

GIRTON COLLEGE

Huntingdon Road

Cambridge

CB3 0JG

Registered Charity No. 1137541

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2012

Girton College

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Girton College

Members of the Augmented Council

The members of the Augmented Council during the year 2011-12 were as follows:

Susan Jane Smith MA DPhil FBA
Carlo Acerini BSC MBChB DCH MRCP MD MA FRCPCH FRCP
Albertina Albors-Llorens LL.M PHD
Harriet Dorothy Allen MA PHD MSC
Crispin Henry William Barnes BSC PHD
Kathleen Mary Veronica Bennett BSC PHD
Georgina Emma Mary Born BSC PHD
Edward John Briscoe BA MPHIL PHD
Fiona Justine Cooke MA BM BCH MSC PHD
Nik Cunniffe MA MSC MPHIL PHD
John Edward Davies MA PHD
Stuart Davis BA PHD
Judith Ann Drinkwater MA
Colm Durkan BA PHD
Martin William Ennis MA PHD
Shaun David Fitzgerald MA PHD
Christopher John Bristow Ford MA PHD
Abigail Lesley Fowden MA PHD
Alexandra Mary Fulton BSC PHD
Frances Gandy MA
Sinead Maria Garrigan Mattar BA DPHIL
Patricia Gray BA PHD
Benjamin John Griffin MA PHD
Maureen Jane Hackett BA MA
Howard Peter Hodson MA PHD
Edward William Holberton BA MPHIL PHD
Liliana Janik MPHIL PHD
Andrew Ronald Jefferies MA VETMB FRCPATH
Clive Lawson MA PHD
Ross Ian Lawther MA PHD
Karen Lesley Lee MA
Deborah Lowther MA
Santa-Phani Gopal Madabhushi PHD
Kamiar Mohaddes BSC MPHIL PHD
Francisca Malaree BSC MA
Alfredo Gabriele Natali, DOTT IN LETT E FIL
Alastair James Reid MA PHD
Julia Margaret Riley MA PHD
Angela Charlotte Roberts PHD
Anthony Mark Savill MA PHD
Stuart Ashley Scott MA PHD
Hugh Richard Shercliff MA PHD
Fionnuala Elizabeth Sinclair BA PHD
Stelios Tofaris MA
Danielle Wilhelmina Antonia Gerarda van den Heuvel MA PHD
Helen Anne Van Noorden BA MPHIL PHD
Elizabeth Wade MA
Per-Olof Helge Wikstrom BA PHD
Ruth Margaret Williams MA PHD
Neil Wright PHD

Auditors

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

Barclays Bank plc
9 – 11 Saint Andrews Street
Cambridge CB2 3AA

Investment Advisor

Partners Capital LLP
5 Young Street
London
W8 5EH

Solicitors

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

Girton College Report of the Augmented Council

Year Ended 30 June 2012

Scope of the Financial Statements

The enclosed financial statements are the consolidated financial statements of Girton College and its subsidiary undertaking Girton College Property Services Limited for the year ended 30th June 2012. The activities of student societies have not been consolidated.

Introduction

The Body Politic and Corporate established by Charter dated 1924 and Supplemental Charter and Statutes dated 1954 bears the name and style of "The Mistress Fellows and Scholars of Girton College" and is also known by the short name and style of Girton College.

The purposes and administration of the College are governed by its Charter, Supplemental Charter and Statutes dated 1954 and as variously amended from time to time.

Trustees

The charity trustees of the College are the members of College Council, comprising, in accordance with the College Statutes, four members who serve *ex officio*, nine Fellows who are elected by the Governing Body of the College and five student members who are elected in accordance with the Ordinances of the College.

The members of the Council during the financial year were:

Professor Susan J Smith (The Mistress)
Dr Julia M Riley (The Vice-Mistress)
Ms Deborah Lowther (The Bursar)
Mr Andrew R Jefferies (The Senior Tutor)
Dr Sinead M. Garrigan-Mattar (until 30.9.11)
Professor A. Mark Savill (until 30.9.11)
Mr Stelios Tofaris (until 30.9.11)
Dr Harriet D Allen
Dr Colm Durkan
Dr Ruth M Williams
Dr K M Veronica Bennett
Dr Chris J B Ford
Ms Frances Gandy
Dr. Crispin H W Barnes (from 1.10.11)
Dr Liliana Janik (from 1.10.11)
Dr Alastair J Reid (from 1.10.11)
Mr Richard Taylor (MCR President)
Mr Edmund Owen (MCR Vice-President)
Mr Lukas Wong (JCR Treasurer)
Mr Alex Wessely (JCR President)
Miss Liz Elder (JCR Vice-President)
Mr Shane Heffernan (MCR President) Ms Barbara Cooke (MCR Vice-President)
Mr Matthew Hatfield (JCR President)
Mr Simon DeBere (JCR Treasurer)
Miss Antonina Tobolewska (JCR Vice-President)

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Year Ended 30 June 2012

Trustee training

All members of the Council have been provided with a note drawing attention to the policy of the College for the management of conflicts of interest and the provisions of Charity Commission Leaflet CC3a. Copies of the Statutes and Ordinances of the College have been made available to them on the College web site. A training session was provided on 11 November 2011 for all members of the Council, and it is intended to hold similar sessions annually for new members.

Aims and objectives of the College

The objects of the College as defined in the Supplemental Charter are "the advancement of education, religion, learning and research and in particular the preparation of persons for taking examinations and proceeding to the degrees of the University of Cambridge."

Funding

The College provides teaching, pastoral care, library and information technology, social and sporting facilities, living accommodation and catering services from two sites in Cambridge.

These operations are funded by fees and charges paid by College members (or on their behalf from public funds), supplemented where necessary to maintain the standard of education and research by income from the College's endowment and from conference and other external use of the College's facilities.

The College charges students as follows:

- a) College fees:
 - i. at externally regulated rates to undergraduates entitled to Student Support and to graduate students (such undergraduate fees being paid by grant or loan funding through arrangements approved by the Government), and
 - ii. at a rate determined by the College to overseas undergraduates and any Home/EU undergraduates not entitled to Student Support;
- b) Accommodation and meal charges at reasonable rates intended to cover the College's costs.

The College's endowment assets and investments are managed with the advice of professional advisors and invested in a diverse range of assets on a total return basis with a view to securing a consistent income stream to support the College's activities in support of its charitable objectives.

The College maintains an active and well-resourced alumni relations and development office with a view to securing a growing number and value of philanthropic gifts to the College for its own charitable purposes and to support individual members of the College in their pursuit of learning and research.

Public benefit

The Council have complied with their duty regarding public benefit, with regard to the Charity Commission's guidance.

The College provides, in conjunction with the University of Cambridge, an education for approximately 700 undergraduate and graduate students, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

Girton College Report of the Augmentd Council

Year Ended 30 June 2012

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems;
- choral musical education for its choral scholars, who make up the College's internationally renowned choir; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances religion by:

- Maintaining and supporting a Chapel as a place of religious worship and holding a variety of religious services which are open to members and visitors.
- Maintaining an outstanding choral tradition in support of divine service through the College Choir.
- Supporting, through the College Chaplain, the emotional, mental and spiritual well-being of members of the College community of any faith or none.

The College advances learning and research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- providing sabbatical leave for College Teaching Officers;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from other institutions; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including Archival and Special Collections which are an important resource in the study of women's history), a small museum (the Lawrence Room), and a permanent home for the Royal Society of Portrait Painters' millennial exhibition entitled *People's Portraits*. These are valuable resources for students and Fellows of the College, members of other Colleges and the University of Cambridge, external scholars and researchers, local children from maintained and other schools through educational visits, and the public through regular access to the museum and exhibition.

The resident members of the College, both students and academic staff, are the primary beneficiaries of the charity and are directly engaged in education, learning or research.

Girton College Report of the Augmented Council

Year Ended 30 June 2012

Beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and visiting schoolchildren and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities. The general public are able to attend various educational activities in the College such as exhibitions and concerts. The Lawrence Room and the People's Portraits exhibition are also open to the general public.

Services in the College chapel are open to the public and are attended by students and staff from elsewhere in the University as well as local residents and visitors to Cambridge.

The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background:

- there are no geographical restrictions and students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions but students of the College are predominantly between 18 and 24 years old; and
- there are no religious restrictions and members of the College have a wide variety of faith traditions or none.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements.

There are no geographical, age or religious restrictions on who may attend Chapel in the College and in practice attendees are highly varied and include those who do not follow the Christian faith. The pastoral role of the Chaplain of the College is available to all members of the College of all faiths and none.

In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University, other Colleges and the Isaac Newton Trust, bursary support for those of limited financial means. That scheme is approved by the Office for Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. For the academic year 2011/12, the number of awards made was [119, out of a Home/EU undergraduate population of 481; 55 of the awards were at the maximum value of £3,400; and the average value of the awards was £2,125.] The scheme is widely advertised via the University and College websites.

To assist graduate students, the College provides financial support by means of scholarships and studentships to fund fees and living costs.

Students may also be eligible for a variety of other grants, bursaries, scholarships and prizes offered by the College in support of their academic and other ambitions.

In addition to its other programmes, the College operates hardship schemes for both undergraduate and graduate students in financial hardship.

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to university, the College operates an extensive outreach programme. This programme includes an extensive programme of visits to schools, visits by schools to the College, open days, admissions symposia for teachers as well as guidance and information on the College website for prospective applicants.

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Year Ended 30 June 2012

No charges are made for attendance at services in the Chapel nor for the pastoral role played by the Chaplain of the College.

Achievements and performance

During the financial year, the College continued to pursue its statutory and charitable objectives of education, religion, learning and research to the full extent of its resources.

As at 1st October 2011, the College had 40 Official Fellows, 11 Research Fellows, 6 Professorial Fellows, 4 Supernumerary Fellows, 4 Non-Stipendiary Fellows, 31 Life Fellows, 25 Bye-Fellows, 496 undergraduates, 62 postgraduates and 176 research students in residence in Cambridge. Of these, 3 Official Fellows, 5 Research Fellows, 434 undergraduates, and 91 postgraduate and research students were living in College-owned or College-managed accommodation.

The College was responsible for providing a Director of Studies for each undergraduate, and for providing small-group teaching in addition to the teaching provided by the University. The College employed 37 College Lecturers in all the main subjects offered by the University to undergraduates, of whom 25 were also employed by the University or other institutions and 12 were employed solely by the College or under a share arrangement with another College.

Of the 466 undergraduates entered for Tripos examinations, 74 obtained Firsts, 233 2:1s, 34 Class 2 (undivided), 66 2:2s, 20 Thirds and 37 other results. 8 students de-graded during the year. 545 postgraduate students graduated with Masters level degrees and 20 research students were awarded their PhDs. 1 Grad Dip, 2 MSt, 5 LLM, 7 MAST and 5 MBA degrees were also awarded.

The College provided a Tutor for each student and access to other forms of pastoral care including a chaplain, nurses and counsellors. The College also made grants to its official student bodies, the Junior Combination Room (JCR) and the Middle Combination Room (MCR) to enable them to provide social support to their members. The College provided a cafeteria service which was available to all of its members throughout the year.

In its capacity as trustee of restricted funds totalling £19.3m (see note 19 below), the College awarded full bursaries (i.e. sufficient to cover all College charges) to 18 home students. The College contributed to the cost of the 130 Newton Trust bursaries awarded to Girton students.

The College also hosted 394 conferences and events (see below).

As a full college of the University of Cambridge, the College is bound by and committed to delivery of the targets included in the University's agreement with OFFA.

The College aims to increase the number and quality of first choice applicants to Girton to ensure that it can comfortably meet these targets and the strategy for achieving this is evolving during the current academic year.

Girton College Report of the Augmented Council

Year Ended 30 June 2012

Financial review

The College operates a devolved budgeting system under which individual budget holders are responsible for managing income and expenditure within their own areas of operation, and for bringing forward budget proposals through an annual budgeting process. Students, Fellows and members of staff are encouraged to participate in the process through their membership of the College's various executive committees. The Budget Sub-Committee of the Financial Planning Committee is responsible for turning the proposals into a coherent and transparent budget proposal which is part of a sustainable ten year financial plan. The full budget proposal is considered in detail by the College Council before it is approved, to ensure that it is consistent with the College's strategic aims and objectives.

The proper use of finances and resources, in a manner which not only satisfies the requirements of internal control expected of a college, but also fulfils any legal or financial obligations as laid down by the Statutes and Ordinances, HMRC, the University of Cambridge, the Charity Commission and other authorities, is ensured by the College's Financial Regulations, which are approved by the College Council on the advice of the Bursar.

Income and Expenditure Account

The College's income and expenditure account for 2011/12 showed a deficit of £619,000 after a depreciation charge for the year of £1,407,000. After taking account of variations between the years in the flow of endowment and investment income, donations and bequests, and a £657k surplus on disposal of fixed assets in 2010/11, the underlying operating result showed a slight improvement of £35k (1.1%) on the previous year's comparative result of a deficit of £201,000.

The management accounts for the year showed an operating deficit of £173,972 (2010/11- £307,915) cf. a budgeted operating deficit of £186,906 (2010/11 - £429,483). The costs associated with College's main activities have increased by 2.8% between 2010/11 and 2011/12 (while the associated income streams have increased by 4.7%). This is evidence of effective budgetary control over the operating activities of the College. However, volatility in global investment markets and in the flow of donations and bequests make the overall financial outcome less easy to manage.

The College is liable for the payment of University Contribution under Statute G,II of £11,000.

Cash flow

The College's operating activities normally absorb an amount of cash equal to the unrestricted investment income available to support them. Cash donations to the College's permanent endowment funds are transferred to the investment portfolio on an annual basis. As at 30th June, a cumulative £1.1m of cash had been expended on the construction of new student accommodation at Ash Court and a new sports pavilion. The total cost of these projects is budgeted to be approximately £9m, the commitment to which has informed the management of cash balances during the year. As demonstrated by the cash flow statement, the College's cash balances increased by £1.1m during the year, a similar result to the previous year.

During the year, the College repaid further instalments of £127,000 of long term loans as they fell due.

Balance Sheet and Statement of Total Recognised Gains and Losses

As set out in the statement of total recognised gains and losses, the College's net assets decreased by 4.1% from £111,355,000 to £106,773,000. In addition to the deficit on the income and expenditure account, the decrease resulted from a combination of investment losses, and a loss on the actuarial valuation of the College's assets and liabilities in the Cambridge Colleges Federated Pension Scheme (CCFPS), partially reversing the gains of the previous year.

Girton College Report of the Augmented Council

Year Ended 30 June 2012

Maintenance of buildings

The College's operational estate is valued in its balance sheet on a depreciated replacement cost basis at £70,146,000. The College budgets to spend approximately 1% of this amount annually on routine maintenance. The costs are incurred mainly in supporting an in-house maintenance team with a broad range of skills, together with the materials they require, supplemented by a number of regular and occasional specialist contractors. Routine repair regimes and minor projects completed during 2011/12 included redecoration of student bedrooms on the main College site, and work to counteract subsidence at 99 Girton Road.

Conferences and events

The College utilises surplus accommodation and catering capacity in support of its charitable objectives by hosting a variety of paying conferences and other events throughout the year. Conference and events turnover during the year was £834,000 (2010/11 - £866,000). The contribution to fixed costs generated by this activity was some £76,000 less than in the previous year, reflecting increasing competitiveness in the market and the introduction in 2011/12 of continuous tenancies for undergraduates, which means that the College now has no capacity for residential conferences during the Christmas and Easter vacations. However, it continues to host day conferences and events, particularly weddings and parties throughout the year, and with the construction of the new wing at Ash Court hopes to be able to provide a high standard of accommodation and catering services for niche events closely associated with the College's aims and objectives from 2014/15.

Staff costs and pensions

Staff costs decreased by 3.7%, reflecting a 1% fall in the average number of staff and the College's policy of reviewing vacated posts for improvements in efficiency before recruiting to replace staff who have left or retired. Social security costs fell commensurately. The College continues to offer final salary pension schemes to eligible staff, a policy which remains under continuing review owing to the escalation in the associated cost experienced in the last decade. The reduction in pension costs of 22.7%, largely off-setting the increase of 24.6% seen in the previous year, reflects the most recent actuarial valuation of the CCFPS as at 31st March 2011. This showed the Girton section of the scheme back in surplus, obviating the need for the College to make further additional payments into the scheme as part of a recovery plan. The CCFPS valuation for the purposes of these accounts in 2010/11 showed a pleasing reduction of 61.5% in the pension scheme liability in the balance sheet. This improvement has been sharply reversed in the current year, with the pension liability at 30th June 2012 standing at £2,375,000. This reflects increases in the actuarial valuation of the scheme's liabilities, as well as a fall in the value of the scheme assets owing to investment market conditions. This level of volatility is unhelpful, but the College believes it can afford to take a long term view of the costs and benefits of the scheme on behalf of its staff.

Capital expenditure

Improvements to the estate in the form of capital projects for new buildings or refurbishments of existing ones cannot normally be funded from annual income and expenditure, but require a combination of borrowing against future revenue and fundraising to enable them to proceed.

The College during the year entered into a contract to build, at a cost of approximately £8,500,000, a further 50 student rooms in a new wing on its main site, designed by architects Allies and Morrison to complete Ash Court. The new rooms are expected to be available for first occupancy by students in October 2013.

Since 30th June 2012, the College has also contracted to build a new sports pavilion on the main site at a cost of approximately £500,000. The pavilion is expected to be open by Easter 2013.

As at 30 June 2012, £1,120,000 had been invested in these capital projects (see note 10).

Girton College Report of the Augmented Council

Year Ended 30 June 2012

Endowment and investment performance

The College's overall investment portfolio (which includes both endowment assets and other long term investments) is managed to maximize long-term total return while seeking to control the volatility of returns and to reduce the risk of declines in its value.

In accordance with this, long-term spending from the portfolio is constrained to that amount which should be sustainable over the long term, consistent with a target asset allocation which seeks to maximise that amount, but without excessive risk. The College's Investments Committee seeks to ensure that the management of the portfolio both overall and within each asset class is carried out efficiently and that the results obtained are consistent with appropriate benchmarks in each area.

In order to achieve both reasonable stability in budgeting and a sound balance between near-term and distant spending priorities, the Investments Committee has adopted a long-term spending rule: the mid-point estimate of the expendable amount in any given fiscal year shall be limited to 4% of the average portfolio value. This overall portfolio spending rule also forms the basis for designing the return objective for the portfolio advised upon by Partners' Capital.

This goal assumes that any gifts of capital will be used to grow the portfolio assets and therefore are not relied upon to preserve purchasing power of the asset base. The purchasing power of the asset base is thus only preserved as total investment returns replace the effects of net expenditure and inflation.

The College wishes its investment practice to reflect its values and reputation as a charitable educational establishment of long standing. While these values do not require the automatic avoidance of any particular corporation or sector, they do require that all fund managers behave with integrity and are fully compliant with all regulatory requirements and relevant codes of practice.

The College has a diversified financial portfolio, with no one corporation representing over 1% of its total value. As the College does not 'pick stocks' and avoids investment managers who specialize in sensitive sectors, it does not routinely confront issues of social responsibility with the selection of its financial investments. It does, however, pick its investment managers carefully. The College insists that these managers demonstrate a very high standard of integrity towards their clients, their staff and the relevant regulatory authorities. Where any breaches of integrity are detected, the assets under management may be moved to another fund manager.

The total return for the year ended 30 June 2012 on the College's investment portfolio was – 2.9% (2010/11 - 11.7%).

Fundraising

Unrestricted donations and bequests totalling £194,000, and restricted donations and bequests totalling £799,000 were received during the year and have been added to the College's endowment. Other unrestricted donation income of £692,000 has been used either for expenditure on the general educational purposes of the College or invested for the long term in accordance with College policy, and £137,000 has been added to deferred capital grants for buildings (see note 18). Restricted donation income totalling £79,000 has been received for a variety of purposes. The purposes for which restricted endowments and income have been received include scholarship, bursary and hardship funds, teaching fellowships, student prizes, the refurbishment of student accommodation, and new sports facilities.

The costs of the alumni relations and development office during the year were £333,534. This represents a significant investment in a growing income stream of philanthropic donations without which the College will be unable to maintain the standard of its educational facilities in the future.

Girton College Report of the Augmented Council

Year Ended 30 June 2012

Reserves policy

The College aims to break even before depreciation on its normal operations, and to build up its capital and reserves over time from unrestricted donations and bequests. Capital projects which cannot be funded from operational income are funded from specific appeals and/or long-term borrowing where appropriate in the light of the expected future cash flows resulting from the investment.

Principal risks and uncertainties

The Council has considered the major risks to which the College is exposed and have satisfied themselves that systems are established in order to manage those risks. The main categories of risk to the College are:

- 1) Health & Safety
- 2) Fire
- 3) Fraud and accounting
- 4) Investment
- 5) Admissions
- 6) Student experience
- 7) Funding and higher education policy
- 8) Reputation

The continuing slow economic recovery, intermittent Eurozone crises and the coalition government's austerity measures present a persistent challenge to the College's financial position, which is heavily dependent on public funding for higher education, the performance of its investment portfolio, demand for the use of facilities by conference and other events, and the ability and willingness of donors and benefactors to support the College through good times and bad. If anything, it appears that generosity has increased in the recent bad times and it is hoped that, in combination with sound financial management and budgetary control, this will enable the College to maintain continuity of provision for successive generations of fellows and students.

The College is a member of the Cambridge Colleges' Carbon Reduction Commitment (CRC) Consortium through which the Colleges work together to meet their obligations under the Government's CRC Energy Efficiency scheme. Throughout the last two years we have been working to set up and manage the systems necessary to comply with the new requirements. Whilst we are fully committed to the aims espoused by the Government's scheme, this should not disguise the fact that the scheme is a further tax on the College's activities which, alongside the administrative burdens imposed, absorbs resources that could otherwise be used to support our educational activities. Moreover the cash expended could have been used to reduce the College's carbon emissions.

The introduction of continuous tenancies for undergraduates in 2011/12 presents some challenges for the maintenance departments at both sites, reducing the opportunity for Christmas and Easter works to student bedrooms and communal areas.

Plans for the future

The College's aims and objectives for the next decade include:

- 1) Widening the pool of suitably qualified applicants for places to study;
- 2) Increasing the value added to the educational experience of students at Girton;
- 3) Supporting and strengthening the Fellowship in their teaching and research;
- 4) Supporting the all-round personal development of all members of the Girton community;
- 5) Enhancing communication within the community and with the world beyond;
- 6) Achieving financial sustainability.

Girton College Report of the Augmented Council

Year Ended 30 June 2012

Detailed plans for achieving these are still evolving. The main components of the College's strategic plans for the next decade are as follows:

- a. Short-term financial plan: a package of strategies for increasing income and cutting costs with a view to returning the College operating account to a cash-neutral position by 30th June 2013. This was a three year recovery plan, the first year of which was 2010/11, and the measures proposed have so far been successfully implemented through the budgeting process. However, the economic recovery on which the plan was predicated is taking longer to materialise and it is now clear that further measures will be needed to achieve the target of cash neutrality. College Council has been informed of the various options and will be considering detailed proposals over the coming year;
- b. Re-organisation of the operational estate: the construction of a new wing of student rooms at College will enable 50 undergraduate rooms at Wolfson Court to be converted to graduate use, and off-site houses containing a commensurate number of graduate rooms will be sold. This is expected to reduce maintenance and running costs;
- c. Refurbishing Wolfson Court as wholly or mainly graduate accommodation. A feasibility study has been undertaken to clarify the opportunity which exists to transform this site into a world class graduate centre, and more detailed planning will commence once the construction of Ash Court has been completed;
- d. *A Great Campaign*; during the year the College launched a new and ambitious fundraising campaign aimed at:
 - i. Supplementing borrowed funds and the proceeds of sale of the graduate hostels to facilitate the building of the new wing at Ash Court and the subsequent refurbishment of Wolfson Court;
 - ii. Securing sufficient endowment for teaching to meet the gap between the funding provided by the College fee and existing accumulated endowment funding, and the actual cost of teaching posts;
 - iii. Building the endowment to a level which would enable the College to break even after depreciation (i.e. to ensure its long term financial sustainability as a permanent institution);
- e. Celebrating the 150th anniversary of the founding of the College in 2019.

On behalf of the Augmented Council



Deborah Lowther
Bursar
11 December 2012

Girton College Responsibilities of the Council and the Augmented Council

Year Ended 30 June 2012

In accordance with the Statutes of the College, the Council is responsible for the administration of the affairs of the College and for the management of its property and income. For the purposes of approving the accounts and audit report, its membership is Augmented as described in the Statutes.

The Augmented Council is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University.

In causing the financial statements to be prepared, the Augmented Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The Augmented Council is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Augmented Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

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

The Council is responsible for the maintenance and integrity of the corporate 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.

Girton College

Independent Auditors' Report to the Augmented Council

Year Ended 30 June 2012

We have audited the financial statements of Girton College for the year ended 30 June 2012 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of the Augmented Council and Auditors

As explained more fully in the Responsibilities of the Council and the Augmented Council Statement, the Augmented Council is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

Scope of the audit of financial statements

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 College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Augmented Council; and the overall presentation of the financial statements. In addition, we read all the financial information in the Report of the Augmented Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the College's affairs as at 30 June 2012 and of the group's income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge;
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge.

Girton College
Independent Auditors' Report to the Augmented Council (continued)

Year Ended 30 June 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Augmented Council is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Peters Elworthy & Moore
Chartered Accountants and
Registered Auditor
CAMBRIDGE

17 December 2012

Girton College

Statement of Principal Accounting Policies

Year Ended 30 June 2012

Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom accounting standards. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP).

The income and expenditure account includes activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to the use of public funds. The analysis required by the SORP is set out in note 8.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain land and buildings.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the College and its subsidiary undertaking Girton College Property Services Limited, a company registered in England and Wales. The College owns 100% of the issued share capital of the Company which amounts to £2. A separate balance sheet and related notes for the College are not included because Girton College Property Services is a design and build company and therefore the balance sheet of the College would not be materially different to the one included in the accounts. The activities of student societies have not been consolidated.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

Restricted grant income

Grants received for restricted purposes are recognised as income to the extent that relevant expenditure has been incurred.

Donations and benefactions

Charitable donations are recognised on receipt or where there is certainty of future receipt and the value can be measured reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. Donations with no substantial restrictions are recognised as income in the income and expenditure account. Donations which are to be retained for the future benefit of the College, and other donations with substantially restricted purposes, other than for the acquisition or construction of tangible fixed assets, are recognised in the statement of total recognised gains and losses as new endowments.

Capital grants and donations

Grants and donations are received for the purposes of funding the acquisition and construction of tangible fixed assets. In the case of depreciable assets these are credited to deferred capital grants when the related capital expenditure is incurred and released to income over the estimated useful life of the respective assets in line with the depreciation policy. Grants and donations of, or for the acquisition of, freehold land or heritage assets, which are non-depreciable assets, are credited to the income and expenditure account in the year of acquisition.

Other income

Income is received from a range of activities including residences, catering conferences and other services rendered.

Girton College **Statement of Principal Accounting Policies - continued**

Year Ended 30 June 2012

Endowment and investment income

The College invests its endowment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the endowment portfolio over time. The College spending rule permits the transfer for the academic year of no more than 4 per cent of the closing balance of the fund as at the previous 1 January.

Pension schemes

The College participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings-related Pension Scheme. The fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are accounted for over the period during which the College benefits from the employees' services.

The College also contributes to the Cambridge Colleges Federated Pension Scheme, which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

Tangible fixed assets

a. Land and buildings

Land and buildings are stated at valuation. Where buildings have been revalued, they are valued on the basis of their depreciated replacement cost. A full valuation is carried out every 5 years with an interim valuation in the 3rd year. The last full valuation was in April 2008 and was carried out by FPD Savills, Chartered Surveyors. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 50 years, having initially deducted from the valuation an amount to reflect accumulated obsolescence in use. Depreciation is not charged in the year of acquisition of an asset, but is charged in the year of disposal. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to 30th June. They are not depreciated until they are brought into use.

The cost of additions to operational property shown in the balance sheet includes the cost of land where applicable.

b. Maintenance of premises

The College has a ten year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to the Income and Expenditure account as it is incurred.

Girton College
Statement of Principal Accounting Policies - continued

Year Ended 30 June 2012

c. Furniture, fittings and equipment

Furniture, fittings and equipment are written off in the year of acquisition except for assets costing more than £50,000 per individual item, which are capitalised and written off over their expected useful lives as follows:

Furniture and fittings	20% per annum
------------------------	---------------

Depreciation is not charged in the year of acquisition of an asset, but is charged in the year of disposal.

d. Rare books, silver, works of art and other assets not related to education

Rare books, silver, works of art and other assets not related to education are valued at the insured value. Assets deemed to be inalienable are not included in the balance sheet. Items of antique furniture and silver have been valued by Cheffins, Auctioneers and Valuers.

Investments

Investments are included in the balance sheet at market value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Investment properties have been valued by FPDSavills, Chartered Surveyors.

Stocks

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

Provisions

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

Endowment funds

Endowment funds are classified under three headings:

- Where the donor has specified that the fund is to be permanently invested to generate an income stream for the general purposes of the College, the fund is classified as an unrestricted permanent endowment.
- Where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied for a restricted purpose, the fund is classified as a restricted permanent endowment.
- Where the donor has specified a particular objective other than the acquisition or construction of tangible fixed assets, and that the College must or may convert the donated sum into income, the fund is classified as a restricted expendable endowment.

Foreign currencies

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

Girton College

Statement of Principal Accounting Policies - continued

Year Ended 30 June 2012

Taxation

The College is a registered charity (number 1234567) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

University Contribution under Statute G,II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College is eligible to apply for such grants.

Girton College
Consolidated Income and Expenditure Account

Year Ended 30 June 2012

		2012 £'000	2011 £'000
Income	Note		
Academic Fees and Charges	1	2,808	2,637
Residences, Catering and Conferences	2	3,623	3,503
Endowment and Investment Income	3	1,528	1,296
Donations	4	891	940
Surplus on disposal of tangible fixed assets		21	657
Total Income		8,871	9,033
Expenditure			
Education	5	3,732	3,684
Residences, Catering and Conferences	6	5,758	5,550
Total Expenditure	8	9,490	9,234
Operating (Deficit)		(619)	(201)
Contribution under Statute G,II	7	(11)	(9)
		(630)	(210)
(Deficit) for the year transferred (to) accumulated income in endowment funds		(119)	52
Net (Deficit)		(749)	(158)

All items dealt with in arriving at the deficit for 2012 and 2011 relate to continuing operations.

Note of historical cost surpluses and deficits:

The difference between the results as disclosed in the income and expenditure account and the result on an unmodified historical cost basis is not material.

Girton College
Consolidated Statement of Total Recognised Gains and Losses

Year Ended 30 June 2012

	Restricted Funds £'000	Unrestricted Funds £'000	Total 2012 £'000	Total 2011 £'000
(Deficit) on income and expenditure account	-	(749)	(749)	(158)
Unspent endowment fund income	49	70	119	(52)
(Decrease)/Increase in market value of investments				
Endowment assets	(106)	(128)	(234)	2,284
Fixed asset investments	-	(1,487)	(1,487)	2,105
Income receivable from investments (net)	(41)	112	71	115
Investment return transferred to income and expenditure account	(704)	(824)	(1,528)	(1,296)
Unrealised surplus on revaluation of fixed assets	-	-	-	8,267
New endowments	799	194	993	1,041
Capital Grant Received from Colleges Fund	-	-	-	76
Transfers	(9)	9	-	-
Actuarial (loss)/gain on pension scheme assets and liabilities	-	(1,767)	(1,767)	1,114
Total Recognised Gains/(Losses) relating to the year	(12)	(4,570)	(4,582)	13,496
Reconciliation				
Opening reserves and endowments	19,309	92,046	111,355	97,859
Total recognised gains/(losses) for the year	(12)	(4,570)	(4,582)	13,496
Closing reserves and endowments	19,297	87,476	106,773	111,355

**Girton College
Consolidated Balance Sheet**

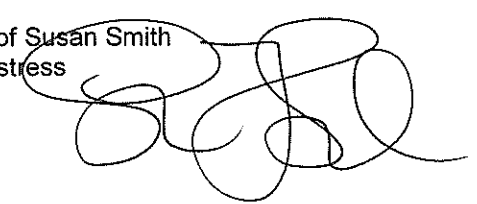
Year Ended 30 June 2012

	Note	2012 £'000	2011 £'000
Fixed Assets			
Tangible Assets	10	70,146	70,690
Investments	11	<u>26,012</u>	<u>29,477</u>
		96,158	100,167
Endowment assets	12	23,716	23,862
Current Assets			
Stock		98	94
Debtors	13	540	512
Cash	14	<u>3,400</u>	<u>2,325</u>
		4,038	2,931
Creditors: amounts falling due within one year	15	<u>(963)</u>	<u>(1,077)</u>
Net Current Assets		3,075	1,854
Total Assets Less Current Liabilities		<u>122,949</u>	<u>125,883</u>
Creditors: amounts falling due after more than one year	16	(8,232)	(8,270)
Net Assets excluding Pension Liability		<u>114,717</u>	<u>117,613</u>
Pension Liability	17	(2,375)	(706)
Net Assets including Pension Liability		<u>112,342</u>	<u>116,907</u>

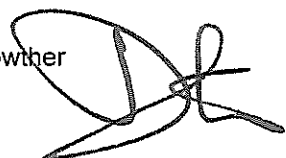
		Restricted Funds £'000	Un- restricted Funds £'000	2012 £'000	2011 £'000
Deferred capital grants	18	5,569	-	5,569	5,552
Endowments	19				
Expendable endowments		155	-	155	176
Permanent endowments		<u>19,142</u>	<u>4,419</u>	<u>23,561</u>	<u>23,686</u>
		19,297	4,419	23,716	23,862
Reserves	20				
General reserves excluding pension reserve		-	58,514	58,514	60,732
Pension reserve		-	(2,375)	(2,375)	(706)
Operational property revaluation reserve		<u>-</u>	<u>26,918</u>	<u>26,918</u>	<u>27,467</u>
		-	83,057	83,057	87,493
Total Reserves and Endowments		<u>19,297</u>	<u>87,476</u>	<u>106,773</u>	<u>111,355</u>
Total Funds		<u>24,866</u>	<u>87,476</u>	<u>112,342</u>	<u>116,907</u>

Approved by the Augmented Council on 11 December 2012 and signed on their behalf by:

Prof Susan Smith
Mistress



Deborah Lowther
Bursar



Girton College
Consolidated Cash Flow Statement

Year Ended 30 June 2012

	2012	2011
	£000	£000
Operating Activities		
Operating (Deficit)	(619)	(201)
Depreciation	1,407	1,324
Surplus on disposal of tangible fixed assets	(21)	(657)
Pension Reserve Loss/(Surplus)	(98)	32
Deferred Capital Fund Applied	(120)	(120)
Investment Income and interest	(1,528)	(1,296)
Decrease/(Increase) in Stocks	(4)	(30)
(Increase)/Decrease in Debtors	(28)	(191)
Increase/(Decrease) in Creditors	49	(44)
Net Cash Outflow from Operating Activities	(962)	(1,183)
Returns on Investments and Servicing of Finance		
Investment Income	532	563
Other Interest Received	22	-
Interest Paid	(392)	(448)
Net Cash Inflow from Returns on Investments and Servicing of Finance	162	115
Contribution to Colleges Fund	(11)	(9)
Capital Transactions		
Donations & Benefactions	993	1,041
Deferred Capital Grants received	137	170
Capital Grants Received from Colleges Fund	-	76
Proceeds of disposal of tangible fixed assets	21	948
	1,151	2,235
Payments to Acquire Tangible Fixed Assets	(938)	(466)
Disposals of Investment Assets	1,800	584
	862	118
Net Cash Inflow/(Outflow) from Capital Transactions	2,013	2,353
Net Cash Inflow/(Outflow) Before Financing	1,202	1,276
Financing		
Long Term Loans Repaid	(127)	(125)
Net Cash (Outflow) from Financing	(127)	(125)
Increase/(Decrease) in Cash in Year	1,075	1,151

Girton College
Consolidated Cash Flow Statement (continued)

Year Ended 30 June 2012

	2012 £000	2011 £000	
Reconciliation of net cash flow to movement in net liquid assets			
Increase/(Decrease) in Cash in the Year	1,075	1,151	
Movement in Long Term Loans	127	125	
Net change in debt	1,202	1,276	
Net Debt brought forward	(5,769)	(7,045)	
Net Debt carried forward	<u>(4,567)</u>	<u>(5,769)</u>	
 Analysis of Changes in Net Debt			
	At 1 July 2011 £000	Cash Flows £000	At 30 June 2012 £000
Cash at bank and in hand	2,325	£	3,400
Long term loans	(8,094)	127	(7,967)
	<u>(5,769)</u>	<u>1,202</u>	<u>(4,567)</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2012

1. Academic Fees and Charges		2012	2011
		£'000	£'000
College Fees:			
Fee Income paid on behalf of Undergraduates at the Publicly-funded			
Undergraduate rate (per capita fee £3,744)		1,834	1,835
Other Undergraduate Fee Income			
Matriculating post 2004/5 (per capita fee £5,545)		333	272
Graduate Fee Income (per capita fee £2,229)		356	279
		<u>2,523</u>	<u>2,386</u>
Cambridge Bursaries Income		285	251
Total		<u>2,808</u>	<u>2,637</u>
2. Residences, Catering and Conferences Income		2012	2011
		£'000	£'000
Accommodation	College members	1,962	1,878
	Conferences	319	312
Catering	College members	827	759
	Conferences	515	554
Total		<u>3,623</u>	<u>3,503</u>
3 Endowment and Investment Income			
3a Analysis		2012	2011
		Total	Total
		£000	£000
Total return recognised in income and expenditure account (3b)		<u>1,528</u>	<u>1,296</u>
3b Summary of Total Return		2012	2011
		£'000	£'000
Income from:			
Land and buildings		585	638
Quoted and other securities and cash		96	128
Gains/(losses) from endowment assets:			
Land and buildings		(1,487)	32
Quoted and other securities and cash		(234)	4,357
Loan interest payable		(392)	(399)
Investment management costs		(218)	(252)
Total return for the year		(1,650)	4,504
Total return transferred to income and expenditure account		(1,528)	(1,296)
Unapplied total return for year included in STRGL		<u>(3,178)</u>	<u>3,208</u>
3c Investment Management costs		2012	2011
		£'000	£'000
Land and buildings		53	37
Quoted and other securities and cash		165	215
		<u>218</u>	<u>252</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2012

4	Donations		2012	2011
			£'000	£'000
	Unrestricted donations		692	723
	Restricted donations		79	97
	Released from deferred capital grants (see note 17)		120	120
			<u>891</u>	<u>940</u>
5.	Education Expenditure		2012	2011
			£'000	£'000
	Teaching		1,808	1,762
	Tutorial		324	322
	Admissions		233	243
	Research		580	610
	Scholarships and awards		647	606
	Other Educational Facilities		140	141
	Total		<u>3,732</u>	<u>3,684</u>
6.	Residence, Catering and Conferences Expenditure		2012	2011
			£'000	£'000
	Accommodation	College Members	2,488	2,429
		Conferences	1,165	1,138
	Catering	College Members	1,580	1,463
		Conferences	525	520
	Total		<u>5,758</u>	<u>5,550</u>
7.	Taxation		2012	2011
			£'000	£'000
	University Contribution		<u>11</u>	<u>9</u>
8a.	Analysis of 2012 Expenditure by Activity	Staff	Other	
		Costs	Operating	
		(Note 9)	Expenses	
		£'000	£'000	Depreciation
				£'000
	Education (Note 5)	2,305	1,173	254
	Residences, Catering and Conferences (Note 6)	<u>2,608</u>	<u>1,997</u>	<u>1,153</u>
		<u>4,913</u>	<u>3,170</u>	<u>1,407</u>
				<u>9,490</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2012

8b Analysis of 2011 Expenditure by Activity	Staff Costs (Note 9) £'000	Other Operating Expenses £'000	Depreciation £'000	Total £'000
Education (Note 5)	2,325	869	239	3,433
Residences, Catering and Conferences (Note 6)	2,775	1,690	1,085	5,550
	<u>5,100</u>	<u>2,559</u>	<u>1,324</u>	<u>8,983</u>

Included in the above costs are £333,534 (2011: £344,994) of development office costs including alumni relations.

8c. Auditors' remuneration	2012 £'000	2011 £'000
Other operating expenses include:		
Audit fees payable to the College's external auditors	18	17
Other fees payable to the College's external auditors	12	8

9. Staff	Other			Total 2012 £'000	Total 2011 £'000
	College Fellows 2012 £'000	Academics 2012 £'000	Non- Academics 2012 £'000		
Staff Costs					
Emoluments	1,216	75	2,828	4,119	4,141
Social Security Costs	90	4	179	273	285
Other Pension Costs (see note 23)	183	3	335	521	674
	<u>1,489</u>	<u>82</u>	<u>3,342</u>	<u>4,913</u>	<u>5,100</u>

Average Staff Numbers

Academic	51	19	-	70	70
Non-Academic – full time equivalent	-	-	119	119	121
	<u>51</u>	<u>19</u>	<u>119</u>	<u>189</u>	<u>191</u>

No Fellow received any remuneration in respect of their role as a charity Trustee.

No officers or employees of the College, including the Head of House, received emoluments over £100,000.

Girton College
Notes to the Accounts

Year Ended 30 June 2012

10. Fixed Assets

	Assets In Construction	Freehold Land & Buildings	Long Leasehold Land & Buildings	Furniture, Fittings and Equipment	Total
	£,000	£'000	£'000	£'000	£'000
Original Cost					
As at 1 July 2011	321	70,061	308	279	70,969
Additions	799	64	-	-	863
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
As at 30 June 2012	<u>1,120</u>	<u>70,125</u>	<u>308</u>	<u>279</u>	<u>71,832</u>
Accumulated Depreciation					
At 1 July 2011	-	-	-	279	279
Charge for the Year	-	1,401	6	-	1,407
Disposals in year	-	-	-	-	-
Written back on Revaluation	-	-	-	-	-
At 30 June 2012	<u>-</u>	<u>1,401</u>	<u>6</u>	<u>279</u>	<u>1,686</u>
Net Book value					
At 30 June 2012	<u>1,120</u>	<u>68,724</u>	<u>302</u>	<u>-</u>	<u>70,146</u>
At 30 June 2011	<u>321</u>	<u>70,061</u>	<u>308</u>	<u>-</u>	<u>70,690</u>

Freehold land and Buildings were revalued in April 2008 by FPDSavills, Chartered Surveyors. An interim valuation was carried out in June 2011 also by FPDSavills. The properties are valued at depreciated replacement cost.

The insured value of Freehold Buildings at 30 June 2012 was £91,939,360 (2011: £92,276,161).

The cost to the group of freehold buildings and assets in construction consists of the costs incurred by the College less the surplus recorded in the accounts of Girton Property Services Limited, a subsidiary undertaking, and eliminated on consolidation.

11. Fixed Asset Investments Consolidated and College

	2012 £000	2011 £000
College Expendable Investments (note 12)	<u>26,012</u>	<u>29,477</u>

Subsidiary Undertaking

At 30 June 2012, Girton College held an investment in the following company:

Subsidiary Undertaking	Holding	Proportion of voting rights	Country of Incorporation	Nature of Business
Girton College Property Services Limited	Ordinary	100%	United Kingdom	Provision of development facilities

Girton College
Notes to the Accounts

Year Ended 30 June 2012

12. Endowment Assets	2012	2011
	£'000	£'000
As at 1 July 2011	53,339	49,535
Additions	8,142	13,306
Disposals	(11,052)	(12,081)
Appreciation/(depreciation) on revaluation	(1,415)	3,163
Increase/(Decrease) in Cash Balances held by Fund Managers	714	(584)
As at 30 June 2012	<u>49,728</u>	<u>53,339</u>

Represented by:

	2012	2011
	£'000	£'000
Freehold Land and Buildings	7,103	8,590
Quoted Securities – Equities	23	24
Alternative Investments	35,066	37,903
Cash held for Reinvestment	1,886	1,172
Antique Furniture, Works of Art etc	5,650	5,650
	<u>49,728</u>	<u>53,339</u>
College Expendable Investments (note 11)	(26,012)	(29,477)
	<u>23,716</u>	<u>23,862</u>

The College is also the joint beneficiary with another organisation of a trust which owns a number of properties in Ealing, West London. Rental income less expenses is divided equally between the beneficiaries. When tenants vacate the properties, they are sold and the proceeds of the sales (less expenses) are divided equally between the beneficiaries. At 30 June 2012, the College's share in the three remaining properties is estimated to be about £525,000 (gross); this amount is not included within Investment Assets.

13. Debtors	2012	2011
	£'000	£'000
Members of the College	348	245
Other debtors	152	233
Prepayments and accrued income	40	34
	<u>540</u>	<u>512</u>

14. Cash	2012	2011
	£'000	£'000
Bank Deposits	3,398	2,323
Cash in Hand	2	2
	<u>3,400</u>	<u>2,325</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2012

15. Creditors: amounts falling due within one year			2012	2011
			£'000	£'000
Long Term Loans			131	127
Student Prepayments			69	90
Other Creditors			763	860
			<u>963</u>	<u>1,077</u>
16. Creditors: amounts falling due after more than one year			2012	2011
			£'000	£'000
Long Term Loans			7,836	7,967
Student Prepayments			396	303
			<u>8,232</u>	<u>8,270</u>
17. Pension liabilities			2012	2011
			£'000	£'000
Balance at beginning of year			706	1,788
Movement in year:				
Current service cost including life assurance			283	442
Contributions			(365)	(448)
Other finance cost			(16)	36
Actuarial loss/(gain) recognised in statement of total recognised gains and losses			1,767	(1,112)
Balance at end of year			<u>2,375</u>	<u>706</u>
18. Deferred capital grants	Grants	Donations	Total	Total
	£'000	£'000	2012	2011
			£'000	£'000
				Restated
Balance at beginning of year				
Buildings	-	5,552	5,552	5,502
Grants and donations received:				
Buildings	-	137	137	170
Released to income and expenditure account::				
Buildings	-	(120)	(120)	(120)
Balance at end of year				
Buildings	-	5,569	5,569	5,552

Girton College
Notes to the Accounts

Year Ended 30 June 2012

19. Endowments	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted Expendable £'000	2012 Total £'000	2011 Total £'000
Balance at beginning of year:						
Capital	4,380	18,285	22,665	-	22,810	20,990
Unspent income	173	848	1,021	176	1,052	1,042
	<u>4,553</u>	<u>19,133</u>	<u>23,686</u>	<u>176</u>	<u>23,862</u>	<u>22,032</u>
New endowments received	194	755	949	44	993	1,041
Income receivable from endowment asset investments	172	690	862	1	863	725
Expenditure	(102)	(615)	(717)	(27)	(744)	(777)
Net transfer (to)/from income and expenditure account	70	75	145	(26)	119	(52)
Increase/(decrease) in market value of investments	(213)	(851)	(1,064)	-	(1,064)	1,559
Transfers from/(to) general reserves	(185)	30	(155)	(39)	(194)	(718)
Balance at end of year	<u>4,419</u>	<u>19,142</u>	<u>23,561</u>	<u>155</u>	<u>23,716</u>	<u>23,862</u>
Comprising:						
Capital	4,361	18,189	22,550	-	22,739	22,810
Unspent income	58	953	1,011	155	977	1,052
Balance at end of year	<u>4,419</u>	<u>19,142</u>	<u>23,561</u>	<u>155</u>	<u>23,716</u>	<u>23,862</u>
Representing						
Fellowship Funds	1,745	9,474	11,219	-	11,219	10,650
Scholarship Funds	-	4,429	4,429	-	4,429	4,363
Prize Funds	135	326	461	-	461	479
Hardship Funds	284	517	801	-	801	813
Bursary Funds	72	2,454	2,526	-	2,526	2,626
Travel grant Funds	16	245	261	-	261	272
Other funds	2,062	1,431	3,493	-	3,493	3,583
General endowments	105	266	371	155	526	1,076
	<u>4,419</u>	<u>19,142</u>	<u>23,561</u>	<u>155</u>	<u>23,716</u>	<u>23,862</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2012

20. Reserves	General reserves £'000	Operational property revaluation reserve £'000	Total 2012 £'000	Total 2011 £'000
Balance at beginning of year	60,026	27,467	87,493	75,827
(Deficit)/Surplus retained for year	(749)	-	(749)	8,109
Capital grant received from Colleges Fund	-	-	-	76
(Decrease)/Increase in market value of investments	(2,114)	-	(2,114)	1,649
Actuarial gain/(loss)	(1,767)	-	(1,767)	1,114
Transfers from Endowment Funds	194	-	194	718
Transfer in respect of depreciation on revalued operational properties	549	(549)	-	-
Balance at end of year	<u>56,139</u>	<u>26,918</u>	<u>83,057</u>	<u>87,493</u>

21. Memorandum of Unapplied Total Return

Included within reserves the following amounts represent the Unapplied Total Return of the College:

	2012 £'000	2011 £'000
Unapplied Total Return at beginning of year	9,750	6,542
Unapplied Total Return for the year (see note 3b)	(3,178)	3,208
Unapplied Total Return at end of year	<u>6,572</u>	<u>9,750</u>

22. Policy on Management of Reserves

The income or expendable capital of restricted funds is used only for the purposes for which the funds were originally given or bequeathed to the College. The income or expendable capital of unrestricted funds may be used either for the general educational purposes of the College or for a particular purpose designated by Council. The Council may designate or re-designate unrestricted funds as it deems appropriate depending on the College's financial situation. The permanent capital of restricted funds is invested for the long-term with a view to maintaining its real value. Expendable capital is also invested for the long-term unless expenditure is planned. Expendable capital required for specific projects is held in the form of cash.

23. Capital Commitments	2012 £'000	2011 £'000
Commitments contracted for at 30 June 2012	<u>8,300</u>	<u>423</u>

Girton College Notes to the Accounts

Year Ended 30 June 2012

24. Pension Schemes

The College's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federation Pension Scheme (CCFPS). The total pension cost for the period was £521,079 (2011: £674,170).

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the new 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. In particular, the actuary carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2012 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

At the valuation date, the value of the assets of the scheme was £32,433.5M and the value of the scheme's technical provisions was £35,343.7M indicating a shortfall of £2,910.2M. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

Girton College
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Year Ended 30 June 2012

24. Pension Schemes (continued)

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

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

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the previous valuation as at 31 March 2008 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

New entrants - other than in specific, limited circumstances, new entrants are now provided for on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

Normal pension age - the Normal pension age was increased for future service and new entrants, to age 65.

Flexible retirement - flexible retirement options were introduced.

Member contributions increased - contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

Cost sharing - if the total contribution level exceeds 23.5% of salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

Pension increase cap - for service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the year end, although the market assessment of inflation has remained reasonably constant. The actuary has estimated that the funding level as at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

Girton College
Notes to the Accounts

Year Ended 30 June 2012

24. Pension Schemes (continued)

On the FRS17 basis, using an AA bond discount rate of 4.9% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2012 was 74%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

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

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

At 31 March 2012, USS had over 145,000 active members and the College had 68 active members participating in the scheme. The contribution rate payable by the College was 16% of pensionable salaries.

Cambridge Colleges Federated Pension Scheme

The College is a member of a defined benefit scheme, the Cambridge College Federated Pension Scheme, in the United Kingdom. The Scheme is a defined benefit final salary pension scheme that was originally set up, under an interim Trust Deed, on 19 July 1977 as a defined benefit scheme. The scheme is deemed to be a registered pension scheme under the terms of Schedule 36 of the Finance Act 2004. The College's employees covered by the Scheme are contracted out of the State Second Pension (S2P).

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

	2012	2011
	% p.a	% p.a
Discount rate	4.7	5.5
Expected long-term rate of return on Scheme assets	5.6	6.2
Salary inflation assumption	2.2 ¹	3.2 ²
Retail Price Index (RPI) assumption	2.7	3.4
Consumer Prices Index (CPI) assumption	1.7	2.7
Pension increases (inflation linked)	2.7	3.4
Pension increases (capped inflation linked)	2.5	3.2

The underlying mortality assumption is based upon the standard table known as Self administered Pension Schemes (SAPS) mortality tables for average normal pensioners projected in line with the CMI 2011 projection and a target long term improvement rate of 0.75% p.a.* This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 21.9 years
- Female age 65 now has a life expectancy of 24.1 years
- Male age 45 now and retiring in 20 years would have a life expectancy then of 22.8 years
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.3 years

¹ 1.5% in 2012 and 2013; 2.2% thereafter

² 2.0% in 2011, 3.2% thereafter

Girton College
Notes to the Accounts

Year Ended 30 June 2012

24. Pension Schemes (continued)

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2012 to the nearest £'000 (with comparative figures as at 30 June 2011) are as follows:

	2012	2011
	£000	£000
Present value of Scheme liabilities	(9,486)	(8,568)
Market value of Scheme assets	7,111	7,862
Surplus/(deficit) in the Scheme	<u>(2,375)</u>	<u>(706)</u>

The allowance for improvements has been updated from 2011 when the CMI 2009 projection table was adopted.

The amounts to be recognised in the profit and loss for the 12 months ending 30 June 2012 (with comparative figures for the 15 months ending 30 June 2011) are as follows:

	2012	2011
	£000	£000
Current service cost	283	441
Interest on Scheme liabilities	472	612
Expected return on Scheme assets	(489)	(575)
Total	<u>266</u>	<u>478</u>
Actual return on Scheme assets	(895)	810

Changes in the present value of the Scheme liabilities for the 15 months to 30 June 2011 (with comparative figures for the year ending 31 March 2010) are as follows:

	2012	2011
	£000	£000
Present value of Scheme liabilities at beginning of period	8,568	8,547
Service cost including Employee contributions	411	608
Interest cost	472	611
Actuarial losses/(gains)	383	(878)
Benefits paid	(348)	(320)
Present value of Scheme liabilities at end of period	<u>9,486</u>	<u>8,568</u>

Changes in the fair value of the Scheme assets for the 12 months ending 30 June 2012 (with comparative figures for the 15 months ending 30 June 2011) are as follows:

	2012	2011
	£000	£000
Market value of Scheme assets at beginning of period	7,862	6,759
Expected return	488	575
Actuarial gains/(losses)	(1,384)	234
Contributions paid by the College	365	447
Employee contributions	128	167
Benefits paid	(348)	(320)
Market value of Scheme assets at end of period	<u>7,111</u>	<u>7,862</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2012

24. Pension Schemes (continued)

The agreed contributions to be paid by the College for the forthcoming year are 12.26% of Contribution Pay plus £22,808 pa to cover expenses, subject to review at future actuarial valuations. This rate excludes PHI.

The major categories of Scheme assets as a percentage of total Scheme assets at 30 June 2012 (with comparative figures at 30 June 2011) are as follows:

	2012	2011
Equities and Hedge Funds	66%	56%
Bonds and Cash	25%	36%
Property	9%	8%
Total	100%	100%

The expected long term rate of return on the Scheme assets has been calculated based upon the major asset categories shown in the above table and an expected rate of return on equities and hedge funds of 6.4% (2011: 7.1%), property 5.4% (2011: 6.1%) and an expected rate of return on bonds and cash of 3.7% (2011: 4.8%)

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL) for the 12 months ending 30 June 2012 (with comparative figures for the 15 months ending 30 June 2011) are as follows:

	2012 £000	2011 £000
Actual return less expected return on Scheme assets	(1,384)	235
Experience gains and losses arising on Scheme liabilities	(281)	91
Changes in assumptions underlying the present value of Scheme liabilities	(102)	788
Actuarial gain/(loss) recognised in STRGL	(1,767)	1,114

Cumulative amount of actuarial gains and losses recognised in STRGL for the 12 months to 30 June 2011 (with comparative figures for the 15 months ending 30 June 2011) are as follows:

	2012 £000	2011 £000
Cumulative actuarial gain/(loss) at beginning of period	(595)	(1,709)
Recognised during the period	(1,767)	1,114
Cumulative actuarial gain/(loss) at end of period	(2,362)	(595)

Movement in surplus/(deficit) during the 12 months to 30 June 2012 (with comparative figures for the 15 months ending 30 June 2011) are as follows:

	2012 £000	2011 £000
Surplus/(deficit) in Scheme at beginning of year	(706)	(1,788)
Service Cost (Employer Only)	(283)	(442)
Contributions paid by the College	365	447
Finance Cost	16	(37)
Actuarial gain/(loss)	(1,767)	1,114
Surplus/(deficit) in Scheme at the end of the year	2,375	(706)

Girton College
Notes to the Accounts

Year Ended 30 June 2012

24. Pension Schemes (continued)

Amounts for the current and previous four accounting periods are as follows:

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Present value of Scheme liabilities	(9,486)	(8,568)	(8,547)	(5,993)	(6,090)
Market value of Scheme assets	7,111	7,862	6,759	5,234	5,699
Surplus/(deficit) in the Scheme	<u>(2,375)</u>	<u>(706)</u>	<u>(1,788)</u>	<u>(759)</u>	<u>(391)</u>
Actual return less expected return on Scheme assets	(1,384)	234	743	(1,134)	(409)
Experience gain/(loss) arising on Scheme liabilities	(281)	91	114	(59)	(74)
Change in assumptions underlying present value of Scheme liabilities	(102)	788	(2,001)	793	455

25. Related Party Transactions

Owing to the nature of the College's operations and the composition of its Council it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of the Council may have an interest are conducted at arm's length and in accordance with the College's normal procedures.