

TRINITY COLLEGE, CAMBRIDGE

**ANNUAL REPORT OF THE TRUSTEES
AND ACCOUNTS FOR THE YEAR ENDED
30 JUNE 2016**

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

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TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

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
Professor Richard Hunter (until 31 August 2016)
Dr Stuart Haigh (w.e.f. 1 September 2016)
Dr Richard Serjeantson
Professor Hamish Low
Dr David Washbrook (until 6 February 2016)
Professor Keith Moffatt (until 6 February 2016)
Ms Erica Segre (until 6 February 2016)
Professor John Marenbon
Dr Sean Holden
Dr Jeremy Butterfield
Dr Emma Widdis (w.e.f. 6 February 2016)
Professor Lynn Gladden (w.e.f. 6 February 2016)
Professor Sir David Baulcombe (w.e.f. 6 February 2016)

Secretary of the College Council

Dr Christopher Morley

Bankers

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

Property Advisers

Bidwells LLP
Bidwell House
Trumpington Road
Cambridge CB2 9LD

Savills (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 2016

The board of Trustees, the College Council, presents its statutory report and audited consolidated accounts for the year ended 30 June 2016.

Structure, Governance and Management

Trinity College, Cambridge, was founded in 1546 by King Henry VIII. In October 2015, the College had 189 Fellows (academic staff involved in teaching, research and administration) and 1,053 junior members in residence (691 undergraduates, 362 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.

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.

Objectives and Activities

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

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

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

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

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

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

The College provides, through a scheme operated in common with the University and other Colleges, bursary support for undergraduates of limited financial means. The College additionally provides many grants to students in support of their undergraduate and graduate studies.

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

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

Achievements and Performance

The College admitted 199 undergraduate students in October 2015 for regular study from all backgrounds across the wide range of subjects studied in the University. A further 8 students were admitted for one year on various exchange or visitor programmes. As usual, many students (47) returned after graduation for further study, and the College admitted a further 65 graduates from other Universities to read for Master's degrees and/or doctorates in various subjects. Thirteen students continued to a PhD after completing a Master's degree. During the year junior members achieved 41 Master's degrees and 51 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 (2014-16), a position held for seven consecutive years. For the second time (having also achieved this in 2014), 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. We remain highly ranked (4th) in the Arts subjects.

In January 2016, in an open competition, the College elected seven Junior Research Fellows to commence four years of research in October 2016. During the year it also elected six Teaching Fellows and a new College Librarian. In September 2016 the College appointed a new Assistant Bursar. 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 2015-16 the Fellowship included 30 Fellows of the Royal Society and 25 Fellows of the British Academy.

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

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 £2.2m to the Colleges Fund, the College has been able to make substantial grants totalling £5.3m (2015: £4.3m) to support wider College Cambridge. Net income (including both capital items and recurrent income) was £10.1m (2015: £3.2m). After deducting capital items allocated to Endowment which amounted to £11.1m and £2.1m of benefactions and donations there was an underlying Net Spend of £3.1m (2015: Spend £6.8m). This deficit was mainly accounted for by the spending on the New Court renovation which completed in the year, but also by the continuing drag of pension fund provisions of a net £2.1m. (2015: £1.7m).

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 the 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 (2016: £23.4m) at around the level of the Cost of its Charitable Activities, and for the Amalgamated Trusts Fund at around one year's income. The General Funds have declined by £7.3m this year due to the Net Spend of £3.0m together with the £4.3m actuarial loss 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 the past year. Maintenance, repairs and improvements totalled £12.9m in 2016, 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. We expect to start replenishing the Fund in 2017, as the College starts to plan for the refurbishment of Whewell's Court.

The College's Statement of Financial Activities (SOFA) is presented in the format required by Charity SORP, which divides the College's income between various funds. The Endowment Fund represents permanent capital and its incoming resources are 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 in deficit by £3.0m in 2016 (2015: £2.9m surplus).

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 investment costs and net of Endowment Fund income) increased by 0.2%. The current valuation of the College's net assets rose 9.9%.

During 2016, the College started an investment in the John Bradfield Centre on the Cambridge Science Park which is due to complete in mid-2017. Asset disposals included the rump of a retail property portfolio and some housing land near Ashford, Kent.

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law). Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 UK Accounting Standards, including 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 College will continue in business.

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

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

Approved by the College Council on 21 November 2016

Sir Gregory Winter, Master

Mr Rory Landman, Senior Bursar

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TRINITY COLLEGE,
CAMBRIDGE**

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the Group's and of the College's affairs as at 30 June 2016 and of the Group's incoming resources and application of resources and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of section 144 of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.
- Comply with section 3 of Statute, III of the University of Cambridge statutes; and
- The payment due from the College to the University of Cambridge under Statue G, II of the University of Cambridge is as advised in the provisional assessment of the University of Cambridge.

What we have audited

The financial statements, included within the Annual Report of the Trustees and Accounts for the year ended 30 June 2016 (the "Annual Report"), comprise:

- the Consolidated and College balance sheets as at 30 June 2016;
- the Consolidated Statement of Financial Activities for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Other matters on which we are required to report by exception

Sufficiency of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the College; or
- the College financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the College's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustees; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge

21 November 2016

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

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

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2016

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 charitable 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 | 54,591 |
| TOTAL INCOME | | 11,125 | 55,750 | 1,126 | 4,419 | 72,420 | 67,455 |
| Expenditure on 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 |
| Cost of charitable activities | | | | | | | |
| | 6 | | 41,389 | 985 | 2,017 | 44,391 | 47,280 |
| Other Expenditure | | | | | | | |
| Governance costs | | | 346 | | | 346 | 334 |
| Contribution under Statute GII | 7 | | 2,015 | 31 | 168 | 2,214 | 2,200 |
| TOTAL RESOURCES EXPENDED | | | 59,089 | 1,016 | 2,240 | 62,345 | 64,285 |
| NET INCOME | | 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 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 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 2016

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2015

| | Note | Endowment £000's | General Funds (Unrestricted) £000's | Designated Funds £000's | Restricted Funds £000's | 2015 Total £000's |
|--|-------|---------------------|---|-------------------------------|-------------------------------|-------------------------|
| INCOMING RESOURCES | | | | | | |
| Income from donations and legacies | | | 679 | 125 | 1,734 | 2,538 |
| Income from charitable activities | 2 | | 9,560 | | | 9,560 |
| Income from other trading activities | 4 | | 714 | 47 | 5 | 766 |
| Investment Income | 3 | 7,461 | 43,464 | 364 | 3,302 | 54,591 |
| TOTAL INCOME | | 7,461 | 54,417 | 536 | 5,041 | 67,455 |
| Expenditure on generating funds | | | | | | |
| Fundraising costs | | | 1,009 | | | 1,009 |
| Loan interest | | | 4,315 | | | 4,315 |
| Estates and Investment Management costs | 5 | | 9,076 | | 71 | 9,147 |
| | | | 14,400 | | 71 | 14,471 |
| Cost of charitable activities | | | | | | |
| | 6 | | 35,094 | 10,357 | 1,829 | 47,280 |
| Other Expenditure | | | | | | |
| Governance costs | | | 334 | | | 334 |
| Contribution under Statute GII | 7 | | 1,976 | 31 | 193 | 2,200 |
| TOTAL RESOURCES EXPENDED | | | 51,804 | 10,388 | 2,093 | 64,285 |
| NET INCOME | | 7,461 | 2,613 | (9,852) | 2,948 | 3,170 |
| Unrealised gains on Investment Assets | | 59,336 | | | 4,085 | 63,421 |
| NET INCOMING RESOURCES BEFORE TRANSFERS | | 66,797 | 2,613 | (9,852) | 7,033 | 66,591 |
| Transfers between funds | 19,20 | 646 | 253 | (80) | (819) | |
| NET INCOMING RESOURCES AFTER TRANSFERS | | 67,443 | 2,866 | (9,932) | 6,214 | 66,591 |
| Other recognised gains & losses: | | | | | | |
| Actuarial Losses on defined benefit pension scheme | 16 | | (4,005) | | | (4,005) |
| NET MOVEMENTS IN FUNDS | | 67,443 | (1,139) | (9,932) | 6,214 | 62,586 |
| Total funds brought forward | | 849,691 | 31,881 | 35,687 | 100,827 | 1,018,086 |
| Total funds carried forward | | 917,134 | 30,742 | 25,755 | 107,041 | 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 2016

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2016

| | Note | 2016 Total £000's | 2015 Total £000's |
|--|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Investments | 10 | 1,251,273 | 1,147,251 |
| | | <u>1,251,273</u> | <u>1,147,251</u> |
| CURRENT ASSETS | | | |
| Stock | 11 | 2,273 | 2,237 |
| Debtors: due after more than one year | 12 | 1,677 | 1,723 |
| Debtors due within one year | 12 | 10,616 | 9,104 |
| Cash at bank in hand | | 53,024 | 41,912 |
| | | <u>67,590</u> | <u>54,976</u> |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 13 | (19,545) | (16,988) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,299,318</u> | <u>1,185,239</u> |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 14 | (90,000) | (90,000) |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | <u>1,209,318</u> | <u>1,095,239</u> |
| PENSION SCHEME LIABILITY | 16 | (21,711) | (14,567) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | <u>1,187,607</u> | <u>1,080,672</u> |
| <i>Represented by:</i> | | | |
| Endowment funds | 19 | 1,022,239 | 917,134 |
| Restricted funds | 19 | 109,849 | 107,041 |
| Designated funds | 19 | 32,077 | 25,755 |
| General funds – general reserve | 19 | 23,442 | 30,742 |
| | | <u>1,187,607</u> | <u>1,080,672</u> |

The financial statements on pages 9 to 27 were approved by the College Council on 21 November 2016 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 2016

COLLEGE BALANCE SHEET AS AT 30 JUNE 2016

| | Note | 2016 Total £000's | 2015 Total £000's |
|--|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Investments | 10 | 1,179,465 | 1,093,923 |
| | | <u>1,179,465</u> | <u>1,093,923</u> |
| CURRENT ASSETS | | | |
| Stock | 11 | 1,719 | 1,728 |
| Debtors: due after more than one year | 12 | 27,726 | 24,816 |
| Debtors due within one year | 12 | 6,819 | 5,530 |
| Cash at bank in hand | | 45,872 | 39,728 |
| | | <u>82,136</u> | <u>71,802</u> |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 13 | (13,750) | (13,495) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,247,851</u> | <u>1,152,230</u> |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 14 | (90,000) | (90,000) |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | <u>1,157,851</u> | <u>1,062,230</u> |
| PENSION SCHEME LIABILITY | 16 | (21,711) | (14,567) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | <u>1,136,140</u> | <u>1,047,663</u> |
| <i>Represented by:</i> | | | |
| Endowment funds | 20 | 972,554 | 884,771 |
| Restricted funds | 20 | 109,849 | 107,041 |
| Designated funds | 20 | 32,077 | 25,755 |
| General funds – general reserve | 20 | 21,687 | 30,096 |
| | | <u>1,136,140</u> | <u>1,047,663</u> |

The financial statements on pages 9 to 27 were approved by the College Council on 21 November 2016 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 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| NET CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 111,234 | 66,591 |
| <i>Adjustments for:</i> | | |
| Investment income | (59,553) | (54,591) |
| Net (gains)/losses on investments | (101,159) | (63,421) |
| Total pensions (gains)/losses recognised in SOFA excluding actuarial loss | 3,736 | 1,332 |
| Pension contributions by the College | (891) | (956) |
| Loan interest | 4,338 | 4,315 |
| Working capital movements | | |
| - Decrease/(increase) in stocks | (36) | 198 |
| - Decrease/(increase) in debtors | (1,466) | 1,468 |
| - (Decrease)/increase in creditors | 2,557 | (300) |
| Net cash used in operating activities | (41,240) | (45,364) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed asset investments | (14,382) | (33,683) |
| Proceeds from disposal of fixed asset investments | 11,519 | 29,182 |
| Investment income | 59,553 | 54,591 |
| Net cash generated from investing activities | 56,690 | 50,090 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest paid | (4,338) | (4,315) |
| Issue of loan notes | | |
| Net cash used in financing activities | (4,338) | (4,315) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 11,112 | 411 |
| Cash and cash equivalents at the start of the year | 41,912 | 41,501 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 53,024 | 41,912 |

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

1. 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.

The College has adopted FRS 102 in these financial statements. This is the first year of accounts affected by the new standards and the results for the year ended 30 June 2015 have been restated to be on a comparable basis. The new GAAP framework also brings a new Charities SORP 2015 which supersedes SORP 2005. Details of the transition to FRS 102 are disclosed in note 22.

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 2016

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.

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

TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

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 2016

2. INCOME FROM CHARITABLE ACTIVITIES

| | Endowment Funds £'000 | General Funds (Unrestricted) £'000 | Designated Funds £'000 | Restricted Funds £'000 | 2016 Total £'000 | 2015 Total £'000 |
|------------------------|-----------------------------|--|------------------------------|------------------------------|------------------------|------------------------|
| College Fees | | 4,104 | | | 4,104 | 3,850 |
| Residence and catering | | 5,705 | | | 5,705 | 5,477 |
| Other Fees | | 370 | | | 370 | 233 |
| | | 10,179 | | | 10,179 | 9,560 |

COLLEGE FEES

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
(2015 £4,500, £4,185)

| | | |
|--|-------|-------|
| Privately-funded undergraduate fee income (per capita fee £6,000 (2015 £5,694) | 2,549 | 2,479 |
| Fee income received at the graduate fee rate (per capita fee £2,818 (2015 £2,547)) | 876 | 794 |
| | 679 | 577 |
| | 4,104 | 3,850 |

3. INVESTMENT INCOME

| | Endowment Funds £'000 | General Funds (Unrestricted) £'000 | Designated Funds £'000 | Restricted Funds £'000 | 2016 Total £'000 | 2015 Total £'000 |
|----------------|-----------------------------|--|------------------------------|------------------------------|------------------------|------------------------|
| Property | 11,125 | 38,075 | 76 | 814 | 50,090 | 45,317 |
| Equities | | 6,262 | 314 | 2,700 | 9,276 | 8,964 |
| Fixed interest | | 187 | | | 187 | 310 |
| Bank interest | 11,125 | 44,524 | 390 | 3,514 | 59,553 | 54,591 |

4. INCOME FROM OTHER TRADING ACTIVITIES

| | Endowment Funds £'000 | General Funds (Unrestricted) £'000 | Designated Funds £'000 | Restricted Funds £'000 | 2016 Total £'000 | 2015 Total £'000 |
|-------------|-----------------------------|--|------------------------------|------------------------------|------------------------|------------------------|
| Conferences | | 106 | | | 106 | 117 |
| Tourism | | 142 | | | 142 | 102 |
| Bursaries | | | | | | 332 |
| Other | | 251 | 68 | 45 | 364 | 215 |
| | | 499 | 68 | 45 | 612 | 766 |

5. ESTATES AND INVESTMENT MANAGEMENT COSTS

| | Endowment Funds £'000 | General Funds (Unrestricted) £'000 | Designated Funds £'000 | Restricted Funds £'000 | 2016 Total £'000 | 2015 Total £'000 |
|--------------------|-----------------------------|--|------------------------------|------------------------------|------------------------|------------------------|
| College costs | | 3,118 | | 55 | 3,173 | 2,755 |
| Subsidiaries costs | | 6,737 | | | 6,737 | 6,392 |
| | | 9,855 | | 55 | 9,910 | 9,147 |

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2016

6. COST OF CHARITABLE ACTIVITIES

| | Endowment Funds | General Funds (Unrestricted) | Designated Funds | Restricted Funds | 2016 Total £'000 | 2015 Total £'000 |
|-----------------------------------|--------------------|------------------------------------|---------------------|---------------------|---------------------------------|---------------------------------|
| | £'000 | £'000 | £'000 | £'000 | | |
| Residence and catering | | 13,340 | 1 | 26 | 13,367 | 15,129 |
| Teaching, Tutorial and Admissions | | 15,833 | 194 | 58 | 16,085 | 17,903 |
| Research | | 4,981 | 35 | 130 | 5,146 | 5,620 |
| Scholarships and awards | | 2,724 | 75 | 1,687 | 4,486 | 4,335 |
| Donations | | 4,511 | 680 | 116 | 5,307 | 4,293 |
| | | 41,389 | 985 | 2,017 | 44,391 | 47,280 |

| | 2016 Total £'000 | 2015 Total £'000 |
|--|---------------------------------|---------------------------------|
| <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 | 665 | 457 |
| Cambridge Colleges Buildings | 1,050 | 200 |
| Other | 242 | 286 |
| | 5,307 | 4,293 |

7. CONTRIBUTION UNDER STATUTE GII

The University contribution is assessed by the University of Cambridge in accordance with the provisions of Statute GII of the University's Statutes and Ordinances. The amount payable by the College for the year ended 30 June 2016 is £2,214,000 (2015: £2,200,000).

8. NET INCOMING RESOURCES BEFORE TRANSFERS

| | 2016 Total £'000 | 2015 Total £'000 |
|---|---------------------------------|---------------------------------|
| <i>This is shown after charging:</i> | | |
| Auditors Remuneration: External audit | 100 | 85 |
| Fees payable to the College's Auditors for other services | 10 | |
| Maintenance, Repairs and Improvements | 12,880 | 19,094 |

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2016

9. STAFF NUMBERS AND COSTS

The monthly average number of persons (including the Trustees) employed by the College during the year, was: 519

The costs associated with these employees was:

| | 2016 | 2015 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Wages and salaries | 10,961 | 10,559 |
| Social security costs | 858 | 748 |
| Pension costs - defined benefit scheme service cost | 2,442 | 2,216 |
| Pension costs - USS defined contribution scheme | 462 | 428 |
| | 14,723 | 13,951 |

Trustees

During the year no fees or expenses were paid to Fellows in respect of their duties as Trustees (2015: 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:

| | 2016 | 2015 |
|-----------------------|--------------|------------|
| | £'000 | £'000 |
| Aggregate emoluments | 780 | 764 |
| Pension contributions | 95 | 93 |
| | 875 | 857 |

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

| | 2016 | 2015 |
|---------------------|-------------|-----------|
| | No | No |
| £60,000 - £69,999 | 8 | 5 |
| £70,000 - £79,999 | 8 | 12 |
| £80,000 - £89,999 | 1 | 4 |
| £90,000 - £99,999 | 2 | 2 |
| £110,000 - £119,999 | 1 | |
| £130,000 - £139,999 | 1 | 1 |
| | 21 | 24 |

Retirement benefits are accruing to 20 (2015: 22) of the above individuals under a defined benefit pension scheme. The total pension costs of these Fellows and staff amounts to £236,253 (2015: £259,060).

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 2016

10. INVESTMENTS

| | Consolidated | Consolidated | College | College |
|-------------------------------|---------------------|---------------------|------------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £'000 | £'000 | £'000 | £'000 |
| Market value at 1 July | 1,147,251 | 1,079,328 | 1,093,923 | 1,051,065 |
| Additions | 14,382 | 33,684 | 14,350 | 30,121 |
| Disposals | (11,519) | (29,182) | (11,487) | (29,182) |
| Net investment gains/(losses) | 101,159 | 63,421 | 82,679 | 41,919 |
| Market value at 30 June | 1,251,273 | 1,147,251 | 1,179,465 | 1,093,923 |

| | Consolidated | Consolidated | College | College |
|--|---------------------|---------------------|------------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £'000 | £'000 | £'000 | £'000 |
| Represented by: | | | | |
| Property | 749,191 | 700,768 | 646,469 | 621,526 |
| Equities | 477,840 | 424,059 | 477,840 | 424,059 |
| Unlisted investments | 24,242 | 22,424 | 24,242 | 22,424 |
| Fixed interest securities | | | | |
| Investments in subsidiary undertakings (See note 18) | | | 30,914 | 25,914 |
| | 1,251,273 | 1,147,251 | 1,179,465 | 1,093,923 |

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.

11. STOCK

| | Consolidated | Consolidated | College | College |
|-----------------|---------------------|---------------------|----------------|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £'000 | £'000 | £'000 | £'000 |
| Provisions | 1,719 | 1,728 | 1,719 | 1,728 |
| Crops and seeds | 554 | 509 | | |
| | 2,273 | 2,237 | 1,719 | 1,728 |

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2016

12. DEBTORS

| | Consolidated 2016 £'000 | Consolidated 2015 £'000 | College 2016 £000's | College 2015 £000's |
|---|--|--|------------------------------------|------------------------------------|
| Amounts falling due after more than one year | | | | |
| Amounts owed by subsidiary undertakings | | | 26,049 | 23,093 |
| Other debtors | 1,677 | 1,723 | 1,677 | 1,723 |
| | 1,677 | 1,723 | 27,726 | 24,816 |
| Amounts falling due within one year | | | | |
| Rents receivable | 5,702 | 6,333 | 3,955 | 3,495 |
| Prepayments and accrued income | 610 | 985 | 610 | 985 |
| Other debtors | 4,088 | 1,659 | 2,030 | 863 |
| Amounts owed by subsidiary undertakings | | | 8 | 60 |
| Trade debtors | 216 | 127 | 216 | 127 |
| | 10,616 | 9,104 | 6,819 | 5,530 |
| | 12,293 | 10,827 | 34,545 | 30,346 |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Consolidated 2016 £'000 | Consolidated 2015 £'000 | College 2016 £000's | College 2015 £000's |
|------------------------------|--|--|------------------------------------|------------------------------------|
| Trade creditors | 780 | 331 | 780 | 331 |
| University contribution | 2,214 | 2,200 | 2,214 | 2,200 |
| Taxes and social security | 2,211 | 1,674 | 2,211 | 1,674 |
| Other creditors | 6,729 | 4,242 | 934 | 749 |
| Accruals and deferred income | 7,611 | 8,541 | 7,611 | 8,541 |
| | 19,545 | 16,988 | 13,750 | 13,495 |

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

Consolidated and College

| | 2016 £000's | 2015 £000's |
|---------------------|------------------------|------------------------|
| Long term borrowing | 90,000 | 90,000 |
| | 90,000 | 90,000 |

15. MATURITY OF BANK LOANS

Consolidated and College

| | College 2016 £000's | College 2015 £000's |
|-------------------------|------------------------------------|------------------------------------|
| In more than five years | 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 2016

16. PENSION SCHEME LIABILITY

Note

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:

| | 2016 | 2015 |
|---|------|------|
| | % | % |
| Discount rate | 2.8 | 3.7 |
| Expected long-term rate on Scheme assets | 3.7 | 3.7 |
| Salary inflation assumption | 4.0 | 4.4 |
| Price inflation assumption | 3.0 | 3.4 |
| Pension increases (capped inflation linked) | 3.0 | 3.4 |

Mortality

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

| | 2016 | 2015 |
|--------|------|------|
| Male | 21.9 | 22.1 |
| Female | 23.9 | 24.1 |

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

| | 2016 | 2015 |
|--------|------|------|
| Male | 23.2 | 23.4 |
| Female | 25.2 | 25.6 |

The amounts recognised in the balance sheet as at 30 June 2016 are as follows:

| | 2016 | 2015 |
|-------------------------------------|-----------------|-----------------|
| | £000's | £000's |
| Market value of Scheme assets | 47,441 | 45,147 |
| Present value of Scheme liabilities | (68,399) | (59,714) |
| Deficit in the Scheme | <u>(20,958)</u> | <u>(14,567)</u> |

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

| | 2016 | 2015 |
|--|--------------|--------------|
| | £000's | £000's |
| Current service cost | <u>2,442</u> | <u>2,216</u> |
| Interest on pension scheme liabilities | 2,220 | 2,211 |
| Return on pension scheme assets | (1,679) | (1,781) |
| Total | <u>541</u> | <u>430</u> |

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2016

16. PENSION SCHEME LIABILITY (CONTINUED)

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

| | 2016 | 2015 |
|--|---------------|---------------|
| | £000's | £000's |
| Present value of scheme liabilities at beginning of year | 59,714 | 52,445 |
| Service cost including employee contributions | 2,948 | 2,754 |
| Interest cost | 2,220 | 2,211 |
| Actuarial losses | 5,361 | 4,078 |
| Benefits paid | (1,844) | (1,774) |
| Present value of scheme liabilities at end of year | <u>68,399</u> | <u>59,714</u> |

Changes in the fair value of scheme assets for the year ended 30 June 2016 are as follows:

| | 2016 | 2015 |
|---|---------------|---------------|
| | £000's | £000's |
| Present value of scheme assets at beginning of year | 45,147 | 42,259 |
| Service cost including employee contributions | 506 | 538 |
| Contributions paid by the College | 891 | 956 |
| Interest on plan assets | 1,679 | 1,781 |
| Return on assets, less interest included in Sofa | 1,062 | 1,387 |
| Benefits paid | (1,844) | (1,774) |
| Present value of scheme assets at end of year | <u>47,441</u> | <u>45,147</u> |

Movement in the surplus/(deficit) during the year ended 30 June 2016 are as follows:

| | 2016 | 2015 |
|--|-----------------|-----------------|
| | £000's | £000's |
| Deficit in Scheme at beginning of year | (14,567) | (10,186) |
| Recognised in SOFA | (2,983) | (2,646) |
| Contributions paid by the College | 891 | 956 |
| Actuarial loss | (4,299) | (2,691) |
| Deficit in Scheme at the end of year | <u>(20,958)</u> | <u>(14,567)</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:

| | 2016 | 2015 |
|----------|------------|------------|
| | % | % |
| Equities | 83 | 83 |
| Bonds | 14 | 14 |
| Property | 1 | 1 |
| Cash | 2 | 2 |
| | <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.

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16. PENSION SCHEME LIABILITY (CONTINUED)

The actuarial loss recognised in the Consolidated Statement of Financial Activities at 30 June 2016 is £4,299,000 (2015: £4,005,000 loss).

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

| | 2016 | 2015 | 2014 |
|--|-----------------|-----------------|-----------------|
| | £000's | £000's | £000's |
| Present value of Scheme liabilities | (68,399) | (59,714) | (52,445) |
| Market value of Scheme assets | 47,441 | 45,147 | 42,259 |
| Deficit | (20,958) | (14,567) | (10,186) |
| Actual return less expected return on Scheme assets | 1,062 | 73 | 1,398 |
| Experience gain/(loss) arising on Scheme liabilities | 1,843 | 669 | 947 |
| Change in the present value of Scheme liabilities | (7,204) | (4,747) | (3,901) |

In addition the College contributed £461,000 (2015: £428,000) 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 £461,000 (2015: £344,562). 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 cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

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

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

| | 2016 | 2015 |
|---------------------------|--|------|
| Discount rate | 3.6% | 3.3% |
| | 3.5% in the first year and 4.0% thereafter | |
| Pensionable salary growth | 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) SINA tables as follows:

| | |
|---------------------------|--|
| Male members' mortality | 98% of SINA ["LIGHT"] YoB tables - No age rating |
| Female members' mortality | 99% of SINA ["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 FRS17 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:

| | 2016 | 2015 |
|-----------------------------------|---------|---------|
| Males currently aged 65 (years) | 24.3 | 24.2 |
| Females currently aged 65 (years) | 26.5 | 26.3 |
| Males currently aged 45 (years) | 26.4 | 26.2 |
| Females currently aged 45 (years) | 28.8 | 28.6 |
| | 2016 | 2015 |
| Scheme assets | £49.8bn | £49.1bn |
| Total scheme liabilities | £58.3bn | £60.2bn |
| FRS102 total scheme deficit | £8.5bn | £11.1bn |
| FRS102 Total funding level | 85% | 82% |

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. (2015: 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 £895,000 (2015: £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 normal commercial terms and in accordance with the College's normal procedures including those on conflicts of interest.

During the year the College made a donation of £1,500,000 (2015: £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 £160,000 (2015: £140,000) for administrative services. At the year end the trust owed the College £160,000 (2015: £135,000).

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:

| | 2016 | 2016 | 2016 | 2015 | 2015 | 2015 |
|-------------------------------|----------|--------------|---------|----------|----------|---------|
| | Deed of | Interest and | Amount | Deed of | Interest | Amount |
| | Covenant | Rent | owed to | Covenant | | owed to |
| | £000's | £000's | College | £000's | £000's | College |
| Broomfield Forest Limited | | | | | | |
| Trinity (B) Limited | | | 175 | | | 145 |
| Trinity College (CSP) Limited | 4,298 | | 5,531 | | | 5,209 |
| Trinity (D) Limited | 1,870 | | 139 | 1,739 | | 139 |
| Trinity (F) Limited | | | 30 | | | 25 |
| Walton Farms Limited | 12 | 156 | 419 | 48 | 159 | 419 |
| Dunsfold Airport Limited | | 1,581 | 19,893 | | 1,489 | 17,296 |

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 Farms Limited | England | Ordinary | 100% | Farming |
| 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 2015 | Income | Expenditure | Net investment gains/(losses) | Transfers between funds | Other gains/(losses) | Balance at 30 June 2016 |
|------------|----------------------------|---------------|-----------------|----------------------------------|----------------------------|-------------------------|----------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Endowment | 917,134 | 11,125 | | 93,980 | | | 1,022,239 |
| Restricted | 107,041 | 4,419 | (2,240) | 5,066 | (4,437) | | 109,849 |
| Designated | 25,755 | 1,126 | (1,016) | 2,113 | 4,099 | | 32,077 |
| General | 30,742 | 55,750 | (59,089) | | 338 | (4,299) | 23,442 |
| | 1,080,672 | 72,420 | (62,345) | 101,159 | | (4,299) | 1,187,607 |

20. RESERVES COLLEGE

| | Balance at 30 June 2015 | Income | Expenditure | Net investment gains/(losses) | Transfers between funds | Other gains/(losses) | Balance at 30 June 2016 |
|------------|----------------------------|---------------|-----------------|----------------------------------|----------------------------|-------------------------|----------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Endowment | 884,771 | 11,125 | | 76,658 | | | 972,554 |
| Restricted | 107,041 | 4,419 | (2,267) | 5,066 | (4,437) | | 109,822 |
| Designated | 25,755 | 1,126 | (1,016) | 2,113 | 4,099 | | 32,077 |
| General | 30,096 | 48,753 | (53,201) | | 338 | (4,299) | 21,687 |
| | 1,047,663 | 65,423 | (56,484) | 83,837 | | (4,299) | 1,136,140 |

21. RECONCILIATION OF NET DEBT

| | 2016 | 2015 |
|--------------------------------|-----------------|-----------------|
| | £'000 | £'000 |
| At Start of Year: | | |
| Cash at bank and in hand | 41912 | 41501 |
| Bank Loans | (90,000) | (90,000) |
| Net Debt | (48,088) | (48,499) |
| | | |
| Net increase in cash in period | 11,112 | 411 |
| Increase in bank loans | | |
| Movement in net debt | 11,112 | 411 |
| | | |
| At end of the year: | | |
| Cash at bank and in hand | 53024 | 41912 |
| Bank Loans | (90,000) | (90,000) |
| Net Debt | (36,976) | (48,088) |

22. FRS 102

This is the first year that the Charity has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2015. The transition to FRS102 has had no material effect on the SOFA or Balance Sheet.