TRINITY COLLEGE, CAMBRIDGE

ANNUAL REPORT OF THE TRUSTEES

AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 JUNE 2018

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 June 2018

CONTENTS

	Page
Trustees and Principal Advisers	**2**
Trustees' Report for the year ended 30 June 2018	**3-5**
Statement of trustees' responsibilities for the year ended 30 June 2018	**6**
Independent Auditors' Report	**7-9**
Consolidated Statement of Financial Activities for the year ended 30 June 2018	**10**
Consolidated Statement of Financial Activities for the year ended 30 June 2017	**11**
Consolidated Balance Sheet as at 30 June 2018	**12**
College Balance sheet as at 30 June 2018	**13**
Consolidated Cash Flow Statement for the year ended 30 June 2018	**14**
Notes to the Financial Statements for the year ended 30 June 2018	**15-28**

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 June 2018

TRUSTEES AND PRINCIPAL ADVISERS

Trustees, Members of College Council
Dr Stuart Haigh (w.e.f. 1 September 2016 until 21 July 2017)
Professor John Marenbon (until 10 February 2018)
Dr Sean Holden (until 10 February 2018)
Dr Jeremy Butterfield (until 10 February 2018)
Mr Jonny Bourne, Junior Bursar (until 4 May 2018)
Sir Gregory Winter, Master
Professor Grae Worster, Vice-Master
Professor Catherine Barnard, Senior Tutor
Mr Rory Landman, Senior Bursar
Professor Lynn Gladden
Dr Emma Widdis (w.e.f. 16 October 2017)
Professor Sir David Baulcombe
Professor Paul Brakefield
Professor Didier Queloz
Dr Nicolas Bell
Professor Pelham Wilson (w.e.f. 10 February 2018)
Dr Peter Sarris (w.e.f. 10 February 2018)
Dr Ross Wilson (w.e.f. 10 February 2018)
Secretary of the College Council
Dr Christopher Morley

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

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

Property Advisers
Bidwells LLP
Bidwell House
Trumpington Road
Cambridge CB2 9LD

Savills (UK) Ltd
Olympic House
Doddington Road
Lincoln LN6 3SE

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

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

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 June 2018
TRUSTEES' REPORT FOR THE YEAR ENDED 30 June 2018

The board of Trustees, the College Council, presents its statutory report and audited consolidated financial statements for the year ended 30 June 2018.

Structure, Governance and Management

Trinity College, Cambridge, was founded in 1546 by King Henry VIII. In October 2017, the College had 196 Fellows (academic staff involved in teaching, research and administration) and 1,061 junior members in residence (696 undergraduates, 365 graduates).

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

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

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

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

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

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

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

Financial and operational risks are the responsibility of the Senior and Junior Bursars respectively and are reviewed by relevant College Committees who report to the College Council. Among these is the Audit Committee which reviews all aspects of financial governance including risk.

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

Objectives and Activities

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

The College provides, in conjunction with the University of Cambridge of which it is part, education for undergraduate and graduate students which is recognised internationally as being of the highest standard. Bursaries and studentships are provided, when needed, to both undergraduate and graduate members of the College of limited means, including some support for undergraduates through a bursary scheme operated in common with the University and the other Colleges.

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

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

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

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

Achievements and Performance

The College admitted 203 undergraduate students in October 2017 for regular study from all backgrounds across the wide range of subjects studied in the University. A further 6 students were admitted for one year on various exchange or visitor programmes. As usual, many students (59) returned after graduation for further study, and the College admitted a further 73 graduates from other Universities to read for Master's degrees and/or doctorates in various subjects. Six students continued to a PhD after completing a Master's degree. During the year junior members achieved 39 Master's degrees and 43 PhDs. Our student body is international with nearly 85 nationalities represented.

In June 2018, Trinity undergraduates did not perform so outstandingly well, in comparison with students of other Colleges, as in recent years. Inter-college comparisons are less reliable than in previous years, but it appears that although still top for Science subjects Trinity was in third position overall.

In January 2018, in an open competition, the College elected eight Junior Research Fellows to commence four years of research in October 2018. During the year it also elected two Teaching Fellows. The Junior Bursar resigned in May 2018, and while the process of appointing a successor is under way the College is proceeding with an Acting Junior Bursar, who attends but is not a member of the Council. 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 2017-18 the Fellowship included 32 Fellows of the Royal Society and 24 Fellows of the British Academy.

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 £2.4m to the Colleges Fund, the College has been able to make substantial grants totalling £6.0m (2017: £4.3m) to support wider collegiate Cambridge and increase its spending on Scholarships and awards to £5.8m (2017: £5.1m). Net income (including both capital items and recurrent income) was £25.9m (2017: £17.8m). After deducting capital items allocated to Endowment, which amounted to £8.6m, and a further £13.5m of benefactions and donations (2017: £7.9m, and £4.6m) there was an underlying Net Income of £3.8m (2017: £5.3m). In the last two years this surplus has been mainly accounted for by much lower spend on renovations than in the recent past or anticipated in the future.

The College's investments are not immune from the wider economy. New occupier demand is noticeably weaker. The impact of the UK's decision to leave the European Union is as yet unquantifiable but the uncertainty alone will undoubtedly be negative. Owing to the changing prospects for the high street, the College sold most of the remainder of its retail investments outside Cambridge during the year. Meanwhile, shortening leases, empty rates charges and fewer upward only rent reviews mean that rental income is likely to become more volatile. In order to provide a cushion against downturns, the College seeks to maintain reserves in the Consolidated General Funds (2018: £46.7m) at around the level of the annual cost of its charitable activities, and for the Amalgamated Trusts Fund at around one year's income. The balance of General Funds has increased by £15m this year due to the Net Income in General Funds of £1.2m together with a £13.8m actuarial gain on the defined benefit pension scheme. None of the College's funds is in material deficit.

The maintenance of the College's fabric and infrastructure is a constant draw on the College's resource, but often with significant variations from year to year. Maintenance, repairs and improvements totalled an unusually low £3.8m, down from £5m in 2017 (and down from a New Court inflated high of £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. No transfer was made in 2017 to allow general funds to recover the cumulated deficit caused by New Court. For the same reason the transfer at £3.2m was £1.75m lower than normal in 2018, but the Fund has now returned to surplus. Unfortunately the costs of renewing Grade 1 listed buildings have grown rapidly so this surplus may not last long.

The College's Statement of Financial Activities (SOFA) is presented in the format required by the Charity SORP, which divides the College's income between various funds. The Endowment Fund represents permanent capital and its incoming resources are of a capital nature. Restricted funds, and the income arising, can only be used for the purposes for which they were originally given. The College's Designated Funds represent resources set aside for specific purposes. Therefore in any given year the key indicator of the College's financial health is the net incoming resources in the College's unrestricted General Funds which were £1.2m in surplus in 2018 (2017: £6.4m).

The investment objective of the College's endowment is to maximise its long term real income growth. This is intended to be achieved through investing mainly in property and equities. The annual performance when measured in terms of valuation has a weak correlation with this long term objective, since in the short term asset prices are buffeted by external factors. The College's net investment income (after deducting investment costs and interest and net of Endowment Fund income) was flat at £36.2m. The current valuation of the College's net assets rose 8.8%.

This was a year of change in the property portfolio with significant sales denting income. The sale of the retail portfolio for £46.6m resulted in £1.4m less rent during the year. In October 2017, the College agreed a significant investment by TUS Holding, the Science Park investment arm of Tsinghua University, to contribute to the renewal of phase 1 of the Science Park including construction of a new biohub. During this time the sites are not generating any significant income. The initial disposals realised over £37m, and in due course the investment in this phase should approach £200m, contributing to a significant renewal of the Park. During 2018 the Bradfield Centre opened on the Science Park. Whilst not yet generating a financial return, it is already contributing significantly to entrepreneurial activity, and will hopefully help attract a new generation of future occupiers of the Park. In consequence of the sales, the College's liquidity position is strong and in the short term this has been directed to new investment in money market funds.

Statement of trustees' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

Approved by the College Council on 19 November 2018

Sir Gregory Winter, Master

Mr Rory Landman, Senior Bursar

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 June 2018
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TRINITY COLLEGE, CAMBRIDGE

Report on the audit of the financial statements

Our opinion

In our opinion, Trinity College, Cambridge's Group financial statements and the College financial statements (the "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 2018 and of the Group's and College's incoming resources and application of resources, and cash flows, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and

- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

- Comply with section 3 of Statute III of the University of Cambridge statutes; and

- The payment due from the College to the University of Cambridge under Statute G II of the University of Cambridge is as advised in the provisional assessment of the University of Cambridge.

What we have audited

We have audited the financial statements, included within the Annual Report of the Trustees (the "Annual Report"), which comprise: the group and College balance sheets as at 30 June 2018; the group statement of financial activities for the year then ended, the group cash flow statements for the year then ended; and the notes to the financial statements which include a summary of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

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

Reporting on other information

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

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

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

Trustees' Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Use of this report
This report, including the opinions, has been prepared for and only for the charity's Trustees as a body in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 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.

Other required reporting

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

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept 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.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge 19 November 2018

TRINITY COLLEGE, CAMBRIDGE
ANNUAL REPORT OF THE TRUSTEES YEAR ENDED 30 JUNE 2018

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2018

	Note	Endowment £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	2018 Total £000's	2017 Total £000's
INCOMING RESOURCES							
Income from donations and legacies			897	542	12,047	13,486	4,638
Income from charitable activities	2		10,901	1		10,902	10,568
Income from other trading activities	4		424	52	10	486	665
Investment Income	3	8,637	49,613	387	3,373	62,010	59,044
TOTAL INCOME		***8,637***	***61,835***	***982***	***15,430***	***86,884***	***74,915***
Expenditure on generating funds							
Fundraising costs			1,024		6	1,030	1,275
Loan interest			4,301			4,301	4,301
Estates and Investment Management costs	5		12,838		53	12,891	10,664
			18,163		***59***	***18,222***	***16,240***
Cost of charitable activities	6		36,540	1,066	2,422	40,028	38,270
Other Expenditure							
Governance costs			352			352	321
University Contribution under Statute GII	7		2,171	24	217	2,412	2,313
TOTAL RESOURCES EXPENDED			***57,226***	***1,090***	***2,698***	***61,014***	***57,144***
NET INCOME		***8,637***	***4,609***	***(108)***	***12,732***	***25,870***	***17,771***
Unrealised gains on Investment Assets		70,686		2,032	5,108	77,826	139,013
NET INCOMING RESOURCES BEFORE TRANSFERS		**79,323**	**4,609**	**1,924**	**17,840**	**103,696**	**156,784**
Transfers between funds	19,20		(3,367)	4,393	(1,026)	0	
NET INCOMING RESOURCES AFTER TRANSFERS		**79,323**	**1,242**	**6,317**	**16,814**	**103,696**	**156,784**
Other recognised gains & losses:							
Actuarial Gains on defined benefit pension scheme	16		13,799			13,799	1,833
NET MOVEMENTS IN FUNDS		**79,323**	**15,041**	**6,317**	**16,814**	**117,495**	**158,617**
Total funds brought forward		1,148,812	31,696	34,941	130,775	1,346,224	1,187,607
Total funds carried forward		**1,228,135**	**46,737**	**41,258**	**147,589**	**1,463,719**	**1,346,224**

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.

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

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

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

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

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2018

	Note	2018 £000's	2017 £000's
FIXED ASSETS			
Investments	**10**	1,531,024	1,428,646
		1,531,024	***1,428,646***
CURRENT ASSETS			
Stock	**11**	2,280	2,264
Debtors: amounts falling due after more than one year	**12**	1,167	1,517
Debtors: amounts falling due within one year	**12**	18,418	11,697
Cash at bank in hand		40,289	41,283
		62,154	***56,761***
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	**13**	(24,961)	(22,766)
TOTAL ASSETS LESS CURRENT LIABILITIES		***1,568,217***	***1,462,641***
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	**14**	(93,342)	(94,090)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		***1,474,875***	***1,368,551***
PENSION SCHEME LIABILITY	**16**	(11,156)	(22,327)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		***1,463,719***	***1,346,224***
Represented by:			
Endowment funds	**19**	1,228,135	1,148,812
Restricted funds	**19**	147,589	130,775
Designated funds	**19**	41,258	34,941
General funds – general reserve	**19**	46,737	31,696
		1,463,719	***1,346,224***

The financial statements on pages 10 to 28 were approved by the College Council on 19 November 2018 and have been signed on their behalf by the Master and Senior Bursar.

Sir Gregory Winter, Master

Mr Rory Landman, Senior Bursar

COLLEGE BALANCE SHEET AS AT 30 JUNE 2018

	Note	2018 £000's	2017 £000's
FIXED ASSETS			
Investments	**10**	1,448,810	1,346,156
		1,448,810	***1,346,156***
CURRENT ASSETS			
Stock	**11**	1,786	1,700
Debtors: amounts falling due after more than one year	**12**	26,212	26,024
Debtors: amounts falling due within one year	**12**	10,412	8,315
Cash at bank in hand		31,572	35,327
		69,982	***71,366***
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	**13**	(15,810)	(16,664)
TOTAL ASSETS LESS CURRENT LIABILITIES		***1,502,982***	***1,400,858***
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	**14**	(90,000)	(90,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		***1,412,982***	***1,310,858***
PENSION SCHEME LIABILITY	**16**	(11,156)	(22,327)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		***1,401,826***	***1,288,531***
Represented by:			
Endowment funds	**20**	1,167,862	1,091,661
Restricted funds	**20**	147,570	130,747
Designated funds	**20**	41,258	34,940
General funds – general reserve	**20**	45,136	31,183
		1,401,826	***1,288,531***

The financial statements on pages 10 to 28 were approved by the College Council on 19 November 2018 and have been signed on their behalf by the Master and Senior Bursar.

Sir Gregory Winter, Master

Mr Rory Landman, Senior Bursar

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	£000's	£000's
NET CASH FLOW FROM OPERATING ACTIVITIES		
Net incoming resources after transfers (as per the Statement of Financial Activities)	**103,696**	156,784
Adjustments for:		
Investment income	**(62,013)**	(59,044)
Net gains on investments	**(78,266)**	(139,013)
Total pensions losses recognised in SOFA excluding actuarial loss	**3,442**	3,291
Pension contributions by the College	**(752)**	(812)
Loan interest	**4,301**	4,301
Working capital movements		
- Decrease/(increase) in stocks	**(16)**	9
- Increase in debtors	**(6,371)**	(921)
- Decrease in creditors	**(2,364)**	3,587
Net cash used in operating activities	**(38,343)**	(31,818)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed asset investments	**(113,591)**	(69,191)
Proceeds from disposal of fixed asset investments	**93,228**	34,525
Investment income	**62,013**	59,044
Net cash generated from investing activites	**41,650**	24,378
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	**(4,301)**	(4,301)
Net cash used in financing activities	**(4,301)**	(4,301)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(994)**	(11,741)
Cash and cash equivalents at the start of the year	**41,283**	**53,024**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**40,289**	41,283
Cash and cash equivalents consists of:		
Cash at bank and in hand	**40,289**	**41,283**
Short term deposits		
Cash and cash equivalents	**40,289**	41,283

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 the College's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements are disclosed below.

Basis of consolidation
The accounts show the results and state of affairs for Trinity College, Cambridge and its subsidiary undertakings (details of the subsidiary undertakings can be found in note 18). Subsidiaries are all entities over which the College has control, being the power to govern the financial and operating policies of the entity.

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

Acquisitions made by the Group are accounted for under the acquisition method of accounting. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Intra-group transactions and profits are eliminated fully on consolidation.

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

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

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

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

1. STATEMENT OF ACCOUNTING POLICIES (continued)

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

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

Fund accounting
Funds held by the College are either:

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

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

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

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

Pensions
The College participates in three pension schemes. Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the Fellows' or employees' service.

Fellows employed by the College may join the University's Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension. The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, and therefore, accounts for the scheme as if it were a defined contribution scheme. Contributions payable relating to funding of the deficit are included as a liability on the balance sheet and charged to the SOFA.

Staff employed prior to 31 December 2013 were eligible to join the Trinity College Staff Pension Scheme. This defined benefit scheme closed to new members on 31 March 2014. For this scheme, pension costs are accounted for as the service and finance cost for the year. The liability recognised on the balance sheet is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. Annually, the Group engages independent actuaries to calculate the obligation.

Staff employed since 1 January 2014, and those employed prior to that date who are not members of the Trinity College Staff Pension Scheme, have been placed in a new defined contribution scheme managed by "NOW: Pensions". The College is using this scheme to meet its employer obligations under the auto-enrolment legislation, albeit on more flexible and generous terms than the statutory minima. The assets of the scheme are held by NOW: Pensions in a master trust, and the amount charged to the statement of financial activities is thus the contributions payable to the scheme in respect of the accounting period.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Operational tangible fixed assets

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

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

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

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

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

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

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

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

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

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

Critical accounting judgements and estimation uncertainty
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. 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.

2. INCOME FROM CHARITABLE ACTIVITIES

	Endowment Funds £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	**2018 Total £000's**	2017 Total £000's
College Fees		4,467			**4,467**	4,378
Residence and catering		6,307			**6,307**	5,984
Other Fees		127	1		**128**	206
		10,901	1		**10,902**	10,568

COLLEGE FEES	**2018 Total £000's**	2017 Total £000's
Fee Income paid on behalf of undergraduates at the publicly-funded undergraduate rate per capita fee £4,500 for matriculation after October 2012, £4,308 for matriculation before October 2012 (2017 £4,500, £4,308)	**2,512**	2,525
Privately-funded undergraduate fee income, per capita fee £12,264. A bursary of £5,519 is applied to each fee (2017 £5,400)	**1,066**	1,006
	889	847
Fee income received at the graduate fee rate (per capita fee £3,481) (2017 £3,283)	**4,467**	4,378

3. INVESTMENT INCOME

	Endowment Funds £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	**2018 Total £000's**	2017 Total £000's
Property	8,637	42,349	45	549	**51,580**	48,524
Equities		6,869	342	2,824	**10,035**	10,407
Interest		395			**395**	113
	8,637	49,613	387	3,373	**62,010**	59,044

4. INCOME FROM OTHER TRADING ACTIVITIES

	Endowment Funds £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	**2018 Total £000's**	2017 Total £000's
Conferences		134			**134**	147
Tourism		150			**150**	186
Other		140	52	10	**202**	332
		424	52	10	**486**	665

5. ESTATES AND INVESTMENT MANAGEMENT COSTS

	Endowment Funds £000's	General Funds (Unrestricted) £000's	Designated Funds £000's	Restricted Funds £000's	**2018 Total £000's**	2017 Total £000's
College costs		4,073		53	**4,126**	3,033
Subsidiaries costs		8,765			**8,765**	7,631
		12,838		53	**12,891**	10,664

6. COST OF CHARITABLE ACTIVITIES

	Endowment Funds	General Funds (Unrestricted)	Designated Funds	Restricted Funds	**2018 Total**	2017 Total
	£000's	£000's	£000's	£000's	**£000's**	£000's
Residence and catering		10,790		30	**10,820**	11,047
Teaching, Tutorial and Admissions		12,868	297	38	**13,203**	13,473
Research		4,049	24	219	**4,292**	4,384
Scholarships and awards		3,653	67	2,034	**5,754**	5,053
Donations		5,180	678	101	**5,959**	4,313
		36,540	1,066	2,422	**40,028**	38,270

	2018 Total	2017 Total
An analysis of the donations is as follows:	**£000's**	£000's
Isaac Newton Trust	**1,500**	1,500
Cambridge Trust	**1,250**	1,250
Cambridge Home / EU Scholarship Scheme	**600**	600
Cambridge Colleges Teaching	**678**	705
Cambridge Colleges Buildings	**1,660**	
Other	**271**	258
	5,959	4,313

7. UNIVERSITY 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 and is distributed by the Colleges Fund Committee among other Cambridge Colleges. The amount payable by the College for the year ended 30 June 2018 is £2,412,000 (2017: £2,313,000).

8. NET INCOMING RESOURCES BEFORE TRANSFERS

This is shown after charging:	**2018 Total**	2017 Total
	£000's	£000's
Auditors' Remuneration: External audit	**100**	102
Maintenance, Repairs and Improvements	**3,785**	5,027

9. STAFF NUMBERS AND COSTS

The monthly average number of persons (including the Trustees) employed by the College during the year, was: 562 (2017: 532)

The costs associated with these employees was:

	2018	2017
	£000's	£000's
Wages and salaries	**12,035**	11,504
Social security costs	**1,112**	1,057
Pension costs - defined benefit scheme service cost	**2,909**	2,731
Pension costs - USS defined contribution scheme	**512**	524
	16,568	15,816

Trustees

During the year no fees or expenses were paid to Fellows in respect of their duties as Trustees (2017: 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:

	2018	2017
	£000's	£000's
Aggregate emoluments	**636**	701
Pension contributions	**51**	88
	687	789

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

	2018	2017
	No	No
£60,000 - £69,999	**11**	7
£70,000 - £79,999	**7**	9
£80,000 - £89,999	**2**	3
£90,000 - £99,999	**1**	1
£100,000 - £109,999	**1**	
£110,000 - £119,999	**1**	1
£130,000 - £139,999	**1**	1
	24	22

Retirement benefits are accruing to 19 (2017: 19) of the above individuals under a defined benefit pension scheme. The total pension costs of these Fellows and staff amounts to £246,984 (2017: £255,877).

Key management compensation

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

10. INVESTMENTS

	Consolidated 2018 £000's	Consolidated 2017 £000's	**College 2018 £000's**	College 2017 £000's
Market value at 1 July	**1,428,646**	1,251,273	**1,346,156**	1,179,465
Additions	**113,591**	69,191	**123,292**	69,461
Disposals	**(93,228)**	(34,525)	**(93,228)**	(34,525)
Net investment gains	**82,015**	142,707	**72,590**	131,755
Market value at 30 June	**1,531,024**	1,428,646	**1,448,810**	1,346,156

	Consolidated 2018 £000's	Consolidated 2017 £000's	**College 2018 £000's**	College 2017 £000's
Represented by:				
Property	**829,163**	849,363	**683,335**	712,959
Equities	**606,406**	563,135	**606,406**	563,135
Unlisted investments	**14,687**	16,148	**14,687**	16,148
Money Market Funds	**80,768**		**80,768**	
Investments in subsidiary undertakings (See note 18)			**63,614**	53,914
	1,531,024	1,428,646	**1,448,810**	1,346,156

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 2018 £000's	Consolidated 2017 £000's	**College 2018 £000's**	College 2017 £000's
Provisions	**1,786**	1,700	**1,786**	1,700
Crops and seeds	**494**	564		
	2,280	2,264	**1,786**	1,700

12. DEBTORS

	Consolidated 2018 £000's	Consolidated 2017 £000's	**College 2018 £000's**	College 2017 £000's
Amounts falling due after more than one year				
Amounts owed by subsidiary undertakings			**25,045**	24,507
Other debtors	**1,167**	1,517	**1,167**	1,517
	1,167	1,517	**26,212**	26,024
Amounts falling due within one year				
Rents receivable	**3,193**	3,231	**2,579**	2,619
Prepayments and accrued income	**1,327**	943	**2,333**	1,307
Other debtors	**11,795**	6,275	**2,289**	3,133
Amounts owed by subsidiary undertakings			**1,108**	8
Trade debtors	**2,103**	1,248	**2,103**	1,248
	18,418	11,697	**10,412**	8,315
	19,585	13,214	**36,624**	34,339

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated 2018 £000's	Consolidated 2017 £000's	**College 2018 £000's**	College 2017 £000's
Trade creditors	**3,110**	3,700	**3,110**	3,700
University contribution	**2,412**	2,313	**2,412**	2,313
Taxes and social security	**1,942**	1,580	**1,942**	1,580
Other creditors	**9,896**	7,051	**745**	949
Accruals and deferred income	**7,601**	8,122	**7,601**	8,122
	24,961	22,766	**15,810**	16,664

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

	Consolidated 2018 £000's	Consolidated 2017 £000's	**College 2018 £000's**	College 2017 £000's
Deferred Income	**3,342**	4,090		
Long term borrowing	**90,000**	90,000	**90,000**	90,000
	93,342	94,090	**90,000**	90,000

15. MATURITY OF LONG TERM LOANS

	Consolidated 2018 £000's	Consolidated 2017 £000's	**College 2018 £000's**	College 2017 £000's
In more than five years	**90,000**	90,000	**90,000**	90,000
	90,000	90,000	**90,000**	90,000

The £70m bank loan is split into three tranches of £35m - Fixed interest rate 4.9704%, £20m - Fixed interest rate 4.9604% and £15m - Fixed interest rate 5.0704% providing a weighted average Fixed interest rate of 4.989%.
The loan is repayable on 29 June 2047.
The £20m Senior Notes have been issued at 4.11% and are repayable 14 May 2064.

16. PENSION SCHEME LIABILITY

Trinity College Staff Pension Scheme

The scheme is a defined benefit final salary pension scheme.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	2018	2017
	%	%
Discount rate	**2.7**	2.6
Expected long-term rate on Scheme assets	**3.7**	3.7
Salary inflation assumption	**4.25**	4.45
Price inflation assumption	**3.25**	3.45
Pension increases (capped inflation linked)	**3.25**	3.00

Mortality

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

	2018	2017
Male	**21.9**	22.1
Female	**23.7**	23.9

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

	2018	2017
Male	**23.3**	23.2
Female	**24.9**	25.2

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

	2018	2017
	£000's	£000's
Market value of Scheme assets	**59,155**	56,162
Present value of Scheme liabilities	**(69,650)**	(77,766)
Deficit in the Scheme	**(10,495)**	(21,604)

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

	2018	2017
	£000's	£000's
Current service cost	**2,806**	2,731
	2,806	2,731
Interest on pension scheme liabilities	**2,004**	1,895
Return on pension scheme assets	**(1,471)**	(1,335)
Total	**533**	560

16. PENSION SCHEME LIABILITY (CONTINUED)

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

	2018	2017
	£000's	£000's
Present value of scheme liabilities at beginning of year	**77,766**	68,399
Current service cost	**2,806**	2,618
Employee Contributions	**419**	458
Interest cost	**2,004**	1,895
Actuarial losses	**(11,499)**	5,994
Benefits paid	**(1,846)**	(1,598)
Present value of scheme liabilities at end of year	**69,650**	77,766

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

	2018	2017
	£000's	£000's
Present value of scheme assets at beginning of year	**56,162**	47,441
Contributions paid by the College	**752**	812
Employee Contributions	**419**	458
Interest on plan assets	**1,471**	1,335
Administrative expenses paid	**(165)**	(123)
Return on assets, less interest included in SOFA	**2,362**	7,837
Benefits paid	**(1,846)**	(1,598)
Present value of scheme assets at end of year	**59,155**	56,162

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

	2018	2017
	£000's	£000's
Deficit in Scheme at beginning of year	**(21,604)**	(20,958)
Recognised in SOFA	**(3,442)**	(3,291)
Contributions paid by the College	**752**	812
Actuarial Gain/(Loss)	**13,799**	1,833
Deficit in Scheme at the end of year	**(10,495)**	(21,604)

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:

	2018	2017
	%	%
Equities	**87**	84
Bonds	**13**	14
Property	**0**	1
Cash	**0**	1
	100	100

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.

16. PENSION SCHEME LIABILITY (CONTINUED)

The actuarial gain recognised in the Consolidated Statement of Financial Activities at 30 June 2018 is £13,799,000 (2017: £1,833,000).

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

	2018 £000's	2017 £000's	2016 £000's
Present value of Scheme liabilities	**(69,650)**	**(77,766)**	**(68,399)**
Market value of Scheme assets	**59,155**	**56,162**	**47,441**
Deficit	**(10,495)**	**(21,604)**	**(20,958)**
Actual return less expected return on Scheme assets	**2,362**	**7,837**	**1,062**
Experience gain arising on Scheme liabilities	**1,988**	**1,760**	**1,843**
Change in the present value of Scheme liabilities	**9,511**	**(7,764)**	**(7,204)**

In addition the College contributed £512,000 (2017: £521,000) 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.

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 2018, the percentage was 16% (2017: 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 £512,000 (2017: £521,000). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. An estimate of £661,000 has been included as a pension provision in the Balance Sheet . This represents the liability under the USS deficit recovery plan. The disclosures below represent the position from the scheme's financial statements.

The latest available complete triennial actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed.

Since the institution cannot identify its share of Retirement Income Builder Section of the 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. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the scheme for accounting purposes have been produced using the following assumptions as at 31 March 2017 and 2018:

	2018	**2017**
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pension increases	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018	**2017**
Mortality base table	Pre-retirement	
	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females	98% of SAPS S1NA "light" YoB unadjusted for males
	Post-retirement	
	96.5% of SAPA S1NMA "light" for males and 101.3% of RFV00 for females	98% of SAPS S1NA "light" YoB with a -1 year adjustment for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females	CMI_2014 with a long-term rate of 1.5% pa

Use of these mortality tables reasonably reflects the actual USS experience. The current life expectancies on retirement at age 65 are:

	2018	**2017**
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29

	2018	**2017**
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72.0bn	£77.5bn
FRS102 total scheme deficit	£8.4bn	£17.5bn
FRS102 Total funding level	88%	77%

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.

17. RELATED PARTY TRANSACTIONS

During the year no fees or expenses were paid to Fellows in respect of their duties as Trustees. (2017: 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 £687,000 (2017: £700,000).

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 (2017: £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 £83,000 (2017: £85,000) for administrative services. At the year end the trust owed the College £83,000 (2017: £85,000).

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:

	2018 Deed of Covenant	**2018 Interest and Rent**	**2018 Amount owed to College**	**2017 Deed of Covenant**	**2017 Interest and Rent**	**2017 Amount owed to College**
	£000's	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Trinity (B) Limited			**1,125**			175
Trinity College (CSP) Limited	**588**	**334**	**5,718**		323	5,382
Trinity (D) Limited	**1,918**		**418**	1,864		363
Trinity (F) Limited			**45**			40
Walton Farms Limited	**218**	**195**	**549**	44	220	549
Dunsfold Airport Limited		**1,614**	**34,408**		1,589	31,358

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.

19. RESERVES CONSOLIDATED

	Balance at 30 June 2017	Income	Expenditure	Net investment gains	Transfers between funds	Other gains	**Balance at 30 June 2018**
	£000's	£000's	£000's	£000's	£000's	£000's	**£000's**
Endowment funds	**1,148,812**	8,637		70,686			**1,228,135**
Restricted funds	**130,775**	15,430	(2,698)	5,108	(1,026)		**147,589**
Designated funds	**34,941**	982	(1,090)	2,032	4,393		**41,258**
General funds							
- general reserve	**31,696**	61,835	(57,226)		(3,367)	13,799	**46,737**
	1,346,224	**86,884**	**(61,014)**	**77,826**	**-**	**13,799**	**1,463,719**

20. RESERVES COLLEGE

	Balance at 30 June 2017	Income	Expenditure	Net investment gains	Transfers between funds	Other gains	**Balance at 30 June 2018**
	£000's	£000's	£000's	£000's	£000's	£000's	**£000's**
Endowment funds	**1,091,661**	8,637		67,564			**1,167,862**
Restricted funds	**130,747**	15,430	2,689	5,108	(1,026)		**147,570**
Designated funds	**34,940**	982	1,089	2,032	4,393		**41,258**
General funds							
- general reserve	**31,183**	52,397	48,876		(3,367)	13,799	**45,136**
	1,288,531	**77,446**	**52,654**	**74,704**	**-**	**13,799**	**1,401,826**

21. RECONCILIATION OF NET DEBT

	2018	2017
At start of year:	**£000's**	£000's
Cash at bank and in hand	**41,283**	53,024
Bank Loans	**(90,000)**	(90,000)
Net Debt	**(48,717)**	(36,976)
Net (decrease)/increase in cash in period	**(994)**	(11,741)
Movement in net debt	**(994)**	(11,741)
At end of the year:		
Cash at bank and in hand	**40,289**	**41,283**
Bank Loans	**(90,000)**	(90,000)
Net Debt	**(49,711)**	(48,717)