

**GIRTON COLLEGE**

**Huntingdon Road**

**Cambridge**

**CB3 0JG**

**Registered Charity No. 1137541**

**ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014**

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## Girton College

### Members of the Augmented Council

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The members of the Augmented Council during the year 2013-14 were as follows:

Susan Jane Smith MA DPhil FBA  
Carlo Acerini BSC MBChB DCH MRCP MD MA FRCPCH FRCP  
Albertina Albors-Llorens LLM PHD  
Harriet Dorothy Allen MA PHD MSC  
Crispin Henry William Barnes BSC PHD  
Kathleen Mary Veronica Bennett BSC PHD  
Edward John Briscoe BA MPHIL PHD  
Simon Cohn BA PHD (until 20.1.14)  
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 Mia Gray BA PHD  
Benjamin John Griffin MA PHD  
Maureen Jane Hackett BA MA  
Edward William Holberton BA MPHIL PHD  
Katherine Hughes, PhD – BSC BVSC MRCVS PHD  
Morag Ann Hunter BA PHD  
Liliana Janik MPHIL PHD  
Andrew Ronald Jefferies MA VETMB FRCPATH  
Henrik Latter BA PHD  
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  
Alastair James Reid MA PHD  
Julia Margaret Riley MA PHD  
Angela Charlotte Roberts PHD  
Jochen H Runde – MPHIL PHD  
Anthony Mark Savill MA PHD  
Stuart Ashley Scott MA PHD  
Hugh Richard Shercliff MA PHD  
Stelios Tofaris MA PHD  
Helen Anne Van Noorden BA MPHIL PHD  
Elizabeth Wade MA  
Carol Patricia Ward MA PHD  
Samantha Katherine Williams BA MSC PHD  
Per-Olof Helge Wikstrom BA 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 2014

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#### 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 2014. 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)  
Dr A M Fulton (The Senior Tutor)  
Dr C H W Barnes  
Dr L Janik  
Ms K Lee  
Prof E Briscoe  
Dr H Van Noorden  
Prof G Madabhushi  
Dr S Davis  
Dr K Mohaddes  
Prof M Savill  
Ms S Stillwell (JCR President) (from 1.4.13 to 31.3.14)  
Mr M Hatfield (JCR Vice-President) (from 1.10.13 to 31.12.13)  
Mr H Frost (JCR Treasurer) (from 1.1.13 to 31.12.13)  
Ms E Lavan (MCR President) (from 1.6.13 to 31.5.14)  
Ms L. Oppenheimer (MCR Vice-President) (from 1.10.13 to 31.5.14)  
Mr V Poon (JCR President) (from 1.4.14)  
Mr D. Harrison (JCR Vice-President) (from 1.4.14)  
Ms A Desai (JCR Treasurer) (from 1.1.14)  
Mr J Reis (MCR President) (from 1.6.14)  
Mr F Leditsky (MCR Vice-President) (from 1.6.14)

## **Girton College**

### **Report of the Augmented Council**

**Year Ended 30 June 2014**

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#### *Trustee training*

An induction and training session is held annually for all new and continuing members of the Council. This includes in particular the policy of the College on the management of conflicts of interest.

#### **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, supplemented where necessary to maintain the standard of education and research by income from the College's endowment and from the contribution generated by conference and other external use of the College's facilities.

The College charges students for tuition as follows:

- a) Undergraduates:
  - i. Undergraduates entitled to Student Support are charged at externally regulated rates (such as undergraduate fees being paid by grant or loan funding through arrangements approved by the Government), and
  - ii. Overseas undergraduates and any Home/EU undergraduates not entitled to Student Support are charged at a rate determined by the College;
- b) Graduate students: from 2014/15 the College will receive a share of the overall fee income paid by graduate students in the University. Prior to that, graduate students were charged a separate College fee at a regulated rate.
- c) Accommodation and meals are charged for 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 pursuit 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 Augmented Council

#### Year Ended 30 June 2014

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- 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 and other members of the College 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;
- the employment of College Teaching Officers who are contractually required to engage in research in their subject;
- 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 2014**

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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 may be 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 the Cambridge Bursary Scheme, which is 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 2013/14, the number of awards made was 114, out of a Home/EU undergraduate population of 489; 26 of the awards were at the maximum value of £3,500; and the average value of the awards was £2,802. 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, 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 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.

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



## **Girton College**

### **Report of the Augmented Council**

#### **Year Ended 30 June 2014**

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##### **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 1<sup>st</sup> October 2013 the College had 42 Official Fellows, 10 Research Fellows, 5 Professorial Fellows, 2 Supernumerary Fellows, 2 Non-Stipendiary Fellows, 35 Life Fellows, 14 Bye-Fellows, 2 Visiting Fellows and 1 Visiting Fellow Commoner, 472 undergraduates, 55 postgraduates and 186 research students in residence in Cambridge. Of these, 2 Official Fellows, 6 Research Fellows, 1 Visiting Fellow Commoner, 1 Bye-Fellow, 426 undergraduates, and 106 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 38 College Lecturers in all the main subjects offered by the University to undergraduates, of whom 22 were also employed by the University or other institutions and 16 were employed solely by the College or under a share arrangement with another College.

Of the 442 undergraduates entered for Tripos examinations, 69 obtained Firsts, 231 2:1s, 20 Class 2 (undivided), 66 2:2s, 19 Thirds and 37 other results. 4 students de-graded during the year. 60 postgraduate students graduated with Masters level degrees and 25 research students were awarded their PhDs., 3 PGCE, 7 MAST, 3 Dip and 4 MBA/MFin 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 on each of its sites, both of which were available to all of its members throughout the year.

In its capacity as trustee of restricted funds totaling £23m (see note 20), the College contributed to the cost of the 127 Newton Trust bursaries awarded to Girton students. The College also awarded 16 bursaries which covered most of College charges (the grants were of max £3,500 per year)

The College also hosted 369 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 2014

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##### 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 2013-14 showed a surplus of £1,995K after a depreciation charge for the year of £1,437k and a surplus on disposal of tangible fixed assets of £3,261k.

Expenditure on the College's main activities, which included charitable payments as well as operating costs has increased by 9.1% between 2012-13 and 2013-14, while the associated income streams have increased by 5.3%. Volatility in global investment markets and in the flow of donations and bequests make the overall financial outcome even less easy to manage.

The College is liable for the payment of University Contribution under Statute G,II of £3k and received a grant of £117k from the Colleges Fund during the year.

##### *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. During the year, the College received £10 million from the issuance of debt in a private placement done collectively with other Colleges. The funds were borrowed for the purpose of improving the operational estate, but are not expected to be spent on that purpose in the short term and have therefore been invested alongside the College's endowment and investment assets in the interim. Also during the year, the College completed a programme of disposal of operational properties intended to fund the construction of its new Ash Court Wing, which was completed during the year. The proceeds of sale amount to £4.9m. As demonstrated by the cash flow statement, the College's cash balances increased by £3.2m during the financial year.

During the year, the College repaid further instalments of £134k 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 increased by 3% from £110m to £113m. The increase resulted from a combination of profit on disposal of fixed assets (£3.3m), investment gains (£2.6m) and new endowments (£0.5m), which offset an underlying operating loss and the loss on the actuarial valuation of the College's assets and liabilities in the Cambridge Colleges Federated Pension Scheme (CCFPS). The operating loss was funded from spendable reserves.

## **Girton College**

### **Report of the Augmented Council**

#### **Year Ended 30 June 2014**

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##### **Maintenance of buildings**

The College's operational estate is valued in its balance sheet on a depreciated replacement cost basis at £73.4m. 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.

##### **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 £801k (2012-13 - £777k). The contribution to fixed costs generated by this activity, however, was some £20k less than in the previous year. The introduction in 2012/13 of continuous tenancies for undergraduates means that the College 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. The construction of the award winning new wing at Ash Court provides 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 remained static compared to 2012-13. The College continues to offer membership of the USS to eligible academic staff. The Girton section of the CCFPS scheme was closed to new members during the year. The CCFPS valuation for the purposes of these accounts has once again substantially increased the pension scheme liability in the balance sheet which stands at £4,286k as at 30<sup>th</sup> June 2014.

##### **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.

In 2012/13 the College entered into a contract to build, at a cost of approximately £8.5m, a further 50 student rooms in a new wing on its main site, designed by architects Allies and Morrison to complete Ash Court. The project was completed during the year and the new rooms were available for first occupancy by students in October 2013. The project has won a number of awards, particularly for its innovative approach to environmental sustainability.

## **Girton College**

### **Report of the Augmented Council**

#### **Year Ended 30 June 2014**

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##### **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 three year rolling average portfolio value at 1 January. 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 the purchasing power of the asset base. The purchasing power of the asset base is thus preserved as long as total investment returns replace the effects of net expenditure and inflation.

The total return net of interest for the year ended 30 June 2014 on the College's investment portfolio net of debt was 6.5% (2012-13: 10.8%).

##### **Ethical investment policy**

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.

##### **Fundraising**

Unrestricted donations and bequests totalling £219k, and restricted donations and bequests totalling £403k were received during the year and have been added to the College's endowment. Other unrestricted donation income of £879k 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 £126k has been added to deferred capital grants for buildings (see note 19). Restricted donation income totalling £49k 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 net costs of the alumni relations and development office during the year were £315k (2012-13 £346k). This represents a significant investment in a future income stream of philanthropic donations without which the College will be unable to maintain the standard of its educational facilities for the long term.

## **Girton College**

### **Report of the Augmented Council**

**Year Ended 30 June 2014**

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#### **Reserves policy**

Over the long term, 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. The College may choose from time to time to make use of its unrestricted spendable reserves to maintain equity between generations of students. 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 slow economic recovery, volatility of investment markets and the government's austerity measures, which include not raising the £9,000 cap on tuition fees, have presented a persistent challenge to the College's financial position, which is heavily dependent on student fees, 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. That generosity has been maintained 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. 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 invest in measures to reduce the College's carbon emissions.

The introduction of continuous tenancies for undergraduates in 2012/13 presented 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 2014

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Detailed plans for achieving these are still evolving. The main components of the College's strategic plans for the rest of the 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 as soon as possible. The College's ability to implement such measures quickly is constrained by on-going commitments to overlapping cohorts of students, and the College Council has accepted that its operating activities continue to need to be supported by withdrawals from reserves for the medium term;
- b. Re-organisation of the operational estate: the construction of a new wing of student rooms at College has enabled 50 undergraduate rooms at Wolfson Court to be converted to graduate use, and off-site houses containing a commensurate number of graduate rooms to be sold. This is expected to reduce maintenance and running costs. The College is now developing a master plan for its main site which might permit further consolidation in due course;
- c. Continuing implementation of the strategic academic plan;
- d. *A Great Campaign*; in 2011/12 the College launched an ambitious fundraising campaign aimed at:
  - i. 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);
  - 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. Supplementing borrowed funds and the proceeds of sale of the graduate hostels to facilitate the reorganisation of the operational estate.
- e. Celebrating the 150<sup>th</sup> anniversary of the founding of the College in 2019.

On behalf of the Augmented Council



Deborah Lowther  
Bursar

2 December 2014

## **Girton College**

### **Responsibilities of the Council and the Augmented Council**

#### **Year Ended 30 June 2014**

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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 2014**

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We have audited the financial statements of Girton College for the year ended 30 June 2014 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 the College's Statutes, the Statutes of the University of Cambridge and with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 and non-financial information in the Report of the Augmented Council to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2014 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;



## Girton College

### Independent Auditors' Report to the Augmented Council (continued)

#### Year Ended 30 June 2014

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- 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.

#### 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**

**Date: 11 December 2014**

## **Girton College**

### **Statement of Principal Accounting Policies**

#### **Year Ended 30 June 2014**

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##### **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 all operational properties.

##### **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.

Statement of Principal Accounting Policies - continued

Year Ended 30 June 2014

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*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 3 year rolling average of the balance of the fund as at the 1 January. The College operates a unitised Amalgamated Trust Funds (ATF) scheme for the collective investment of endowment funds, under which the transfer permitted by the spending rule is converted into a pro rata distribution to the funds. The funds within the ATF scheme include an income reserve fund, to which part of the transfer may be added, if in excess of the total distribution needed to maintain the spending capacity of the funds. In years in which the transfer is inadequate to maintain the spending of the funds, the income reserve fund may be drawn on to supplement the distribution to the funds.

**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.

The College also operates defined contribution pension schemes and the pension charge represents the amounts payable by the College to the funds in respect of the year.

**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 3<sup>rd</sup> 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 30<sup>th</sup> June. They are not depreciated until they are brought into use.

## Girton College

### Statement of Principal Accounting Policies - continued

#### Year Ended 30 June 2014

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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.

#### **c. Furniture, fittings and equipment**

Furniture, fittings and equipment are written off in the year of acquisition except for assets costing more than £5,000 per individual item, which are capitalised and written off over their expected useful lives as follows:

Furniture and fittings	20% per annum
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Depreciation is not charged in the year of acquisition of an asset, but is charged in the year of disposal.

#### **d. Heritage assets**

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 FPD Savills, 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.

## **Girton College**

### **Statement of Principal Accounting Policies - continued**

**Year Ended 30 June 2014**

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#### **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.

#### **Taxation**

The College is a registered charity (number 1137541) 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 2014

		2014 £'000	2013 £'000
<b>Income</b>	Note		
Academic Fees and Charges	1	3,208	3,117
Residences, Catering and Conferences	2	3,857	3,561
Endowment and Investment Income	3	1,379	1,341
Donations	4	1,048	1,009
Surplus on disposal of tangible fixed assets		3,261	-
<b>Total Income</b>		<u>12,753</u>	<u>9,028</u>
<b>Expenditure</b>			
Education	5	4,603	4,072
Residences, Catering and Conferences	6	6,152	5,787
<b>Total Expenditure</b>	8	<u>10,755</u>	<u>9,859</u>
<b>Operating Surplus/(Deficit)</b>		1,998	(831)
Contribution under Statute G,II	7	<u>(3)</u>	<u>(9)</u>
		1,995	(840)
Surplus/(Deficit) for the year transferred (to)/from accumulated income in endowment funds		(30)	30
<b>Net Surplus/(Deficit)</b>		<u>1,965</u>	<u>(810)</u>

All items dealt with in arriving at the surplus/(deficit) for 2014 and 2013 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 2014

	Restricted Funds £'000	Unrestricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Surplus/(Deficit) on income and expenditure account	-	1,965	1,965	(810)
Unspent endowment fund income	(104)	134	30	(30)
(Decrease)/Increase in market value of investments				
Endowment assets	1,610	1,822	3,432	4,165
Fixed asset investments	-	(813)	(813)	-
Income receivable from investments (net)	-	9	9	(25)
Investment return transferred to income and expenditure account	(738)	(641)	(1,379)	(1,341)
Unrealised surplus on revaluation of heritage assets	-	100	100	
New endowments	403	102	505	2,236
Capital Grant Received from Colleges Fund	-	117	117	100
Actuarial (loss) on pension scheme assets and liabilities	-	(726)	(726)	(834)
Transfers	(17)	(10)	(27)	-
<b>Total Recognised Gains relating to the year</b>	<b>1,154</b>	<b>2,059</b>	<b>3,213</b>	<b>3,461</b>
<b>Reconciliation</b>				
Opening reserves and endowments	21,955	88,279	110,234	106,773
Total recognised gains for the year	1,154	2,059	3,213	3,461
Closing reserves and endowments	<u>23,109</u>	<u>90,338</u>	<u>113,447</u>	<u>110,234</u>

Girton College

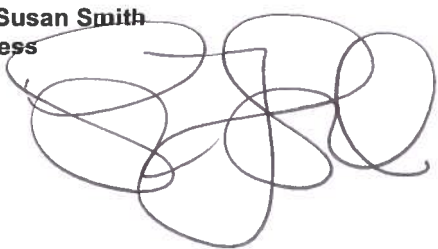
Consolidated Balance Sheet

Year Ended 30 June 2014

	Note	2014 £'000	Restated 2013 £'000		
<b>Fixed Assets</b>					
Tangible Assets	10	73,449	74,711		
Heritage Assets	11	5,816	5,665		
Investments	12	27,304	17,135		
		<u>106,569</u>	<u>97,511</u>		
<b>Endowment assets</b>	13	31,079	29,280		
<b>Current Assets</b>					
Stock		53	57		
Debtors	14	453	914		
Cash	15	4,509	1,318		
		<u>5,015</u>	<u>2,289</u>		
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,302)</u>	<u>(1,724)</u>		
<b>Net Current Assets</b>		<u>3,713</u>	<u>565</u>		
<b>Total Assets Less Current Liabilities</b>		<u>141,361</u>	<u>127,356</u>		
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(18,023)</u>	<u>(8,162)</u>		
<b>Net Assets excluding Pension Liability</b>		<u>123,338</u>	<u>119,194</u>		
<b>Pension Liability</b>	18	(4,286)	(3,361)		
<b>Net Assets including Pension Liability</b>		<u>119,052</u>	<u>115,833</u>		
		<b>Restricted Funds £'000</b>	<b>Unrestricted Funds £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Deferred capital grants</b>	19	-	5,605	5,605	5,599
<b>Endowments</b>	20				
Expendable endowments		114	-	114	125
Permanent endowments		22,995	7,970	30,965	29,155
		<u>23,109</u>	<u>7,970</u>	<u>31,079</u>	<u>29,280</u>
<b>Reserves</b>	21				
General reserves excluding pension reserve		-	60,834	60,834	57,946
Pension reserve		-	(4,286)	(4,286)	(3,361)
Operational property revaluation reserve		-	25,820	25,820	26,369
		<u>-</u>	<u>82,368</u>	<u>82,368</u>	<u>80,954</u>
<b>Total Reserves and Endowments</b>		<u>23,109</u>	<u>90,338</u>	<u>113,447</u>	<u>110,234</u>
<b>Total Funds</b>		<u>23,109</u>	<u>95,943</u>	<u>119,052</u>	<u>115,833</u>

Approved by the Augmented Council on 2 December 2014 and signed on their behalf by:

Prof Susan Smith  
Mistress



Deborah Lowther  
Bursar





# Girton College

## Consolidated Cash Flow Statement

Year Ended 30 June 2014

	2014 £000	2013 £000
<b>Operating Activities</b>		
Operating Surplus/(Deficit)	1,998	(831)
Depreciation	1,437	1,409
Surplus on disposal of tangible fixed assets	(3,261)	-
Pension Reserve Loss	200	152
Deferred Capital Fund Applied	(120)	(120)
Investment Income and interest	(1,379)	(1,341)
Decrease in Stocks	4	41
Decrease/(Increase) in Debtors	461	(374)
(Decrease)/Increase in Creditors	(450)	825
<b>Net Cash Outflow from Operating Activities</b>	<b>(1,110)</b>	<b>(239)</b>
<b>Returns on Investments and Servicing of Finance</b>		
Investment Income	509	434
Other Interest Received	-	17
Investment charges	(57)	-
Interest Paid	(490)	(386)
<b>Net Cash (Outflow)/Inflow from Returns on Investments and Servicing of Finance</b>	<b>(38)</b>	<b>65</b>
<b>Contribution to Colleges Fund</b>	<b>(9)</b>	<b>(11)</b>
<b>Capital Transactions</b>		
Donations & Benefactions	505	2,236
Deferred Capital Grants received	126	150
Capital Grants Received from Colleges Fund	117	100
Proceeds of disposal of tangible fixed assets	4,876	-
	5,624	2,486
Payments to Acquire Tangible Fixed Assets	(1,840)	(5,974)
Payments to Acquire Investment Assets	(10,014)	-
Disposals of Investment Assets	712	1,723
	(11,142)	(4,251)
<b>Net Cash (Outflow) from Capital Transactions</b>	<b>(5,518)</b>	<b>(1,765)</b>
<b>Net Cash (Outflow) Before Financing</b>	<b>(6,675)</b>	<b>(1,950)</b>
<b>Financing</b>		
Long Term Loans Acquired	10,000	-
Long Term Loans Repaid	(134)	(132)
<b>Net Cash Inflow/(Outflow) from Financing</b>	<b>9,866</b>	<b>(132)</b>
<b>Increase/(Decrease) in Cash in Year</b>	<b>3,191</b>	<b>(2,082)</b>

# Girton College

## Consolidated Cash Flow Statement (continued)

Year Ended 30 June 2014

	2014 £000	2013 £000
<b>Reconciliation of net cash flow to movement in net liquid assets</b>		
Increase/(Decrease) in Cash in the Year	3,191	(2,082)
Movement in Long Term Loans	<u>(9,866)</u>	<u>132</u>
Net change in debt	(6,675)	(1,950)
Net Debt brought forward	<u>(6,517)</u>	<u>(4,567)</u>
Net Debt carried forward	<u>(13,192)</u>	<u>(6,517)</u>

### Analysis of Changes in Net Debt

	At 1 July 2013 £000	Cash Flows £000	At 30 June 2014 £000
		£	
Cash at bank and in hand	1,318	3,191	4,509
Long term loans	<u>(7,835)</u>	<u>(9,866)</u>	<u>(17,701)</u>
	<u>(6,517)</u>	<u>(6,675)</u>	<u>(13,192)</u>

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

<b>1. Academic Fees and Charges</b>		<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
College Fees:			
Fee Income paid on behalf of Undergraduates at the Publicly-funded Undergraduate rate (per capita fee £4,068 - £4,500)		1,935	1,710
Privately-funded undergraduate fee income (per capita fee £6,867)		268	270
Graduate Fee Income (per capita fee £2,424)		457	540
		<u>2,660</u>	<u>2,520</u>
Cambridge Bursaries Income		344	295
Other Academic Income		204	302
<b>Total</b>		<u><b>3,208</b></u>	<u><b>3,117</b></u>
<b>2. Residences, Catering and Conferences Income</b>		<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
Accommodation	College members	2,131	2,025
	Conferences	339	283
Catering	College members	925	759
	Conferences	462	494
<b>Total</b>		<u><b>3,857</b></u>	<u><b>3,561</b></u>
<b>3 Endowment and Investment Income</b>			
<b>3a Analysis</b>		<b>2014</b>	<b>2013</b>
		<b>Total</b>	<b>Total</b>
		<b>£000</b>	<b>£000</b>
Total return recognised in income and expenditure account (3b)		<u>1,379</u>	<u>1,341</u>
<b>3b Summary of Total Return</b>		<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
Income from:			
Land and buildings		509	509
Quoted and other securities and cash		304	203
Gains/(losses) from endowment assets:			
Land and buildings		(813)	-
Quoted and other securities and cash		3,432	4,165
Loan interest payable		(490)	(386)
Investment management costs		(314)	(350)
		<u>2,628</u>	<u>4,141</u>
Total return for the year		2,628	4,141
Total return transferred to income and expenditure account		(1,379)	(1,341)
		<u>1,249</u>	<u>2,800</u>
Unapplied total return for year included in STRGL		1,249	2,800

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

<b>3c Investment Management costs</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Land and buildings	57	65
Quoted and other securities and cash	257	285
	<u>314</u>	<u>350</u>
<b>4 Donations</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Unrestricted donations	879	834
Restricted donations	49	55
Released from deferred capital grants (see note 19)	120	120
	<u>1,048</u>	<u>1,009</u>
<b>5. Education Expenditure</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Teaching	2,220	1,976
Tutorial	425	331
Admissions	379	240
Research	771	652
Scholarships and awards	617	730
Other Educational Facilities	191	143
Total	<u>4,603</u>	<u>4,072</u>
<b>6. Residence, Catering and Conferences Expenditure</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Accommodation		
College Members	2,849	2,523
Conferences	1,335	1,180
Catering		
College Members	1,476	1,563
Conferences	492	521
Total	<u>6,152</u>	<u>5,787</u>
<b>7. Taxation</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
University Contribution	<u>3</u>	<u>9</u>

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

8a Analysis of 2014 Expenditure by Activity	Staff Costs (Note 9) £'000	Other Operating Expenses £'000	Depreciation £'000	Total £'000
Education (Note 5)	2,468	1,890	245	4,603
Residences, Catering and Conferences (Note 6)	2,452	2,508	1,192	6,152
	<u>4,920</u>	<u>4,398</u>	<u>1,437</u>	<u>10,755</u>

Included in the above costs are £315k (2013: £346k) of development office costs including alumni relations.

8b. Analysis of 2013 Expenditure by Activity	Staff Costs (Note 9) £'000	Other Operating Expenses £'000	Depreciation £'000	Total £'000
Education (Note 5)	2,363	1,450	259	4,072
Residences, Catering and Conferences (Note 6)	2,547	2,090	1,150	5,787
	<u>4,910</u>	<u>3,540</u>	<u>1,409</u>	<u>9,859</u>

8c. Auditors' remuneration	2014 £'000	2013 £'000
Other operating expenses include:		
Audit fees payable to the College's external auditors	17	15
Audit fees payable to the College's external auditors – 2012 audit	-	15
Other fees payable to the College's external auditors	1	10

9. Staff	College Fellows 2014 £'000	Non-Academics 2014 £'000	Total 2014 £'000	Total 2013 £'000
<b>Staff Costs</b>				
Emoluments	1,320	2,830	4,150	4,176
Social Security Costs	104	193	297	287
Other Pension Costs (see note 25)	204	269	473	447
	<u>1,628</u>	<u>3,292</u>	<u>4,920</u>	<u>4,910</u>

#### Average Staff Numbers

Academic	52	11	63	69
Non-Academic – full time equivalent	4	117	121	119
	<u>56</u>	<u>128</u>	<u>184</u>	<u>188</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 2014

10. Fixed Assets

	Assets In Construction	Freehold Land & Buildings	Long Leasehold Land & Buildings	Furniture, Fittings and Equipment	Software	Total
	£,000	£'000	£'000	£'000	£'000	£'000
<b>Original Cost/valuation</b>						
As at 1 July 2013	6,404	70,734	308	318	42	77,806
Additions	1,581	235	-	6	18	1,840
Disposals	-	(1,718)	-	-	-	(1,718)
Transfer	(7,985)	7,985	-	-	-	-
Transfer to Heritage Assets		(51)				(51)
As at 30 June 2014	-	77,185	308	324	60	77,877
<b>Accumulated Depreciation</b>						
At 1 July 2013	-	2,804	12	279	-	3,095
Charge for the Year	-	1,415	6	8	8	1,437
Disposals in year	-	(104)	-	-	-	(104)
At 30 June 2014	-	4,115	18	287	8	4,428
<b>Net Book value</b>						
At 30 June 2014	-	73,070	290	37	52	73,449
At 30 June 2013	6,404	67,930	296	39	42	74,711

Freehold land and Buildings were revalued in April 2008 by FPD Savills, Chartered Surveyors. An interim valuation was carried out in June 2013 also by FPD Savills. The properties are valued at depreciated replacement cost.

The insured value of Freehold Buildings at 30 June 2014 was £97,755,191 (2013: £98,656,015).

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.

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

11. Heritage Assets	2014 £'000	Restated 2013 £'000
As at 1 July 2013 as previously stated	-	-
Prior year adjustment (note 28)	5,665	5,652
Restated opening balance	5,665	5,652
Addition	-	13
Transfer form tangible fixed assets	51	-
Disposals	-	-
Appreciation on revaluation	100	-
As at 30 June 2014	<u>5,816</u>	<u>5,665</u>

Amounts for the current and previous four years were as follows:

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Acquisitions purchased with College funds	51	13	-	-	-
<b>Total acquisitions capitalised</b>	<u>51</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. Fixed Asset Investments Consolidated and College	2014 £000	Restated 2013 £000
College Expendable Investments (note 13)	<u>27,304</u>	<u>17,135</u>

#### Subsidiary Undertaking

At 30 June 2014, 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 2014

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<b>13. Endowment Assets</b>	<b>2014</b>	<b>Restated</b>
	<b>£'000</b>	<b>2013</b>
		<b>£'000</b>
As at 1 July 2013 as previously stated	52,080	49,728
Prior year adjustment (note 28)	<u>(5,665)</u>	<u>(5,652)</u>
Restated opening balance	46,415	44,076
Additions	22,789	8,254
Disposals	(11,186)	(10,613)
Appreciation/(depreciation) on revaluation	1,864	4,167
Increase/(Decrease) in Cash Balances held by Fund Managers	<u>(1,499)</u>	<u>531</u>
As at 30 June 2014	<u>58,383</u>	<u>46,415</u>
<b>Represented by:</b>		
	<b>2014</b>	<b>Restated</b>
	<b>£'000</b>	<b>2013</b>
		<b>£'000</b>
Freehold Land and Buildings	6,290	7,103
Charity fund	27	25
Unlisted Investments	14	-
Diverse portfolio of funds	51,136	36,870
Cash held for Reinvestment	<u>916</u>	<u>2,417</u>
	<u>58,383</u>	<u>46,415</u>
College Expendable Investments (note 12)	(27,304)	(17,135)
	<u>31,079</u>	<u>29,280</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 2014, the College's share in the three remaining properties is estimated to be about £525k (gross); this amount is not included within Investment Assets.

<b>14. Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Members of the College	111	215
Other debtors	173	640
Prepayments and accrued income	169	59
	<u>453</u>	<u>914</u>



# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

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<b>15. Cash</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Bank Deposits	4,232	1,151
Current Accounts	275	165
Cash in Hand	2	2
	<u>4,509</u>	<u>1,318</u>
<b>16. Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Long Term Loans	138	135
Student Prepayments	80	20
Other Creditors	1,084	1,569
	<u>1,302</u>	<u>1,724</u>
<b>17. Creditors: amounts falling due after more than one year</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Other Loans	10,428	457
Bank Loans	7,135	7,243
Student Prepayments	460	462
	<u>18,023</u>	<u>8,162</u>

One of the bank loans is due for repayment in 2049 at a fixed interest rate of 5.54%. The other bank loans are repayable over a period of 15 to 16 years at fixed interest rates of between 5.2% and 5.4%.

The original other loan is repayable over a period of 15 years at a fixed interest rate of 6%.

During 2014 the College borrowed £10m from institutional investors in a private placement done collectively with other Colleges, although the College's loan is separate from those of the others. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of borrowings to net assets, and has been in compliance with the covenant at all times since incurring the debt.

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

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<b>18. Pension liabilities</b>		<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
Balance at beginning of year		3,361	2,375
Movement in year:			
Current service cost including life assurance		365	308
Contributions		(193)	(200)
Other finance cost		28	44
Actuarial loss recognised in statement of total recognised gains and losses		726	834
Balance at end of year		<u>4,286</u>	<u>3,361</u>
<b>19. Deferred capital grants</b>	<b>Donations</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
Balance at beginning of year			
Buildings	5,599	5,599	5,569
Grants and donations received:			
Buildings	126	126	150
Released to income and expenditure account::			
Buildings	(120)	(120)	(120)
Balance at end of year			
Buildings	<u>5,605</u>	<u>5,605</u>	<u>5,599</u>

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

20. Endowments	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted Expendable £'000	2014 Total £'000	2013 Total £'000
<b>Balance at beginning of year:</b>						
Balance at beginning of year:	7,325	21,830	29,155	125	29,280	23,716
Prior year adjustment (note 28)	-	-	-	-	-	1,603
Restated opening balance	<u>7,325</u>	<u>21,830</u>	<u>29,155</u>	<u>125</u>	<u>29,280</u>	<u>25,319</u>
<b>Balance at beginning of year:</b>						
Capital	7,256	20,864	28,120	-	28,120	24,153
Unspent income	69	966	1,035	125	1,160	1,166
	<u>7,325</u>	<u>21,830</u>	<u>29,155</u>	<u>125</u>	<u>29,280</u>	<u>25,319</u>
New endowments received	219	381	600	22	622	2,236
Income receivable from endowment asset investments	249	745	994	-	994	860
Other income						53
Expenditure	(115)	(838)	(953)	(11)	(964)	(943)
Net transfer (to)/from income and expenditure account	134	(93)	41	(11)	30	(30)
Increase/(decrease) in market value of investments	302	872	1,174	-	1,174	1,755
Transfers between funds	(10)	5	(5)	(22)	(27)	-
Balance at end of year	<u>7,970</u>	<u>22,995</u>	<u>30,965</u>	<u>114</u>	<u>31,079</u>	<u>29,280</u>
Comprising:						
Capital	7,777	22,117	29,894	22	29,916	28,120
Unspent income	193	878	1,071	92	1,163	1,160
Balance at end of year	<u>7,970</u>	<u>22,995</u>	<u>30,965</u>	<u>114</u>	<u>31,079</u>	<u>29,280</u>
<b>Representing</b>						
Fellowship Funds	1,921	11,438	13,359	-	13,359	12,692
Scholarship Funds	-	4,922	4,922	-	4,922	4,721
Prize Funds	151	394	545	-	545	509
Hardship Funds	388	565	953	-	953	892
Bursary Funds	85	2,867	2,952	-	2,952	2,745
Travel grant Funds	17	282	299	-	299	278
Other funds	2,298	1,485	3,783	114	3,897	3,824
General endowments	3,110	1,042	4,152	-	4,152	3,619
	<u>7,970</u>	<u>22,995</u>	<u>30,965</u>	<u>114</u>	<u>31,079</u>	<u>29,280</u>

# Girton College

## Notes to the Accounts

Year Ended 30 June 2014

21. Reserves	General reserves £'000	Operational property revaluation reserve £'000	Total 2014 £'000	Restated Total 2013 £'000
Balance at beginning of year as previously stated	54,585	26,369	80,954	83,057
Prior year adjustment (note 28)				(1,603)
	-	-	-	
Restated opening balance	<u>54,585</u>	<u>26,369</u>	<u>80,954</u>	<u>81,454</u>
(Deficit)/Surplus retained for year	1,965	-	1,965	(810)
Capital grant received from Colleges Fund	-	-	-	100
(Decrease)/Increase in market value of investments	75	-	75	1,044
Unrealised surplus on revaluation of heritage assets	100	-	100	
Actuarial gain/(loss)	(726)	-	(726)	(834)
Transfers from Endowment Funds				-
Transfer in respect of depreciation on revalued operational properties	549	(549)	-	-
Balance at end of year	<u>56,548</u>	<u>25,820</u>	<u>82,368</u>	<u>80,954</u>

## 22. Memorandum of Unapplied Total Return

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

	2014 £'000	2013 £'000
Unapplied Total Return at beginning of year	9,372	6,572
Unapplied Total Return for the year (see note 3b)	1,249	2,800
Unapplied Total Return at end of year	<u>10,621</u>	<u>9,372</u>

## 23. Policy on Management of Reserves

Over the long term, 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. The College may choose from time to time to make use of its unrestricted spendable reserves to maintain equity between generations of students. The relationship between the operating result and reserves is closely monitored to ensure that adequate reserves are maintained to preserve this flexibility for the future

24. Capital Commitments	2014 £'000	2013 £'000
Commitments contracted for at 30 June 2014	<u>156</u>	<u>1,900</u>

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

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#### 25. 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 year ended 30 June was as follows:

	2014 £000	2013 £000
USS: Contributions	253	252
CCFPS: Charged to income and expenditure account	210	195
Other pension schemes: Contributions	10	-
	<u>473</u>	<u>447</u>

#### University 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. The actuary also carries out regular reviews of the funding levels. 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 2013 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.

**25. Pension Schemes (continued)**

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%.

As part of this valuation, the trustee has determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. In 2011 the actuary estimated that if experience remained in line with the assumptions made, the shortfall at 31 March 2014 would be £2.2 billion, equivalent to a funding level of 95%.

However, changes in market conditions between March 2011 and March 2014 have had an impact on scheme funding. The next formal triennial actuarial valuation will take place as at 31 March 2014, and work is currently underway to update the actuarial assumptions and allow for any adjustments to the overall funding approach adopted by the trustee board in consultation with the stakeholders.

As work on the 2014 valuation is not yet complete the trustee cannot provide the final figure however, an estimate has been provided using the assumptions used to deliver the 2011 actuarial valuation. On that basis, the actuary has estimated that the funding level under the scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014. This estimate is based in the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions.

The funding level has decreased mainly due to a decrease in real gilt yields, reducing the implied net discount rate and therefore placing a higher value on the schemes liabilities. This increase has been partially offset by a higher than expected investment return.

On the FRS17 basis, using an AA bond discount rate of 4.5% per annum based on spot yields, the actuary estimates that the funding level at 31 March 2014 was 75%. An estimate of the funding lever measured on a historic gilts basis at that date was approximately 61%.

Surpluses or deficits which arise at future valuations may impact on the institution'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.

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 2011 valuation the scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

**25. Pension Schemes (continued)**

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 valuation effective date 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%.

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 2014, USS had over 162,000 active members and the institution had 62 active members participating in the scheme.

The contribution rate payable by the institution 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).

## 25. Pension Schemes (continued)

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

	2014 % p.a	2013 % p.a
Discount rate	4.2	4.6
Expected long-term rate of return on Scheme assets	6.2	6.2
Salary inflation assumption	2.8 <sup>2</sup>	2.8 <sup>1</sup>
Retail Price Index (RPI) assumption	3.3	3.3
Consumer Prices Index (CPI) assumption	2.3	2.3
Pension increases (inflation linked)	3.3	3.3
Pension increases (capped inflation linked)	3.1	3.1

<sup>1</sup> 1.5% in 2013; 2.8% thereafter

<sup>2</sup> 1.5% in 2014 to 2016; 2.8% thereafter

The underlying mortality assumption is based upon the standard table known as S2 mortality tables for average normal pensioners projected in line with the CMI 2013 projection and a target long-term improvement rate of 1.0% p.a. (2013: S1 tables and an allowance for improvement rate of 0.75% p.a.). This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 22.3 year (previously 22.0 years)
- Female age 65 now has a life expectancy of 24.3 years (previously 24.2 years)
- Male age 45 now and retiring in 20 years would have a life expectancy then of 23.6 years (previously 22.9 years)
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.8 years (previously 25.3 years)

**Employee Benefit Obligations**

The amounts recognised in the balance sheet as at 30 June 2014 to the nearest £'000 (with comparative figures as at 30 June 2013) are as follows:

	2014 £000	2013 £000
Present value of Scheme liabilities	(12,745)	(11,349)
Market value of Scheme assets	8,459	7,988
<b>Surplus/(deficit) in the Scheme</b>	<u>4,286</u>	<u>(3,361)</u>

The amounts to be recognised in the profit and loss for the 12 months ending 30 June 2014 (with comparative figures for the 12 months ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Current service cost	364	308
Interest on Scheme liabilities	526	449
Expected return on Scheme assets	(498)	(404)
<b>Total</b>	<u>392</u>	<u>353</u>
Actual return on Scheme assets	490	856



# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

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#### 25. Pension Schemes (continued)

Changes in the present value of the Scheme liabilities for the 12 months to 30 June 2014 (with comparative figures for the year ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Present value of Scheme liabilities at beginning of period	11,349	9,486
Service cost including Employee contributions	490	434
Interest cost	526	449
Actuarial losses/(gains)	718	1,286
Benefits paid	(338)	(306)
Present value of Scheme liabilities at end of period	<u>12,745</u>	<u>11,349</u>

Changes in the fair value of the Scheme assets for the 12 months ending 30 June 2014 (with comparative figures for the 12 months ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Market value of Scheme assets at beginning of period	7,988	7,111
Expected return	498	404
Actuarial gains/(losses)	(8)	453
Contributions paid by the College	193	200
Employee contributions	126	126
Benefits paid	(338)	(306)
<b>Market value of Scheme assets at end of period</b>	<u>8,459</u>	<u>7,988</u>

The agreed contributions to be paid by the College for the forthcoming year are 11.81% 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 2014 (with comparative figures at 30 June 2013) are as follows:

	2014	2013
Equities and Hedge Funds	70%	68%
Bonds and Cash	23%	24%
Property	7%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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 7.0% (2013: 7.0%), property 6.0% (2013: 6.0%) and an expected rate of return on bonds and cash of 3.8% (2013: 4.0%).

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2014

#### 25. Pension Schemes (continued)

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL) for the 12 months ending 30 June 2014 (with comparative figures for the 12 months ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Actual return less expected return on Scheme assets	(8)	453
Experience gains and losses arising on Scheme liabilities	129	27
Changes in assumptions underlying the present value of Scheme liabilities	(847)	(1,313)
<b>Actuarial gain/(loss) recognised in STRGL</b>	<b>(726)</b>	<b>(834)</b>

Cumulative amount of actuarial gains and losses recognised in STRGL for the 12 months to 30 June 2014 (with comparative figures for the 12 months ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Cumulative actuarial gain/(loss) at beginning of period	(3,197)	(2,363)
Recognised during the period	(726)	(834)
<b>Cumulative actuarial gain/(loss) at end of period</b>	<b>(3,923)</b>	<b>(3,197)</b>

Movement in surplus/(deficit) during the 12 months to 30 June 2014 (with comparative figures for the 12 months ending 30 June 2013) are as follows:

	2014 £000	2013 £000
Surplus/(deficit) in Scheme at beginning of year	(3,361)	(2,375)
Service Cost (Employer Only)	(364)	(307)
Contributions paid by the College	193	200
Finance Cost	(28)	(45)
Actuarial gain/(loss)	(726)	(834)
<b>Surplus/(deficit) in Scheme at the end of the year</b>	<b>(4,286)</b>	<b>(3,361)</b>

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

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Present value of Scheme liabilities	(12,745)	(11,349)	(9,486)	(8,568)	(8,547)
Market value of Scheme assets	8,459	7,988	7,111	7,862	6,759
<b>Surplus/(deficit) in the Scheme</b>	<b>(4,286)</b>	<b>(3,361)</b>	<b>(2,375)</b>	<b>(706)</b>	<b>(1,788)</b>
Actual return less expected return on Scheme assets	(8)	453	(1,384)	234	743
Experience gain/(loss) arising on Scheme liabilities	129	27	(281)	91	114
Change in assumptions underlying present value of Scheme liabilities	(847)	(1,313)	(102)	788	(2,001)

**25. Pension Schemes (continued)**

**Defined Contribution Pension Scheme**

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £1,000 (2013 - £nil) of which £1,000 (2013 - £nil) was outstanding at the year end.

**26. 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.

**27. Contingent Liabilities**

As disclosed in note 25, with effect from 16 March 2007, the Universities Superannuation Scheme (USS) positioned itself as a "last man standing" scheme so that in the event of an 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.

**28. Prior Year Adjustment**

Heritage Assets have been disclosed separately on the face of the balance sheet this year which had previously been included within Investment Assets. Comparative figures for 2013 have therefore been restated (see notes 11 and 13).

A prior year adjustment was made in 2013 to reclassify donations received for the general endowment of the College.