(90,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>1,368,551</u>	<u>1,209,318</u>
PENSION SCHEME LIABILITY	16	(22,327)	(21,711)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>1,346,224</u>	<u>1,187,607</u>
<i>Represented by:</i>			
Endowment funds	19	1,148,812	1,022,239
Restricted funds	19	130,775	109,849
Designated funds	19	34,941	32,077
General funds - general reserve	19	31,696	23,442
		<u>1,346,224</u>	<u>1,187,607</u>

The financial statements on pages 10 to 28 were approved by the College Council on 20 November 2017 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 2017

COLLEGE BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 £000's	2016 £000's
FIXED ASSETS			
Investments	10	1,346,156	1,179,465
		<u>1,346,156</u>	<u>1,179,465</u>
CURRENT ASSETS			
Stock	11	1,700	1,719
Debtors: amounts falling due after more than one year	12	26,024	27,726
Debtors: amounts falling due within one year	12	8,315	6,819
Cash at bank in hand		35,327	45,872
		<u>71,366</u>	<u>82,136</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(16,664)	(13,750)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,400,858</u>	<u>1,247,851</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	(90,000)	(90,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>1,310,858</u>	<u>1,157,851</u>
PENSION SCHEME LIABILITY	16	(22,327)	(21,711)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>1,288,531</u>	<u>1,136,140</u>
<i>Represented by:</i>			
Endowment funds	20	1,091,661	972,554
Restricted funds	20	130,747	109,822
Designated funds	20	34,940	32,077
General funds - general reserve	20	31,183	21,687
		<u>1,288,531</u>	<u>1,136,140</u>

The financial statements on pages 10 to 28 were approved by the College Council on 20 November 2017 and have been signed on their behalf by the Master and Senior Bursar.

Sir Gregoty Winter, Master

Mr Rory Landman, Senior Bursar

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	£000's	£000's
NET CASH FLOW FROM OPERATING ACTIVITIES		
Net incoming resources after transfers (as per the Statement of Financial Activities)	156,784	111,234
<i>Adjustments for:</i>		
Investment income	(59,044)	(59,553)
Net gains on investments	(139,013)	(101,159)
Total pensions losses recognised in SOFA excluding actuarial loss	3,291	3,736
Pension contributions by the College	(812)	(891)
Loan interest	4,301	4,338
Working capital movements		
- Decrease/(increase) in stocks	9	(36)
- Increase in debtors	(921)	(1,466)
- Increase in creditors	3,587	2,557
Net cash used in operating activities	(31,818)	(41,240)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed asset investments	(69,191)	(14,382)
Proceeds from disposal of fixed asset investments	34,525	11,519
Investment income	59,044	59,553
Net cash generated from investing activities	24,378	56,690
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4,301)	(4,338)
Net cash used in financing activities	(4,301)	(4,338)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(11,741)	11,112
Cash and cash equivalents at the start of the year	53,024	41,912
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	41,283	53,024
Cash and cash equivalents consists of:		
Cash at bank and in hand	41,283	53,024
Short term deposits		
Cash and cash equivalents	41,283	53,024

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

I. STATEMENT OF ACCOUNTING POLICIES

General information

Trinity College, Cambridge ('the College') and its subsidiaries (together 'the Group') whose object is the 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.

Basis of preparation

The consolidated financial statements of Trinity College, Cambridge have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), and with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2015 ('the SORP 2015'), together with the reporting requirements of the Charities Act 2011.

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investments.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied to all the years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 102 requires the use of certain accounting estimates. It also requires the Trustees to exercise its judgements in the process of applying the Group's and College's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements are disclosed below.

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 control, being the power to govern the financial and operating policies of the entity.

Where a subsidiary has a different accounting policy to the Group, adjustment is made to the subsidiary's financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

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 govern 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.

Cash flow statement

The College prepares a consolidated cash flow statement and the consolidated accounts, in which the College's results are included, are available to the public. It has therefore taken advantage of the exemption conferred by FRS 102 Section 1 not to prepare a cash flow statement.

Incoming resources

Income is accrued and included in the statement of financial activities when the College is legally entitled to the income, the amount can be quantified with reasonable accuracy and is probable. 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.

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. STATEMENT OF ACCOUNTING POLICIES (continued)

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.

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 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, accounts for the scheme as if it were a defined contribution scheme. Contributions payable relating to funding of the deficit are included as a liability on the balance sheet and charged to the SOFA.

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. The liability recognised on the balance sheet is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. Annually, the Group engages independent actuaries to calculate the obligation.

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.

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. STATEMENT OF ACCOUNTING POLICIES (continued)

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.

Investments

Investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost less accumulated impairment, and eliminated on consolidation. Properties are valued annually by the Trustees based on estimated market values on a continuing use basis after taking advice from third party valuers. The SOFA includes realised gains and losses on investment sold in the year and unrealised gains and losses on revaluation of investments.

Fixed asset investments are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs in the SOFA.

Stocks

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

Foreign currency

Foreign currency transactions are recorded at the exchange rate at the time of the transaction. Foreign currency balances are translated into sterling at the exchange rate at the balance sheet date. Resulting gains or losses are included in the SOFA.

Financial instruments

The Group has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest rate method. The College only has taken reduced disclosure exemptions for sections 11 and 12 of FRS 102.

Financial assets are derecognised when their contractual rights to the cash flows from the asset expire or are settled. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Trustees, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(continued)

2. INCOME FROM CHARITABLE ACTIVITIES

	Endowment Funds £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	2017 Total £000's	2016 Total £000's
College Fees		4,378			4,378	4,104
Residence and catering		5,984			5,984	5,705
Other Fees		205			206	370
		10,567			10,568	10,179

COLLEGE FEES

	2017 Total £000's	2016 Total £000's
Fee Income paid on behalf of undergraduates at the publicly-funded undergraduate rate per capita fee £4,500 for matriculation after October 2012, £4,308 for matriculation before October 2012 (2016 £4,500, £4,308)	2,525	2,549
Privately-funded undergraduate fee income, per capita fee £12,000. A bursary of £5,400 is applied to each fee (2016 £6,000)	1,006	876
	847	679
Fee income received at the graduate fee rate (per capita fee £3,283 (2016 £2,818))	4,378	4,104

3. INVESTMENT INCOME

	Endowment Funds £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	2017 Total £000's	2016 Total £000's
Property	7,881	39,747	75	821	48,524	50,090
Equities		7,282	338	2,787	10,407	9,276
Bank interest		113			113	187
	7,881	47,142	413	3,608	59,044	59,553

4. INCOME FROM OTHER TRADING ACTIVITIES

	Endowment Funds £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	2017 Total £000's	2016 Total £000's
Conferences		147			147	106
Tourism		186			186	142
Other		203	114	15	332	364
		536	114	15	665	612

5. ESTATES AND INVESTMENT MANAGEMENT COSTS

	Endowment Funds £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	2017 Total £000's	2016 Total £000's
College costs		2,975		58	3,033	3,173
Subsidiaries costs		7,631			7,631	6,737
		10,606		58	10,664	9,910

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(continued)

6. COST OF CHARITABLE ACTIVITIES

	Endowment Funds	General Funds (Unrestricted)	Designated Funds	Restricted Funds	2017 Total £000's	2016 Total £000's
	£000's	£000's	£000's	£000's		
Residence and catering		11,014		33	11,047	13,367
Teaching, Tutorial and Admissions		13,103	261	109	13,473	16,085
Research		4,123	35	226	4,384	5,146
Scholarships and awards		3,025	160	1,868	5,053	4,486
Donations		3,498	705	110	4,313	5,307
		34,763	1,161	2,346	38,270	44,391

	2017 Total £000's	2016 Total £000's
<i>An analysis of the donations is as follows:</i>		
Isaac Newton Trust	1,500	1,500
Cambridge Trust	1,250	1,250
Cambridge Home / EU Scholarship Scheme	600	600
Cambridge Colleges Teaching	705	665
Cambridge Colleges Buildings		1,050
Other	258	242
	4,313	5,307

7. CONTRIBUTION UNDER STATUTE GIL

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 2017 is £2,313,000 (2016: £2,214,000).

8. NET INCOMING RESOURCES BEFORE TRANSFERS

This is shown after charging:

	2017 Total £000's	2016 Total £000's
Auditors' Remuneration: External audit	102	100
Maintenance, Repairs and Improvements	5,027	12,880

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(continued)

9. STAFF NUMBERS AND COSTS

The monthly average number of persons (including the Trustees) employed by the College during the year, was: 532

The costs associated with these employees was:

	2017	2016
	£000's	£000's
Wages and salaries	11,504	10,961
Social security costs	1,057	858
Pension costs - defined benefit scheme service cost	2,731	2,442
Pension costs - USS defined contribution scheme	524	462
	<u>15,816</u>	<u>14,723</u>

Trustees

During the year no fees or expenses were paid to Fellows in respect of their duties as Trustees (2016: none).

Payments to Trustees made under the authority of and in accordance with the Statutes of the College, in respect of teaching, research and administrative duties amounted to:

	2017	2016
	£000's	£000's
Aggregate emoluments	701	780
Pension contributions	88	<u>95</u>
	<u>789</u>	<u>875</u>

The number of College Fellows and staff whose remuneration, excluding pension contributions, exceeded £60,000 was as follows:

	2017	2016
	No	No
£60,000 - £69,999	7	8
£70,000 - £79,999	9	8
£80,000 - £89,999	3	
£90,000 - £99,999	1	2
£110,000 - £119,999	1	
£130,000 - £139,999	1	
	<u>22</u>	<u>21</u>

Retirement benefits are accruing to 19 (2016: 20) of the above individuals under a defined benefit pension scheme. The total pension costs of these Fellows and staff amounts to £255,877 (2016: £236,253).

Key management compensation

The College considers that the Trustees of the College represent the Key Management of the College.

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(continued)

10. INVESTMENTS

	Consolidated	Conso lidated	College	College
	2017	2016	2017	2016
	£000 's	£000's	£000's	£000's
Market value at 1 July	1,251,273	1,147,251	1,179,465	1,093,923
Additions	69,191	14,382	69,461	14,350
Disposals	(34,525)	(11,519)	(34,525)	(11,487)
Net investment gains	142,707	101,159	131,755	82,679
Market value at 30 June	1,428,646	1,251,273	1,346,156	1,179,465

	Consolidated	Conso lidated	College	College
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Represented by:				
Property	849,363	749,191	712,959	646,469
Equities	563,135	477,840	563,135	477,840
Unlisted investments	16,148	24,242	16,148	24,242
In vest ments in subsidiary undertakings (See note 18)	1,428,646	1,251,273	1,346,156	1,179,465

Listed equities are valued by reference to 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 market values on a continuing use basis after taking advice from third party valuers.

II. STOCK

	Consolidated	Consolidated	College	College
	2017	2016	2017	2016
	£000's	£000's	£000's	£000's
Provisions	1,700	1,719	1,700	1,719
Crops and seeds	564	554	564	554
	2,264	2,273	2,264	2,273

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(continued)

12. DEBTORS

	Consolidated 2017 £000's	Consolidated 2016 £000's	College 2017 £000's	College 2016 £000's
Amounts falling due after more than one year				
Amounts owed by subsidiary undertakings			24,507	26,049
Other debtors	1,517	1,677	1,517	1,677
	1,517	1,677	26,024	27,726
Amounts falling due within one year				
Rents receivable	3,231	5,702	2,619	3,955
Prepayments and accrued income	943	610	1,307	610
Other debtors	6,275	4,088	3,133	2,030
Amounts owed by subsidiary undertakings			8	8
Trade debtors	1,248	216	1,248	216
	11,697	10,616	8,315	6,819
	13,214	12,293	34,339	34,545

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated 2017 £000's	Consolidated 2016 £000's	College 2017 £000's	College 2016 £000's
Trade creditors	3,700	780	3,700	780
University contribution	2,313	2,214	2,313	2,214
Taxes and social security	1,580	2,211	1,580	2,211
Other creditors	7,051	6,729	949	934
Accruals and deferred income	8,122	7,611	8,122	7,611
	22,766	19,545	16,664	13,750

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

	Consolidated 2017 £000's	Consolidated 2016 £000's	College 2017 £000's	College 2016 £000's
Deferred Income	4,090			
Long term borrowing	90,000	90,000	90,000	90,000
	94,090	90,000	90,000	90,000

15. MATURITY OF BANK LOANS

	Consolidated 2017 £000's	Consolidated 2016 £000's	College 2017 £000's	College 2016 £000's
In more than five years	90,000	90,000	90,000	90,000
	90,000	90,000	90,000	90,000

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.

TRINITY COLLEGE, CAMBRIDGE**ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017****(continued)****16. PENSION SCHEME LIABILITY****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:

	2017	2016
	%	%
Discount rate	2.6	2.8
Expected long-term rate on Scheme assets	3.7	3.7
Salary inflation assumption	4.45	4.0
Price inflation assumption	3.45	3.0
Pension increases (capped inflation linked)	3.00	3.0

Mortality

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

	2017	2016
Male	22.1	21.9
Female	23.9	23.9

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

	2017	2016
Male	23.2	23.2
Female	25.2	25.2

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

	2017	2016
	£000's	£000's
Market value of Scheme assets	56,162	47,441
Present value of Scheme liabilities	(77,766)	(68,399)
Deficit in the Scheme	(21,604)	(20,958)

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

	2017	2016
	£000's	£000's
Current service cost	2,731	2,442
	2,731	2,442
Interest on pension scheme liabilities	1,895	2,220
Return on pension scheme assets	(1,335)	(1,679)
Total	560	541

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(continued)

16. PENSION SCHEME LIABILITY (CONTINUED)

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

	2017	2016
	£000's	£000's
Present value of scheme liabilities at beginning of year	68,399	59,714
Cun-ent service cost	2,618	2,321
Employee Contributions	458	506
Interest cost	1,895	2,220
Actuarial losses	5,994	5,356
Benefits paid	(1,598)	<u>(1,718)</u>
Present value of scheme liabilities at end of year	77,766	<u>68,399</u>

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

	2017	2016
	£000's	£000's
Present value of scheme assets at beginning of year	47,441	45,147
Contributions paid by the College	812	891
Employee Contributions	458	506
Interest on plan assets	1,335	1,679
Administrative expenses paid	(123)	(126)
Return on assets, less interest included in SOFA	7,837	1,062
Benefits paid	(1,598)	<u>(1,718)</u>
Present value of scheme assets at end of year	56,162	<u>47,441</u>

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

	2017	2016
	£000's	£000's
Deficit in Scheme at beginning of year	(20,958)	(14,567)
Recognised in SOFA	(3,291)	(2,983)
Contributions paid by the College	812	891
Actuarial Gain/(Loss)	1,833	<u>(4,299)</u>
Deficit in Scheme at the end of year	<u>(21,604)</u>	<u>(20,958)</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 are as follows:

	2017	2016
	%	%
Equities	84	83
Bonds	14	14
Property	1	1
Cash	1	<u>2</u>
	<u>100</u>	<u>100</u>

The average expected long term rate of return on the Scheme assets of 3.7% has been calculated based upon the major asset categories shown in the above table.

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(continued)

16. PENSION SCHEME LIABILITY (CONTINUED)

The actuarial loss recognised in the Consolidated Statement of Financial Activities at 30 June 2017 is £1,833,000 (2016: £4,299,000 loss).

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

	2017	2016	2015
	£000's	£000's	£000's
Present value of Scheme liabilities	(77,766)	(68,399)	(59,714)
Market value of Scheme assets	<u>56,162</u>	<u>47,441</u>	<u>45,147</u>
Deficit	<u>(21,604)</u>	<u>(20,958)</u>	<u>(14,567)</u>
Actual return less expected return on Scheme assets	7,837	1,062	73
Experience gain arising on Scheme liabilities	1,760	1,843	669
Change in the present value of Scheme liabilities	(7,764)	(7,204)	(4,747)

In addition the College contributed £521,000 (2016: £462,000) to the Universities Superannuation Scheme, which is accounted for as a defined contribution scheme.

Universities Superannuation Scheme

Significant accounting policies

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

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16. PENSION SCHEME LIABILITY (CONTINUED)

PENSION COSTS

The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The charity is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the charity's employees. In 2015, the percentage was 16% (2014: 16%). The charity 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.

The total cost charged to the statement of financial activity is £521,000 (2016: £462,000). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016.

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

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

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

	2017	2016
Discount rate	3.6%	3.6%
Pensionable salary growth	n/a	n/a
Pension increases	2.2%	2.2%

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

Male members' mortality	98% of SI NA ["LIGHT"] YoB tables - No age rating
Female members' mortality	99% of SI NA ["LIGHT"] YoB tables - rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRSI 7 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	2017	2016
Males currently aged 65 (years)	24.3	24.3
Females currently aged 65 (years)	26.5	26.5
Males currently aged 45 (years)	26.4	26.4
Females currently aged 45 (years)	28.8	28.8

	2017	2016
Scheme assets	£49.8bn	£49.8bn
Total scheme liabilities	£58.3bn	£58.3bn
FRS I02 total scheme deficit	£8.5bn	£8.5bn
FRSI02 Total funding level	85%	85%

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. (2016: 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 £700,000 (2016: £895,000).

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 non-commercial terms and in accordance with the College's non-commercial procedures including those on conflicts of interest.

During the year the College made a donation of £1,500,000 (2016: £1,500,000) to the Isaac Newton Trust, a related party due to some common trustees. In addition the College charged the Isaac Newton Trust £85,000 (2016: £160,000) for administrative services. At the year end the trust owed the College £85,000 (2016: £160,000).

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:

	2017	2017	2017	2016	2016	2016
	Deed of	Interest and	Amount	Deed of	Interest and	Amount
	Covenant	Rent	owed to	Covenant	Rent	owed to
	£000's	£000's	College	£000's	£000's	College
			£000's			£000's
Trinity (B) Limited			175			175
Trinity College (CSP) Limited		323	5,382	4,298		5,531
Trinity (D) Limited	1,864		363	1,870		139
Trinity (F) Limited			40			30
Walton Fanns Limited		220	549	12	156	419
Dunsfold Airport Limited		1,589	31,358		1,581	19,893

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
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
Walton Fanns Limited	England	Ordinary	100%	Fanning
Dunsfold Airport Limited	England	Ordinary	100%	Property

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.

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19. RESERVES CONSOLIDATED

	Balance at 30 June 2016	Income	Expenditure	Net investment gains	Transfers between funds	Other gains	Balance at 30 June 2017
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Endowment funds	1,022,239	7,881		118,692			1,148,812
Restricted funds	109,849	6,148	(2,612)	18,289	(899)		130,775
Designated funds	32,077	1,150	(1,184)	2,032	866		34,941
General funds							
- general reserve	23,442	59,736	(53,348)		33	1,833	31,696
	1,187,607	74,916	(57,144)	139,012		1,833	1,346,224

20. RESERVES COLLEGE

	Balance at 30 June 2016	Income	Expenditure	Net investment gains	Transfers between funds	Other gains	Balance at 30 June 2017
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Endowment funds	972,554	7,881		111,226			1,091,661
Restricted funds	109,822	6,148	(2,612)	18,289	(899)		130,747
Designated funds	32,077	1,149	(1,184)	2,032	866		34,940
General funds							
- general reserve	21,687	53,829	(46,199)		33	1,833	31,183
	1,136,140	69,007	(49,995)	131,547		1,833	1,288,531

21. RECONCILIATION OF NET DEBT

	2017	2016
	£000's	£000's
At start of year:		
Cash at bank and in hand	53,024	41,912
Bank Loans	(90,000)	(90,000)
Net Debt	(36,976)	(48,499)
Net (decrease) /increase in cash in period	(11,741)	11,112
Movement in net debt	(11,741)	11,112
At end of the year:		
Cash at bank and in hand	41,283	53,024
Bank Loans	(90,000)	(90,000)
Net Debt	(48,717)	(36,976)