



Trinity College

Financial Statements

Year ended 31 July 2010

TRINITY COLLEGE

Report of the Governing Body

The Governing Body of Trinity College presents the annual report and financial statements for the year ended 31 July 2010.

Status

Trinity College is an eleemosynary chartered charitable corporation. It was founded by Sir Thomas Pope under a Letters of Patent issued by Philip and Mary, dated 8 March 1555, and a Deed of Foundation dated 25 March 1555. The corporation comprises the President and Fellows. As a result of the Charities Act 2006, the College which was previously an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act), is in the process of registering with the Charity Commission.

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research. Within these objects, the College also has various permanently endowed trust funds held for special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

Governance

The Governing Body of the College comprises the President and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, The Lord Bishop of Winchester. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Letters of Patent of 8 March 1555, and the Universities of Oxford and Cambridge Act 1923. The Governing Body is responsible for the strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the President and is advised by a range of committees.

Scope of financial statements

The financial statements consolidate the accounts of Trinity College and its wholly-owned subsidiary undertakings, Wroxton Estates Limited, Trinity College Development Limited and Trinity College Oxford Limited. Wroxton Estates Limited is not trading. Trinity College Developments Limited provides design and construction services to the College. Trinity College Oxford Limited provides conference and other visitor services to the College.

Review of operations and finance

The financial statements have been prepared in accordance with the reporting requirements for Oxford Colleges as set out in Statute XV made by the University under the Universities of Oxford and Cambridge Act, 1923.

The income and expenditure account on page 8 of the financial statements shows a deficit of £32,000 (2009 - surplus of £166,000). Total income was £124,000 lower than in 2009, a decline in the endowment return and interest receivable being only partly offset by higher other operating income. The decline in investment income was attributable partly to companies that had previously paid dividends deciding not, or not being permitted to do so and partly as a result of a greater exposure to overseas equities. Other operating income rose by 8.6% overall as a result of increased accommodation charges, a small increase in conference lettings and higher donations to the College's annual fund campaign. Total expenditure was 1.2% higher at £6,268,000.

During the year, the endowments and reserves of the College rose by 12.2% overall from £71,984,000 to £80,773,000, primarily because of higher valuations but also as a result of generous donations of £1,512,000 to the endowment funds of the College.

Investment performance

During the year, the endowment fund was managed in accordance with Statute XIX of the College Statutes. The College's investment portfolio is managed by Rensburg Sheppards. The directly owned property portfolio continues to be managed by the College land agent, Laws & Fiennes. Performance of the College's investments is reviewed firmly by the Investment Committee that comprises internal and external members with experience and expertise in investment management.

TRINITY COLLEGE
Report of the Governing Body

Reserves

The general reserve at the year end was £5,920,000, of which £5,344,000 represented the undepreciated costs of fixed assets and £576,000 was free reserves. The Governing Body has concluded that free reserves of £500,000 should be maintained to allow the College to be managed efficiently.

Risk management

The major risks to which the College is exposed, as identified by the Governing Body, are reviewed annually and systems have been established to mitigate these risks.

Approved by the Governing Body on 1st December 2010

Sir Ivor Roberts KCMG

TRINITY COLLEGE
Responsibilities of the Governing Body

In accordance with the College's Statutes, the Governing Body is responsible for the administration and management of the College's affairs.

It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University. The Governing Body is also responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

In preparing the financial statements, the Governing Body has ensured that:

- " suitable accounting policies are selected and applied consistently;
- " judgements and estimates are made that are reasonable and prudent;
- " applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- " it is satisfied that it has adequate resources to continue in operation for the foreseeable future: accordingly the financial statements are prepared on a going concern basis.

The Governing Body has taken reasonable steps to:

- " ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud;
- " secure the economical, efficient and effective management of the College's resources and expenditure.

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

Under the Charities Act 1993, the College was an exempt charity and the members of the Governing Body responsible for ensuring that the property and income of the College are applied only in support of purposes which are charitable in law. This responsibility remains under the Charities Act 2006.

TRINITY COLLEGE

Independent auditors' Report to the Governing Body

We have audited the financial statements of Trinity College for the year ended 31 July 2010 which comprise the principal accounting policies, the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the balance sheets, the consolidated cash flow statement, and notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Governing Body, in accordance with the College's Statutes. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to if in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Governing Body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE GOVERNING BODY AND AUDITORS

The Governing Body's responsibilities for preparing the Report of the Governing Body and the financial statements in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act 1923, and of Regulations for the accounts of the colleges made thereunder, are set out in the Responsibilities of the Governing Body. The Governing Body are also responsible for the preparation of the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder. We also report to you if, in our opinion, the Report of the Governing Body is not consistent with the financial statements, if the College has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Report of the Governing Body and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements, or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the College, and of the College consolidated with its subsidiaries and connected entities, as at 31 July 2010 and of its consolidated surplus for the year then ended; and
- b) the financial statements have been properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder, and;
- c) in all material respects, income received from the University of Oxford out of grants from the Higher Education Funding Council for England during the year ended 31 July 2010 has been applied to the purposes for which it was received.

Critchleys LLP
Statutory Auditor
Chartered Accountants
Oxford

TRINITY COLLEGE
Statement of Principal Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of endowment asset investments, and in accordance with applicable accounting standards and according to the University of Oxford Statute XV to meet specific requirements imposed by University and College Statutes.

These specific requirements reflect the provisions set out in the Statement of Recommended Practice ("SORP"): Accounting for Further and Higher Education issued in July 2003 but have not been updated for the introduction of the amended version of this SORP issued in July 2007. Due to the proposed future movement of the College financial statements to the Charities SORP, which is expected to be implemented in conjunction with the registration of the Oxford Colleges with the Charity Commission, the University of Oxford College Accounts Committee has concluded that there is no benefit in amending the specific requirements this year.

The financial statements consolidate the accounts of the College and of its subsidiary undertakings, Wroxtton Estates Ltd, Trinity College Developments Ltd and Trinity College Oxford Ltd. The accounts of the affiliated student bodies (Trinity College Junior and Middle Common Rooms) have not been consolidated because the College does not control these activities.

Recognition of income

Fees and other income for services provided are credited to the income and expenditure account on a receivable basis. Income from specific endowments and other restricted income is included to the extent of the relevant expenditure incurred during the year. Income from general endowments (the use of which is not legally restricted to a specific purpose or activity) is credited to income and expenditure account on a receivable basis.

Donations

Unrestricted donations and benefactions are credited to income and expenditure account on a receivable basis. Donations received for specific purposes which have not been expended within the year are held in current liabilities as deferred income.

Pension costs

Contributions to the pension schemes provided for employees of the College are charged to the income and expenditure account over the period during which the College benefits from the employees' services. Variations from the regular cost are spread over the expected average remaining working lives of members of the schemes.

Tangible fixed assets

Tangible fixed assets are stated at cost and are depreciated on a straight line basis over the following periods:

Freehold buildings	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	10 years
Equipment	2 - 10 years

Freehold land is not depreciated.

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods.

Donations received to finance the acquisition of tangible fixed assets are treated as deferred capital and released to income on a straight line basis over the same period as the related asset is depreciated.

The College operates a "de minimis" limit of £1,000 for the capitalisation of expenditure on equipment. Works of art and other valuable artefacts that can be regarded as inalienable are not included in the financial statements.

Investments

Listed investments and properties held as fixed asset and endowment asset investments are stated at market value.

Other investments are included at the lower of cost and net realisable value.

Surpluses or deficits arising on the revaluation or realisation of endowment asset investments are added to or subtracted from the funds concerned.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

TRINITY COLLEGE
Statement of Principal Accounting Policies

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Provisions

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

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resultant exchange differences are included in the income and expenditure account for the year.

Taxation status

The College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax.

College Contribution Scheme

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. The contribution is calculated annually in accordance with regulations made by Council of the University.

TRINITY COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2010

	Notes	2010 £000's	2009 £000's
INCOME			
Academic fees, tuition income and HEFCE support	1	1,721	1,766
Other operating income	2	2,721	2,506
Endowment return and interest receivable	3	1,794	2,088
Total income		<u>6,236</u>	<u>6,360</u>
EXPENDITURE			
Staff costs		3,632	3,516
Depreciation		471	466
Other operating expenses		2,093	2,145
Contribution under Statute XV		72	67
Total expenditure	5	<u>6,268</u>	<u>6,194</u>
Surplus/(deficit) for the year	6	(32)	166

Consolidated statement of total recognised gains and losses
Year ended 31 July 2010

	Notes	2010	2009
Reserves			
Surplus/(deficit) for the year		(32)	166
Endowments			
Income receivable from endowment asset investments	15	1,939	2,230
Endowment return transferred to income and expenditure account	15	(1,794)	(2,027)
Appreciation/(depreciation) of endowment asset investments	15	7,164	(2,587)
New endowments received	15	1,512	1,044
Other			
Net additions to deferred capital	14	(12)	14
Total recognised gains relating to the year		<u>8,777</u>	<u>(1,160)</u>
Opening reserves and endowments		72,098	73,258
Closing reserves and endowments		<u>80,875</u>	<u>72,098</u>

TRINITY COLLEGE
Balance Sheets
As at 31 July 2010

	Notes	CONSOLIDATED		COLLEGE	
		2010 £000's	2009 £000's	2010 £000's	2009 £000's
Fixed assets					
Tangible assets	7	5,344	4,722	5,344	4,722
Investments	9	-	-	-	-
		<u>5,344</u>	<u>4,722</u>	<u>5,344</u>	<u>4,722</u>
Endowment asset investments					
Securities and cash deposits	10	56,476	48,627	56,476	48,627
Land and property	10	18,377	17,405	18,377	17,405
		<u>74,853</u>	<u>66,032</u>	<u>74,853</u>	<u>66,032</u>
Current assets:					
Stocks		141	117	141	117
Debtors	11	306	287	727	468
Cash at bank and in hand		1,248	1,888	737	1,607
		<u>1,695</u>	<u>2,292</u>	<u>1,605</u>	<u>2,192</u>
Creditors:					
Amounts falling due within one year	12	(886)	(795)	(847)	(744)
Net current assets		<u>809</u>	<u>1,497</u>	<u>758</u>	<u>1,448</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		81,006	72,251	80,955	72,202
Provision for liabilities and charges	13	(131)	(153)	(131)	(153)
TOTAL NET ASSETS		<u>80,875</u>	<u>72,098</u>	<u>80,824</u>	<u>72,049</u>
Deferred Capital	14	102	114	102	114
Endowments					
Specific	15	12,831	10,195	12,831	10,195
General	15	62,022	55,837	62,022	55,837
		<u>74,853</u>	<u>66,032</u>	<u>74,853</u>	<u>66,032</u>
Reserves					
General reserves	16	5,920	5,952	5,869	5,903
		<u>5,920</u>	<u>5,952</u>	<u>5,869</u>	<u>5,903</u>
TOTAL FUNDS		<u>80,875</u>	<u>72,098</u>	<u>80,824</u>	<u>72,049</u>

The financial statements were approved and authorised for issue by the Governing Body of Trinity College on 1st December 2010.

Sir Ivor Roberts KCMG
President

K.J.S. Knott CVO
Estates Bursar

TRINITY COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2010

	Note	2010 £000's	2009 £000's
Net cash outflow from operating activities	17	<u>(1,357)</u>	<u>(1,391)</u>
Returns on investments and servicing of finance			
Income from endowments received		1,939	2,230
Other income from investments and interest received		-	61
Net cash inflow from returns on investments and servicing of finance		<u>1,939</u>	<u>2,291</u>
Capital expenditure and financial investment			
Net acquisition of tangible fixed assets		(1,093)	(277)
Net realisation of fixed asset investments		-	-
Net realisation of endowment asset investments		(3,207)	(4,313)
Endowments received		1,512	1,044
Deferred capital received		16	25
Net cash outflow from capital expenditure and financial investment		<u>(2,772)</u>	<u>(3,521)</u>
Net cash outflow before use of liquid resources and financing		<u>(2,190)</u>	<u>(2,621)</u>
Decrease in cash		<u>(2,190)</u>	<u>(2,621)</u>
Reconciliation of net cash flow to movement in net funds			
Decrease in cash		(2,190)	(2,621)
Change in net funds		<u>(2,190)</u>	<u>(2,621)</u>
Net funds at beginning of year		7,832	10,453
Net funds at end of year	18	<u>5,642</u>	<u>7,832</u>

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

	2010 £000's	2009 £000's
1 ACADEMIC FEES, TUITION INCOME AND HEFCE SUPPORT		
Tuition fees from UK and European Union students	974	993
Tuition fees from overseas students	313	311
Other fees	22	14
Other tuition income and HEFCE support	412	448
	<u>1,721</u>	<u>1,766</u>
<p>The above analysis includes support from the University from HEFCE funds amounting to £1,246,000 (2009 - £1,326,000).</p>		
2 OTHER OPERATING INCOME		
Residential income from college members	1,639	1,543
Conference and function income	757	721
Grants and donations	248	157
Release of deferred capital contributions	28	11
Other income	49	74
	<u>2,721</u>	<u>2,506</u>
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 15)	155	124
Transferred from general endowments (note 15)	1,639	1,903
Other investment income	-	-
Other interest receivable	-	61
	<u>1,794</u>	<u>2,088</u>
4 STAFF COSTS		
Gross pay	3,023	2,902
Social Security costs	212	199
Other pension costs	348	364
Other benefits	49	51
	<u>3,632</u>	<u>3,516</u>

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

5 ANALYSIS OF EXPENDITURE

	Staff costs £000's	Depreciation £000's	Other operating expenses £000's	2010 Total £000's	2009 Total £000's
Academic	1,624	-	299	1,923	1,871
Residences, catering and conferences	1,016	44	864	1,924	1,929
Premises	325	395	395	1,115	1,121
College administration	443	32	137	612	615
Endowment management	24	-	266	290	264
Fundraising	132	-	93	225	229
Other	68	-	39	107	98
	<u>3,632</u>	<u>471</u>	<u>2,093</u>	<u>6,196</u>	<u>6,127</u>
Contribution under Statute XV				72	67
Total expenditure				<u>6,268</u>	<u>6,194</u>
				£000's	£000's
Other operating expenses include auditors' remuneration: in respect of the audit of these financial statements				<u>12</u>	<u>12</u>

The above analysis includes expenditure in respect of UK and European students met by publicly funded fee income amounting to £1,246,000 (2009 £1,326,000).

6 SURPLUS FOR THE YEAR

	2010 £000's	2009 £000's
The surplus for the year is made up as follows:		
College's surplus/(deficit) for the year	(34)	170
Surplus/(deficit) generated by the subsidiary undertaking(s)	2	(4)
	<u>(32)</u>	<u>166</u>

7 TANGIBLE FIXED ASSETS

CONSOLIDATED AND COLLEGE

	Freehold Land & buildings £000's	Equipment £000's	Total £000's
Cost			
At start of year	7,637	888	8,525
Additions	1,016	77	1,093
Disposals	-	-	-
At end of year	<u>8,653</u>	<u>965</u>	<u>9,618</u>
Depreciation			
At start of year	3,102	701	3,803
Charge for period	384	87	471
On disposals	-	-	-
At end of year	<u>3,486</u>	<u>788</u>	<u>4,274</u>
Net book value			
At end of year	<u>5,167</u>	<u>177</u>	<u>5,344</u>
At start of year	<u>4,535</u>	<u>187</u>	<u>4,722</u>

8 PENSION SCHEMES

1. The pension schemes:

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

The College has made available a Stakeholder Scheme for individual employees, but does not contribute to that scheme.

The College also has a small number of staff in other pension schemes, including the now closed Employees Pension Scheme ('EPS'). EPS was replaced by OSPS in 1978. In addition, the College is also contributing to the personal pension arrangements of certain staff who were ineligible to join USS or OSPS.

2. Actuarial valuations

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels are shown in the following table.

	USS	OSPS
Date of valuation:	31/03/2008 ^a	31/07/2007
Date valuation results published:	04/02/2009	09/10/2008
Value of liabilities:	£28,135m	£325m
Value of assets:	£28,842m	£282m
Funding Surplus/(Deficit):	£707m ^b	(£43m) ^c
Principal assumptions:		
Rate of interest (past service liabilities)	4.4% na	-
Rate of interest (future service liabilities)	6.1% na	-
Rate of interest (periods up to retirement)	-	6.9% na
Rate of interest (periods after retirement)	-	4.9% na
Rate of increase in salaries	4.3% na	4.8% na
Rate of increase in pensions	3.3% pa	3.3% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23 yrs	22 yrs
Assumed life expectancy at age 65 (females)	25 yrs	24 yrs
Funding Ratios:		
Technical provisions basis:	103% ^d	87%
Statutory Pension Protection Fund basis:	107%	95%
"Buy-out" basis:	79% ^d	71%
Estimated FRS17 basis	104% ^d	89%
Recommended Employer's contribution rate (as % of pensionable	16% ^e	21.5% ^e
Effective date of next valuation:	31/03/2011 ^a	31/03/2010

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

8 PENSION SCHEMES (cont'd)

Notes:

a. USS' actuary will undertake an actuarial valuation of the Scheme as at 31 March 2011, the results of which are not expected to be finalised until December 2011, with publication of the final results in 2012.

b. In the light of the considerable swings in markets since the valuation date, the nature of the demographic and financial assumptions used in the ongoing and solvency valuations, the significant positive cash flows and equity orientated investment strategy, USS' actuary recommended, and the Trustee agreed, that the small ongoing funding surplus should be carried forward to the next valuation.

c. OSPS' actuarial valuation as at 31 July 2007 identified a required long-term employer contribution rate of 17.85% of total pensionable salaries, but also a funding deficit of £42.9m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by increasing the employer contribution rate to the previously agreed rate of 21.5% of total pensionable salaries with effect from 1 August 2008. The actuary has certified that the additional 3.65% contribution should eliminate the deficit by 31 July 2026.

d. Since 31 March 2008, global investment markets have continued to fluctuate and the actuary has estimated the funding level of USS had fallen from 103% at 31 March 2008 to 91% (a deficit of £3,065m) at 31 March 2010. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the two years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). On the FRS17 basis, the actuary estimated that the funding level at 31 March 2010 was 80% and on a buy out basis was approximately 57%.

e. The USS employer contribution rate required for future service benefits alone at the date of the valuation was 16% of total pensionable salaries and the Trustee company, on the advice of the actuary, decided to implement the increase from 14% to 16.5% on 1 October 2009.

3. Sensitivity of actuarial valuation assumptions:

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities	
		USS	OSPS
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £2.2bn	decrease / increase by £30m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £1.5bn	increase / decrease by £20m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £0.7bn	increase / decrease by £7m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn	increase by £10m

4. Pension Charge for the year:

The pension charge recorded by the College during the accounting period was equal to the contributions payable as follows:

Scheme	2010 £'000	2009 £'000
Universities Superannuation Scheme	172	145
University of Oxford Staff Pension Scheme	202	207
Other schemes	(26)	12
Total:	348	364

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

9 FIXED ASSET INVESTMENTS

	CONSOLIDATED		COLLEGE	
	2010 £000's	2009 £000's	2010 £000's	2009 £000's
Investments stated at cost				
Subsidiary undertakings				
Balance at start of year	-	-	-	-
Additions	-	-	-	-
Balance at end of year	-	-	-	-
Land & Buildings	-	-	-	-

The College owns 100% of the issued ordinary £1 shares of Trinity College Developments Ltd, 100% of the issued ordinary £1 shares of Trinity College Oxford Ltd and 100% of the issued ordinary £1 shares in Wroxton Estates Ltd, all companies incorporated in England and Wales. The principal business activity of Trinity College Developments Ltd is the provision of construction and development services to Trinity College. The principal business activity of Trinity College Oxford Ltd is the provision of conference management services to Trinity College. Wroxton Estates Ltd is not trading.

* The College has an investment of one ordinary £1 share in Trinity College Developments Ltd, one ordinary £1 share in Trinity College Oxford Ltd and two ordinary £1 shares in Wroxton Estates Ltd.

10 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED			COLLEGE		
	Securities & cash £000's	Land & property £000's	Total £000's	Securities & cash £000's	Land & property £000's	Total £000's
At market value						
At start of year	48,627	17,405	66,032	48,627	17,405	66,032
Purchases at cost	15,873	66	15,939	15,873	66	15,939
Sales proceeds	(12,673)	(59)	(12,732)	(12,673)	(59)	(12,732)
Decrease in cash held by fund manager	(1,550)	0	(1,550)	(1,550)	0	(1,550)
Revaluation gains	6,199	965	7,164	6,199	965	7,164
At end of year	56,476	18,377	74,853	56,476	18,377	74,853
Analysed as						
Fixed interest stocks (listed)	10,231					
Equities (listed)	40,783					
Unlisted securities	1,068					
Cash	4,394					
	<u>56,476</u>					
Historical cost at end of year	<u>54,885</u>					

Estates land and property valuations have been made by the College land agent as at 31 July of each year, the basis of valuation being market value.

11 DEBTORS

	CONSOLIDATED		COLLEGE	
	2010 £000's	2009 £000's	2010 £000's	2009 £000's
Amounts falling due within one year:				
Trade debtors	268	265	223	117
Amounts owed by College members	27	13	27	13
Amounts owed by group undertakings	-	-	466	329
Loans	-	-	-	-
Prepayments and accrued income	11	9	11	9
	<u>306</u>	<u>287</u>	<u>727</u>	<u>468</u>

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12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2010 £000's	2009 £000's	2010 £000's	2009 £000's
Trade creditors	415	270	376	257
Contribution under Statute XV	80	83	80	83
Other taxation and social security	120	99	120	102
Accruals and deferred income	271	343	271	303
	<u>886</u>	<u>795</u>	<u>847</u>	<u>745</u>

13 PROVISIONS FOR LIABILITIES AND CHARGES

CONSOLIDATED AND COLLEGE

	2010 £000's	2009 £000's
At start of year	153	154
Expenditure in the period	(2)	(2)
Transferred from/(to) income and expenditure account	(20)	1
At end of year	<u>131</u>	<u>153</u>

This provision relates to the College's liability under the terms of non-contributory Trinity College pension scheme.

14 DEFERRED CAPITAL

CONSOLIDATED AND COLLEGE

	2010 £000's	2009 £000's
At start of year	114	100
New capital	16	25
Released to income and expenditure account	(28)	(11)
At end of year	<u>102</u>	<u>114</u>

The balance on deferred capital represents donations received to finance the purchase of tangible fixed assets. Amounts are released to the income and expenditure account over the lives of the related assets on the same basis as the charge for depreciation.

15 ENDOWMENTS

	CONSOLIDATED			COLLEGE		
	Specific £000's	General £000's	Total £000's	Specific £000's	General £000's	Total £000's
At start of year	10,195	55,837	66,032	10,195	55,837	66,032
Endowments received	1,161	351	1,512	1,161	351	1,512
Appreciation of endowment investments	1,330	5,834	7,164	1,330	5,834	7,164
Income receivable from endowment asset investments	300	1,639	1,939	300	1,639	1,939
Transferred to income and expenditure account (note 3)	(155)	(1,639)	(1,794)	(155)	(1,639)	(1,794)
At end of year	<u>12,831</u>	<u>62,022</u>	<u>74,853</u>	<u>12,831</u>	<u>62,022</u>	<u>74,853</u>

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of the College at its desired level of activity.

Specific Endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity. General Endowments represent the corporate capital of the College and include bequests and gifts where the use of the capital and income, or only the income is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body.

Specific Endowments (consolidated and College) include funds valued at £383,000 (2009 £335,000) which provide income for purposes that lie outside the objects of the College. Income arising amounted to £9,000 (2009 £11,000).

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16 RESERVES

GENERAL RESERVES	CONSOLIDATED		COLLEGE	
	£000's		£000's	
At start of year	5,952		5,903	
Deficit from income and expenditure account	(32)		(34)	
At end of year	5,920		5,869	
	CONSOLIDATED		COLLEGE	
	2010	2009	2010	2009
	£000's		£000's	
Representing:				
Undepreciated cost of tangible fixed assets financed out of general reserve	5,344	4,608	5,344	4,608
College general reserve	576	1,344	525	1,295
	5,920	5,952	5,869	5,903

17 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH
OUTFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£000's	£000's
Surplus/(deficit) for the year	(32)	166
Depreciation	471	466
Endowment income and interest receivable	(1,794)	(2,088)
Release of deferred capital contribution	(28)	(11)
Increase in stocks	(24)	(8)
(Increase)/decrease in debtors	(19)	70
Increase in creditors	91	15
Decrease in provisions	(22)	(1)
	(1,357)	(1,391)

18 ANALYSIS OF CHANGE IN NET FUNDS	2010	Changes	2009
	£000's		£000's
Cash at bank and in hand	1,248	(640)	1,888
Endowment cash (Note 10)	4,394	(1,550)	5,944
	5,642	(2,190)	7,832

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19 CAPITAL COMMITMENTS

The College had no capital commitments contracted for at 31 July 2010 (2009 Nil).

20 FINANCIAL COMMITMENTS

At 31 July 2010 the College had no annual commitments under non-cancellable operating leases (2009 Nil).

21 POST BALANCE SHEET EVENTS

There are no material events occurring after the date of the balance sheet where disclosure is deemed to contribute to a proper understanding of the College's financial position.

22 CONTINGENT LIABILITIES

There were no significant contingent liabilities at 31 July 2010 (2009 Nil).

23 RELATED PARTY TRANSACTIONS

There were no material transactions undertaken by the College during the year with a related party that require disclosure.