

**GIRTON COLLEGE**

**ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2008**

# **Girton College**

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## **Girton College**

### **Members of the Augmented Council**

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

Dame Ann Marilyn Strathern MA PHD FBA DBE  
Arif Mohiuddin Ahmed MA PHD  
Albertina Albors-Llorens LL.M 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  
Christopher David Cannon BA MA PHD  
Fiona Justine Cooke MA BM BCH MSC 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  
Paul Thomas Griffiths BA DPHIL  
Maureen Jane Hackett BA MA  
Myrto Hatzimichali BA DPHIL  
Howard Peter Hodson MA PHD  
Manpreet Kaur Janeja BA MA PHD  
Andrew Ronald Jefferies MA VETMB FRCPATH MRCVS  
Clive Lawson MA PHD  
Ross Ian Lawther MA PHD  
Karen Lesley Lee MA  
Deborah Lowther MA  
Santa-Phani Gopal Madabhushi PHD  
Francisca Malaree BSC MA  
Melveena Christine McKendrick MA PHD LITTD FBA  
Hazel Mary Mills BA DPHIL  
Alston Misquitta BSC MSC PHD  
Alfredo Gabriele Natali  
Emma Pugh BSC PHD  
Roland Ernest Randall MSC MA PHD  
Deana Rankin BA DPHIL  
Alastair James Reid MA PHD  
Julia Margaret Riley MA PHD  
Anne Isabella Rogerson BA PHD  
Eileen Doris Rubery MB CHB MA PHD CB  
Jochen Heiko Runde MPHIL PHD  
Stuart Ashley Scott MA PHD  
Hugh Richard Shercliff MA PHD  
Stelios Tofaris MA  
Kumaraswamy Velupillai BE MS OCSC PHD  
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  
15 Bene't Street  
Cambridge CB2 3PZ

**Securities Manager**

HSBC Investment Management  
78 St James's Street  
London  
SW1A 1HL

**Solicitors**

Taylor Vinters Solicitors  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

# **Girton College**

## **Report of the Augmented Council**

### **Year Ended 30 June 2008**

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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 2008. The activities of student societies have not been consolidated.

#### **Review of operations**

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

The College provides teaching, pastoral care, library and IT facilities, 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 income from conferences and other external users of the College's facilities.

As at 1<sup>st</sup> October 2007, the College had 41 Official Fellows, 9 Research Fellows, 5 Professorial Fellows, 5 Supernumerary Fellows, 6 Non-Stipendiary Fellows, 27 Life Fellows, 23 Bye-Fellows, 498 undergraduates, 46 postgraduates and 181 research students in residence in Cambridge. Of these, 6 Official Fellows, 6 Research Fellows, 458 undergraduates, and 85 postgraduate and research students were living in College-owned or College-managed accommodation. The College also hosted 1 Visiting Fellow.

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 40 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 15 were employed solely by the College or under a share arrangement with another College. Of the 507 undergraduates entered for Tripos examinations, 73 obtained Firsts, 264 2:1s, 39 Class 2 (undivided), 70 2:2s, 15 Thirds and 46 other results. 14 students de-graded during the year. 50 postgraduate students graduated with Masters level degrees and 30 research students were awarded their PhDs.

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 £25.8m (see note 12), the College awarded full bursaries (i.e. sufficient to cover all College charges) to 14 home students. Childcare bursaries were awarded to six graduate students, five Fellows and four members of staff. The College also contributed 12.5% of the cost of the 59 Newton Trust bursaries awarded to Girton students.

The College also hosted 411 conferences and events.

#### **Financial management and control**

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 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, the Inland Revenue, Customs and Excise, the University of Cambridge and other authorities, is ensured by the College's Financial Regulations, which are approved by the College Council on the advice of the Bursar.

## Girton College

### Report of the Augmented Council – continued

#### Year Ended 30 June 2008

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##### Cash flow, funding and liquidity

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.

In 2007/08 the College's management accounts, after adjustments to eliminate capital items, showed an operating deficit before depreciation of £66,913 cf. a budgeted operating surplus of £3,657. An operating surplus of £8,212 is budgeted for 2008/09.

Unrestricted bequests totalling £190,000 were received during the year and have been added to capital. Other unrestricted donation income has been taken to the income and expenditure account in accordance with College policy. Restricted donations and bequests totalling £708,000 have been received for various other purposes, including scholarship, bursary and hardship funds, teaching fellowships, student prizes, the refurbishment of student accommodation, and new sports facilities (see below).

The College's income and expenditure account for 2007/08 showed a deficit of £741,000 after a depreciation charge for the year of £1,042,000. This is in line with the College's aim of breaking even before depreciation and is consistent with previous years' results after taking account of variations in the flow of donations and bequests.

##### Capital projects

Development on the College's main site is constrained not only by funding but also by its location within the green belt and because the buildings are Grade II\* listed. Wolfson Court is in a conservation area.

The main capital projects in progress during the financial year were:

<b>Project</b>	<b>Budget £000</b>	<b>Status</b>
Refurbishment of Tower Wing – Phase 2	1,350	Completed Sept 07
Construction of new sports pitches	85	Completed Sept 07
Installation of upgraded fire alarm system at Wolfson Court	65	Completed Sept 07
Refurbishment of Tower Wing – Phase 3	990	Completed Sept 08
New conference entrance at the back of College	50	Expected to be completed Mar 09

## **Girton College**

### **Report of the Augmented Council – continued**

**Year Ended 30 June 2008**

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#### **Future developments**

The College has a number of other projects in development. Some of these will be unable to go ahead unless funds are raised specifically for those projects from donations and bequests. Projects currently in the planning phase include:

- Phases 4 and 5 of the refurbishment of Tower Wing, including renovation of public rooms on the ground floor;
- New sports pavilion;
- Refurbishment of the Mistress's flat.

The College is actively raising funds for :

- Teaching Fellowships;
- Childcare bursaries;
- Unrestricted endowment capital and income for the general educational purposes of the College.

The College's long term aim is to raise endowment capital to secure funding for all College teaching on a permanent basis.

On behalf of the Augmented Council

Deborah Lowther

Bursar

December 2008

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

**Year Ended 30 June 2008**

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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.

**Independent Auditors' Report to the Augmented Council**

**Year Ended 30 June 2008**

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We have audited the financial statements 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. These financial statements have been prepared under the accounting policies set out therein.

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**

The Augmented Council's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Augmented Council.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the College's Statutes and the Statutes of the University of Cambridge. We also report to you if, in our opinion, the Report of the Augmented Council is not consistent with the financial statements, if the College has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Officers' remuneration and transactions with the College is not disclosed.

We are not required to consider whether the statement in the Augmented Council's Report concerning the major risks to which the College is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the College's risk management and control procedures.

We read other information contained in the Augmented Council's Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

**Basis of Audit Opinion**

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

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

## **Girton College**

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

#### **Year Ended 30 June 2008**

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##### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the College's affairs as at 30 June 2008 and of the surplus of the College for the year then ended; and
- have been properly prepared in accordance with the College's Statutes and the Statutes of the University of Cambridge.

In our opinion the contribution due from the College to the University has been correctly computed in accordance with the provisions of Statute G, II of the University of Cambridge.

**Peters Elworthy & Moore**  
**Chartered Accountants and**  
**Registered Auditor**  
**CAMBRIDGE**

# **Girton College**

## **Statement of Principal Accounting Policies**

**Year Ended 30 June 2008**

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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 Accounting Standards.

In addition, the financial statements comply with the Statement of Recommended Practice for accounting in Further and Higher Education (the SORP) with the exception of the balance sheet which has been presented in the different format known as Recommended Cambridge College Accounts set out in the relevant section of Statutes and Ordinances of the University of Cambridge (RCCA). The provisions of the SORP require Endowments, Deferred Grants and Revaluation Reserves to be disclosed on the face of the balance sheet whereas RCCA requires that part of this information be disclosed in the notes to the accounts.

### **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**

Income from permanent capital funds and short-term deposits is credited to the Income and Expenditure Account in the year in which it becomes receivable.

Donations and benefactions of an income nature are shown as income in the year in which they become receivable.

Benefactions and donations accepted on condition that only the income may be spent are credited to the balance sheet as permanent capital funds. The income from a permanent capital fund is shown as income in the year that it is receivable. Income from a permanent capital fund that is not expended in the year in which it is receivable is, at the year-end, transferred from the income and expenditure account to a restricted or unrestricted expendable capital fund, as appropriate. When there is subsequent expenditure of accumulated income from a restricted capital fund, income is credited back to the income and expenditure account to match the expenditure.

Restricted benefactions and donations that are used to fund capital projects are initially credited to a restricted expendable capital fund, and then released over the same estimated useful life that is used to determine the depreciation charge for the capital project.

College fee income is recognised in the period for which it is received and includes all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

## **Girton College**

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

#### **Year Ended 30 June 2008**

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##### **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. The valuation in April 2008 was carried out by FPDSavills, 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.

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 £50,000 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.

## **Girton College**

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

**Year Ended 30 June 2008**

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#### **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.

#### **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 an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and is 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.

#### **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 2008

		2008 £'000	2007 £'000
<b>Income</b>	Note		
Academic Fees and Charges	1	2,124	2,005
Residences, Catering and Conferences	2	3,445	3,231
Endowment Income	3	2,796	2,355
Surplus on disposal of operational assets		2	-
Pension Scheme – Other Finance Income		32	36
<b>Total Income</b>		<u>8,399</u>	<u>7,627</u>
<b>Expenditure</b>			
Education	4	2,846	2,777
Residences, Catering and Conferences	5	5,365	5,326
Pension Scheme – Other finance costs		-	1
<b>Total Expenditure</b>	7	<u>8,211</u>	<u>8,104</u>
<b>Operating (Deficit)/Surplus</b>		188	(477)
Contribution under Statute G,II	6	<u>(38)</u>	<u>(48)</u>
		150	(525)
Transfer (to)/from accumulated income within restricted expendable capital		(871)	(512)
<b>Net (Deficit)/Surplus</b>		<u>(721)</u>	<u>(1,037)</u>

# Girton College

## Consolidated Statement of Total Recognised Gains and Losses

Year Ended 30 June 2008

	Restricted Funds		Unrestricted Funds		Total 2008 £'000	Total 2007 £'000
	Collegiate Purposes £'000	Designated Funds £'000	Undesignated Funds £'000			
Balance brought forward at 1 July 2007	27,110	7,652	59,627	94,389	89,178	
Prior Year adjustments (Note 17)	-	-	-	-	2	
Restated balance at 1 July 2006	27,110	7,652	59,627	94,389	89,180	
Retained Surplus/(Deficit) for the Year	20	103	(844)	(721)	(1,037)	
Appreciation of Investment Assets	(2,477)	(619)	(1,449)	(4,545)	5,108	
Appreciation of Operational Assets	-	-	19,217	19,217	-	
Unspent Trust or Other Restricted Fund Income Retained by Funds	871	-	-	871	512	
Actuarial (loss)/gain on pension scheme assets and liabilities	-	-	(28)	(28)	304	
Release of Deferred Capital Fund	(128)	-	-	(128)	(128)	
Benefactions and Donations	227	190	-	417	450	
Capital Grant Received from Colleges Fund	-	-	-	-	-	
Transfers between Funds	168	188	(356)	-	-	
Total Recognised Gains/(Losses) for the Year	(1,319)	(138)	16,540	15,083	5,209	
Balance carried forward at 30 June 2008	25,791	7,514	76,167	109,472	94,389	

# Girton College

## Consolidated Balance Sheet

Year Ended 30 June 2008

	Note	2008 £'000	2007 £'000		
<b>Fixed Assets</b>					
Tangible Assets	8				
Freehold land and buildings		64,622	45,088		
Long leasehold land and buildings		290	660		
Equipment		31	87		
		<u>64,943</u>	<u>45,835</u>		
Investments					
Freehold land and buildings		8,564	9,760		
Fixed interest stocks, equities and cash		34,373	37,927		
Other Fixed Assets		4,231	3,530		
		<u>47,168</u>	<u>51,217</u>		
<b>Current Assets</b>					
Stock		56	54		
Debtors		557	451		
Cash	9	1,694	1,902		
		<u>2,307</u>	<u>2,407</u>		
<b>Creditors: amounts falling due within one year</b>	10	<u>(899)</u>	<u>(903)</u>		
<b>Net Current Assets</b>		<u>1,408</u>	<u>1,504</u>		
<b>Total Assets Less Current Liabilities</b>		<u>113,519</u>	<u>98,556</u>		
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(3,656)</u>	<u>(3,705)</u>		
<b>Net Assets excluding pension liability</b>		<u>109,863</u>	<u>94,851</u>		
<b>Pension Liability</b>		(391)	(462)		
<b>Net Assets including Pension Liability</b>		<u>109,472</u>	<u>94,389</u>		
		<b>Income/ Expendable Capital Funds £'000</b>	<b>Permanent Capital Funds £'000</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
<b>Capital and Reserves</b>					
Restricted funds held for Collegiate purposes	12	7,305	18,486	25,791	27,110
Unrestricted – Designated funds	12	2,745	4,769	7,514	7,652
Unrestricted – Undesignated funds excluding Pension Reserve	12	65,782	10,776	76,558	60,089
Pension Reserve Fund		(391)	-	(391)	(462)
Unrestricted – Undesignated funds including Pension Reserve		<u>65,391</u>	<u>10,776</u>	<u>76,167</u>	<u>59,627</u>
		<u>75,441</u>	<u>34,031</u>	<u>109,472</u>	<u>94,389</u>

Approved by the Augmented Council on 25<sup>th</sup> November 2008 and signed on their behalf by:

Prof Dame Marilyn Strathern  
Mistress

Deborah Lowther  
Bursar

# Girton College

## Consolidated Cash Flow Statement

Year Ended 30 June 2008

	2008 £000	2007 £000
<b>Operating Activities</b>		
Operating Surplus/(Deficit)	188	(477)
Depreciation	1,042	1,060
Profit on sale of operational assets	-	-
Pension Reserve (Surplus) Loss	(1)	12
Deferred Capital Fund Applied	(128)	(128)
Investment Income	(1,803)	(1,801)
Interest Payable	138	153
(Increase)/Decrease in Stocks	(2)	6
Decrease in Debtors	(106)	(248)
(Decrease)/Increase in Creditors	41	27
<b>Net Cash Outflow from Operating Activities</b>	<b>(631)</b>	<b>(1,396)</b>
<b>Returns on Investments and Servicing of Finance</b>		
Investment Income	1,727	1,656
Other Interest Received	76	145
Interest Paid	(138)	(153)
<b>Net Cash Inflow from Returns on Investments and Servicing of Finance</b>	<b>1,665</b>	<b>1,648</b>
<b>Contribution to Colleges Fund</b>	<b>(48)</b>	<b>(60)</b>
<b>Capital Transactions</b>		
Receipts from Sales of Operational Assets	-	-
Donations & Benefactions	417	448
Capital Grants Received from Colleges Fund	-	-
	417	448
Payments to Acquire Tangible Fixed Assets	(897)	(379)
Payments to Acquire/Disposals of Investment Assets	(595)	(2,721)
	(1,492)	(3,100)
<b>Net Cash (Outflow)/Inflow from Capital Transactions</b>	<b>(1,075)</b>	<b>(2,652)</b>
<b>Net Cash (Outflow)/Inflow Before Financing</b>	<b>(89)</b>	<b>(2,460)</b>
<b>Financing</b>		
Long Term Loans Received	-	-
Long Term Loans Repaid	(118)	(114)
<b>Net Cash (Outflow) from Financing</b>	<b>(118)</b>	<b>(114)</b>
<b>(Decrease)/Increase in Cash in Year</b>	<b>(207)</b>	<b>(2,574)</b>
<b>Reconciliation of net cash flow to movement in net liquid assets</b>		
(Decrease)/Increase in Cash in the Year	(207)	(2,573)
Movement in Long Term Loans	118	114
Net change in debt	(89)	(2,459)
Net Funds brought forward at 1 July 2007	(1,677)	782
Net Funds carried forward at 30 June 2008	(1,766)	(1,677)

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2008

<b>1. Academic Fees and Charges</b>		<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
College Fees:			
Fee Income paid on behalf of Undergraduates eligible for Student Support (per capita fee £3,462)		1,673	1,588
Other Undergraduate Fee Income			
Matriculating pre 2004/5 (per capita fee £3,620)		10	52
Matriculating post 2004/5 (per capita fee £4,515)		149	120
Graduate Fee Income (per capita fee £2,076)		292	244
Total		<u>2,124</u>	<u>2,004</u>
<b>2. Residences, Catering and Conferences Income</b>		<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
Accommodation	College members	1,690	1,596
	Conferences	390	381
Catering	College members	709	628
	Conferences	656	626
Total		<u>3,445</u>	<u>3,231</u>
<b>3. Endowment Income</b>		<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
		<b>2008</b>	<b>2007</b>
		<b>Income from Restricted Funds for Collegiate Purposes</b>	<b>Income from Unrestricted Funds</b>
		<b>£'000</b>	<b>£'000</b>
		<b>2008</b>	<b>2007</b>
		<b>Total</b>	<b>Total</b>
		<b>£'000</b>	<b>£'000</b>
Income from:			
Freehold land and buildings	-	417	359
Quoted Securities – Equities	693	387	1,137
Quoted Security – Fixed Interest	30	58	61
Cash	110	32	143
Donations and Benefactions	708	233	529
Deferred Appeal Reserve write down	128	-	126
	<u>1,669</u>	<u>1,127</u>	<u>2,355</u>
<b>Liability to Contribution under Statute G,11:</b>		<b>2008</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>
Endowment income liable to Contribution		1,897	1,731
Endowment income not liable to Contribution		1,069	708
Total		<u>2,966</u>	<u>2,439</u>
Investment Management Costs			
Freehold land and buildings		43	26
Quoted securities		127	58
Total		<u>170</u>	<u>84</u>

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2008

<b>4. Education Expenditure</b>		<b>2008</b>	<b>2007</b>		
		<b>£'000</b>	<b>£'000</b>		
Teaching		1,526	1,529		
Tutorial		239	245		
Admissions		179	193		
Research		486	429		
Scholarships and awards		287	259		
Other Educational Facilities		128	122		
Total		<u>2,845</u>	<u>2,777</u>		
<b>5. Residence, Catering and Conferences Expenditure</b>		<b>2008</b>	<b>2007</b>		
		<b>£'000</b>	<b>£'000</b>		
Accommodation	College Members	2,245	2,309		
	Conferences	1,051	1,082		
Catering	College Members	1,526	1,427		
	Conferences	542	508		
Total		<u>5,364</u>	<u>5,326</u>		
<b>6. Contribution Under Statute G,II</b>		<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Endowment Income as per Income and Expenditure Account (note 3)			2,966		2,439
Less: items not assessable to Contribution:					
Donations, Bequests and Deferred Appeal Reserve		1,068		708	
Items deductible from external revenue		<u>310</u>		<u>285</u>	
			(1,378)		(993)
Assessable Income			<u>1,588</u>		<u>1,446</u>
Less: Deductible items (note 18)					
			(860)		(643)
Net assessable income			<u>728</u>		<u>803</u>
Assessment: £0 - £300,000 @ 2%			6		6
£300,000 - £600,000 @ 6%			18		18
£600,000+ @ 11%			14		24
			<u>38</u>		<u>48</u>
Actual Contribution Payable			<u>38,021</u>		<u>48,398</u>

The rates for 2007 were –

Assessment: £0 - £300,000 @ 2%  
£300,000 - £600,000 @ 6%  
£600,000+ @ 12%

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2008

7a Analysis of 2008 Expenditure by Activity	Staff Costs (Note 15) £'000	Other Operating Expenses £'000	Depreciation £'000	Total £'000
Education (Note 4)	1,930	747	168	2,845
Residences, Catering and Conferences (Note 5)	2,355	2,135	874	5,364
Other	-	-	-	-
	4,285	2,882	1,042	8,209

Included in the above costs are £308,043 of development costs including alumni relations.

7b. Analysis of 2007 Expenditure by Activity	Staff Costs (Note 15) £'000	Other Operating Expenses £'000	Depreciation £'000	Total £'000
Education (Note 4)	1,834	775	168	2,777
Residences, Catering and Conferences (Note 5)	2,297	2,137	892	5,326
Other	-	1	-	1
	4,131	2,913	1,060	8,104

### 8a. Fixed Assets

	Freehold Land & Buildings £'000	Long Leasehold Land & Buildings £'000	Furniture, Fittings and Equipment £'000	Total £'000
<b>Original Cost</b>				
As at 1 July 2007	48,819	757	278	49,854
Additions	932	-	-	932
Disposals	-	-	-	-
Revaluation	14,871	(467)	-	14,404
As at 30 June 2008	64,622	290	278	65,190
<b>Accumulated Depreciation</b>				
At 1 July 2007	3,731	97	191	4,019
Charge for the Year	973	13	56	1,042
Disposals in year	-	-	-	-
Revaluation	(4,704)	(110)	-	(4,814)
At 30 June 2008	-	-	247	247
<b>Net Book value</b>				
At 30 June 2008	64,622	290	31	64,943
At 30 June 2007	45,088	660	87	45,835

The insured value of Freehold Buildings at 30 June 2008 was £88,727,078.

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2008

<b>8b. Investment Assets</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 July 2007	51,217	43,483
Additions	11,132	11,277
Disposals	(11,244)	(9,028)
Appreciation/(depreciation) on revaluation	(4,564)	4,716
Increase/(Decrease) in Cash Balances held by Fund Managers	627	769
As at 30 June 2008	<u>47,168</u>	<u>51,217</u>

#### **Represented by:**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Freehold Land and Buildings	8,564	9,760
Quoted Securities – Fixed Interest	2,818	2,711
Quoted Securities – Equities	24,976	27,878
Alternative Investments	4,672	6,057
Cash held for Reinvestment	1,907	1,281
Antique Furniture, Works of Art etc	4,231	3,530
	<u>47,168</u>	<u>51,217</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 2008, the College's share in the four remaining properties is estimated to be about £550,000 (gross); this amount is not included within Investment Assets.

<b>9. Cash</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Bank Deposits	1,692	1,899
Cash in Hand	2	3
	<u>1,694</u>	<u>1,902</u>

<b>10. Creditors: amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Long Term Loans	120	131
Student Prepayments	44	30
Other Creditors	735	742
	<u>899</u>	<u>903</u>

<b>11. Creditors: amounts falling due after more than one year</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Long Term Loans	3341	3,448
Student Prepayments	315	257
	<u>3,656</u>	<u>3,705</u>

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2008

12. Capital and Reserves	Income/ Expendable Capital Funds	Permanent Capital Funds	Total 2008 £'000	Total 2007 £'000
<i>Restricted Funds:</i>				
Trust Funds	1,360	18,486	19,846	21,365
Donations & benefactions	248	-	248	224
Deferred capital funds	5,697	-	5,697	5,521
	<u>7,305</u>	<u>18,486</u>	<u>25,791</u>	<u>27,110</u>
<i>Unrestricted Funds:</i>				
<i>Designated Funds:</i>				
Special Funds	2,660	4,769	7,429	7,431
Donations & benefactions	85	-	85	221
	<u>2,745</u>	<u>4,769</u>	<u>7,514</u>	<u>7,652</u>
<i>Undesignated Funds:</i>				
Corporate Capital	-	10,704	10,704	12,009
Donations & benefactions	12	72	84	88
Pension Reserve	(391)	-	(391)	(462)
Other General Capital	65,770	-	65,770	47,992
	<u>65,391</u>	<u>10,776</u>	<u>76,167</u>	<u>59,627</u>
	<u>75,441</u>	<u>34,031</u>	<u>109,472</u>	<u>94,389</u>

### Reconciliation of Movement in Capital Reserves

	Restricted Funds		Unrestricted Funds				Total 2008 £'000	Total 2007 £'000
	Income/ Expendable Capital Funds £'000	Permanent Capital Funds £'000	Designated Funds		Undesignated Funds			
			Income/ Expendable Capital Funds £'000	Permanent Capital Funds £'000	Income/ Expendable Capital Funds £'000	Permanent Capital Funds £'000		
Balance as at 1 July 2007	6,562	20,548	2,444	5,208	47,537	12,090	94,389	89,178
Increases in Year	2,337	415	672	180	19,960	55	23,809	10,128
Decreases in Year	(1,570)	(2,477)	(371)	(619)	(2,129)	(1,369)	(8,746)	(4,917)
Balance as at 30 June 2008	<u>7,305</u>	<u>18,486</u>	<u>2,745</u>	<u>4,769</u>	<u>65,391</u>	<u>10,776</u>	<u>109,472</u>	<u>94,389</u>

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2008

#### 12. Capital and Reserves continued

##### Analysis of Restricted and Designated Funds

	<b>Restricted Funds 2008 £'000</b>	<b>Designated Funds 2008 £'000</b>	<b>Total 2008 £'000</b>	<b>Total 2007 £'000</b>
Fellowship Funds	9,243	1,731	10,974	11,661
Scholarship Funds	5,130	3	5,133	5,768
Prizes Funds	348	170	518	582
Hardship Funds	560	326	886	1,005
Bursary Funds	2,503	91	2,594	2,844
Travel Grants Funds	369	18	387	436
Other Funds	7,638	5,175	12,813	12,466
	<u>25,791</u>	<u>7,514</u>	<u>33,305</u>	<u>34,762</u>

##### Capital is invested in the following categories of assets

	Restricted Funds		Unrestricted Funds				Total 2008 £'000	Total 2007 £'000
	Income/ Expendable Capital Funds £'000	Permanent Capital Funds £'000	Designated Funds Income/ Expendable Capital Funds £'000	Permanent Capital Funds £'000	Undesignated Funds Income/ Expendable Capital Funds £'000	Permanent Capital Funds £'000		
Tangible Fixed Assets	5,681	-	-	-	59,163	99	64,943	45,835
Investment Assets	28	18,318	-	4,579	15,497	8,746	47,168	51,217
Net Current Assets	1,596	168	2,745	190	(3,454)	163	1,408	1,504
Sinking Fund	-	-	-	-	(1,768)	1,768	-	-
Creditors: more than one year Pension Liability	-	-	-	-	(3,656)	-	(3,656)	(3,705)
Total	<u>7,305</u>	<u>18,486</u>	<u>2,745</u>	<u>4,769</u>	<u>65,391</u>	<u>10,776</u>	<u>109,472</u>	<u>94,389</u>

#### 13. 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.

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2008

#### 14. Capital Commitments

	2008 £'000	2007 £'000
Commitments contracted for at 30 June 2008	964	907

#### 15. Staff

	College Fellows 2008 £'000	Academics 2008 £'000	Other Non- Academics 2008 £'000	Total 2008 £'000	Total 2007 £'000
<b>Staff Costs</b>					
Emoluments	983	62	2,539	3,584	3,413
Social Security Costs	68	3	168	239	226
Other Pension Costs (see note 16)	134	2	326	462	492
	<u>1,185</u>	<u>67</u>	<u>3,033</u>	<u>4,285</u>	<u>4,131</u>
<b>Average Staff Numbers</b>					
Academic	52	18	-	70	71
Non-Academic – full time equivalent	-	-	132	132	128
	<u>52</u>	<u>18</u>	<u>132</u>	<u>202</u>	<u>199</u>

No officers or employees of the College, including the Head of House, received emoluments over £70,000.

#### 16. 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 £462,000 (2007: £492,000).

##### Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme, a defined benefit scheme that is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus/deficit for the year in the Income and Expenditure Account being equal to the contributions payable to the scheme for the year. The appointment of directors to the board of the trustee is determined by the company's Articles of Association. Four of the directors are appointed by the Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; one is appointed by the Higher Education Funding Councils; and a minimum of two and a maximum of four are co-opted directors appointed by the management committee. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest published actuarial valuation of the scheme was at 31 March 2005. 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) and the rates of increase in salary and pensions and the assumed rates of mortality. In relation to the past service liabilities, the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.9% per annum (plus an additional allowance for increases in salaries due to age and promotion and a further amount of £800m of liabilities in line with recent

# Girton College

## Notes to the Accounts

### For the Year Ended 30 June 2008

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#### Pension Schemes (continued)

experience) and pensions would increase by 2.9% per annum. In relation to the future service liabilities, it was assumed that the valuation rate of interest would be 6.2% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 3.9% per annum (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 2.9% per annum. The valuation was carried out using the projected unit method.

Standard mortality tables were used as follows:

Pre retirement mortality: PA92 rated down 3 years

Post retirement mortality: PA 92 (c=2020) for all retired and non-retired members

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further small improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males: 19.8 years

Females: 22.8 years

At the valuation date, the market value of the assets of the scheme was £21,740 million and the value of the past service liabilities was £28,308 million indicating a deficit of £6,568 million. The assets were therefore sufficient to cover 77% 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. Using the Minimum Funding Requirement prescribed assumptions introduced by the Pensions Act 1995, the scheme was 126% funded at that date; under the Pension Protection Fund regulations introduced by the Pensions Act 2004 it was 110% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 74% 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, the actuary estimated that the funding level would have been approximately 90%.

Since 31 March 2005 the funding level of the scheme has undergone considerable volatility. The actuary has estimated that the funding level had increased to 91% at 31 March 2007 but that at 31 March 2008 it had fallen back to 77%. This fluctuation in the scheme's funding level is due to a combination of the volatility of the investment returns on the scheme's assets in the period since 31 March 2005 compared to the returns allowed for in the funding assumptions and also the changing gilt yields, which are used to place a value on the scheme's liabilities. On the FRS17 basis the actuary estimated that the funding level at 31 March 2008 was above 104% and on a buy-out basis was approximately 78%.

The institution contribution rate required for future service benefits alone at the date of the valuation was 14.3% of pensionable salaries but it was agreed that the institution contribution rate would be maintained at 14% of pensionable salaries.

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

<b>Assumption</b>	<b>Change in assumption</b>	<b>Impact on scheme liabilities</b>
Valuation rate of interest	Increase/decrease by 0.5%	Decrease/increase by £2.2billion
Rate of pension increases	Increase/decrease by 0.5%	Increase/decrease by £1.7billion
Rate of salary growth	Increase/decrease by 0.5%	Increase/decrease by £0.5 billion
Rate of mortality	More prudent assumption (mortality used at last actuarial valuation, rated down by a further year)	Increase by £0.8 billion

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.

**Notes to the Accounts**

**For the Year Ended 30 June 2008**

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**Pension Schemes (continued)**

The trustee believes that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a bias towards equities through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee has agreed to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding to take investment risk relative to the liabilities, the trustee receives advice from its investment consultant and the scheme actuary, and considers the views of the employers. The strong positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

The next formal triennial actuarial valuation is due at 31 March 2008. The contribution rate will be reviewed as part of each valuation.

The total pension cost for the College was £149,000 (2007: £140,000). The contribution rate payable by the College was 14% of pensionable salaries.

**Cambridge Colleges Federated Pension Scheme**

The College is a member of a multi-employer defined benefit scheme, the Cambridge Colleges 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 College elected to change benefits for service for new entrants joining on or after 1 April 2004 by:

- Capping service at 40 years (previously uncapped);
- Paying unreduced pensions from age 65 (previously 60); and
- Increasing pensions in payment in line with increases in the Retail Price Index (RPI) limited to 5% pa compound (previously RPI).

The contribution made by the College in respect of the 12 month period ended 31 March 2008 was £357,790, excluding PHI premiums. Contributions over the next year are expected to be at the rate of 16.42% of Contribution Pay, although this may be subject to change as a full actuarial valuation is being undertaken as at 31 March 2008 for the Management Committee.

Between 31 March 2008 and 30 June 2008 there have been significant changes in the stock market and bond markets which could potentially increase the deficiency.

**Notes to the Accounts**

**For the Year Ended 30 June 2008**

**Pension Schemes (continued)**

The major assumptions used by the actuary were:

	<b>31 March 2008</b>	<b>31 March 2007</b>	<b>31 March 2006</b>
Discount rate	6.60%	5.40%	4.90%
Price Inflation assumption	3.40%	3.30%	3.00%
Rate of increase in salaries	4.90%	3.90%	3.75%
Rate of increase in pensions in deferment			
- Guaranteed minimum pension (GMP)	4.90%	3.90%	3.75%
- Excess pension	3.40%	3.30%	3.00%
Rate of increase in pensions in payment			
- GMP accrued up to 5 April 1988	0.00%	0.00%	0.00%
- GMP accrued after 5 April 1988	2.80%	2.60%	2.25%
- Excess pension over GMP and pension accrued after 5 April 1997			
- For service up to 31 March 2004	3.40%	3.30%	3.00%
- For service on or after 1 April 2004	3.20%	3.00%	2.50%

In addition, standard mortality tables were used, namely the PA92 Base tables for males and females with the Medium Cohort projections based on year of birth. This is a change from the 2007 calculations and allows for further longevity improvements.

The assets in the scheme and the expected rate of return were:

	<b>Long term rate of return expected at 31/03/08</b>	<b>Value at 31/03/08 £</b>	<b>Long term rate of return expected at 31/03/07</b>	<b>Value at 31/03/07 £</b>
Equities and Hedge Funds	7.5%	2,782,346	7.5%	2,786,529
Cash, Bonds and Net Current Assets	5.0%	2,283,715	4.9%	1,964,916
Property	6.5%	633,363	6.5%	664,903
<b>Total</b>	<b>6.4%</b>	<b><u>5,699,514</u></b>	<b>6.4%</b>	<b><u>5,416,348</u></b>

The 2008 asset values are based on the bid price of assets, in previous years this was based upon the fair value of assets, as required by the revised accounting standards. The impact of this change is relatively minor as most of the investments are priced at a single rate.

The overall Scheme investment return is the expected return on each of the asset type (namely equities, property and bonds) divided by the overall assets, rounded to the nearer 0.1%.

The 2008 assets and the split between the assets classes are based upon the draft accounts provided by the Scheme administrators.

Notes to the Accounts

For the Year Ended 30 June 2008

Pension Schemes (continued)

The following results were measured in accordance with the requirements of FRS 17, based on the assumptions summarised above:

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2008	2007	2008	2007	2008	2007
	£	£	£	£	£	£
Opening defined benefit obligation	5,879,313	5,518,536	5,416,348	4,665,415	(462,965)	(853,121)
Service cost	410,864	429,309	-	-	(410,864)	(429,309)
Employer contributions	-	-	357,790	385,218	357,790	385,218
Expected return on scheme assets	-	-	355,907	314,888	355,907	314,888
Contributions by members	-	-	122,231	95,225	122,231	95,225
Interest cost	323,724	278,984	-	-	(323,724)	(278,984)
Actuarial gains/(losses)	(380,095)	(306,312)	(409,068)	(3,194)	(28,973)	303,118
Benefits and expenses paid	(143,694)	(41,204)	(143,694)	(41,204)	-	-
Closing defined benefit liability	6,090,112	5,879,313	5,699,514	5,416,348	(390,598)	(462,965)

The main reasons for the improvement in the financial position are:

- Changes in the FRS17 assumptions, particularly the discount rate, salary increase rate, mortality rates and a change in the assumed retirement age for female active members in line with the main Scheme valuation for the Management Committee; and
- total contributions made to the Scheme were higher than required to meet the current 1 year pension cost. These contributions included a special contribution of £100,000 which was paid into the Scheme in March 2008

Being partially offset by:

- investment return being less than expected; and
- Scheme experience being worse than assumed possibly as a result of higher salaries and the use of Final Pensionable Salaries for members closer to retirement, being offset in part by one pensioner death.

Notes to the Accounts

For the Year Ended 30 June 2008

Pension Schemes (continued)

The amounts recognised in the income and expenditure account are as follows:

	<b>12 months ended 31 March 2008</b>	<b>12 months ended 31 March 2007</b>
	£	£
In staff costs: Current service cost (net of employee contributions)	288,633	334,084
In endowment and investment income:		
Interest cost	323,724	278,984
Expected return on pension scheme assets	(355,907)	(314,888)
Net return	256,450	298,180
Actual return on pension scheme assets	(53,161)	311,694

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

	<b>31 March 2008</b>	<b>31 March 2007</b>	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>30 June 2004</b>
	£	£	£	£	£
Defined benefit obligation	(6,090,112)	(5,879,313)	(5,518,536)	(4,472,287)	(3,872,202)
Scheme assets	5,699,514	5,416,348	4,665,415	3,693,512	3,283,089
<b>Surplus/(deficit)</b>	<b>(390,598)</b>	<b>(462,965)</b>	<b>(853,121)</b>	<b>(778,775)</b>	<b>(589,113)</b>
Experience adjustments on scheme liabilities	(74,489)	7,747	(35,631)	(79,267)	*
Experience adjustments on scheme assets	(409,068)	(3,194)	398,614	71,810	*

\* Not available

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2008

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#### 17. Contribution Assessment

##### a. Assessable Income

	2008 £'000	2008 £'000	2007 £'000	2007 £'000
<u>I External Revenue</u>				
College Estates let at Rack Rent	462		416	
Dividends and interest gross	<u>514</u>		<u>410</u>	
		976		820
Less:				
Insurance of College Buildings	39		35	
Agency, management charges	156		111	
Transfer to Estates Repairs & Improvements Fund	115		104	
Sinking Fund payments under Statute GII4(iv)	<u>-</u>		<u>-</u>	
		<u>(310)</u>		<u>(250)</u>
		666		576
<u>II Trust &amp; Other Funds Subject to Contribution:</u>				
Dividends and interest gross		922		870
Assessable Income		<u>1,588</u>		<u>1,446</u>

##### b. Deductible Items

Half sums paid to Scholars, Exhibitioners & Research Students	46		39	
Prizes	13		14	
College Fees for Overseas Students	10		7	
Half maintenance of Chapel expenditure	-		1	
Net expenditure on College Library	141		152	
College Teaching Officers	157		159	
College Research Fellows	74		38	
College Building Fund (under Statute GII4(vii))	223		216	
Loan interest paid	185		-	
Donations for University purposes:				
University Counselling Service	11		11	
Other sums approved under Statute G11,4xxiii	<u>-</u>		<u>6</u>	
	<u>860</u>		<u>643</u>	

# Girton College

## Notes to the Accounts

### Year Ended 30 June 2008

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#### 17. Contribution Assessment (continued)

##### c. Building fund under Statute GII, 4 (vii)

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 1 July 2007	958	742
Transfer approved under GII, 4 (vii)	223	216
Balance at 30 June 2008	<u>1,181</u>	<u>958</u>

##### d. Estates Repairs and Improvements Fund

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Balance at 1 July 2007	628	524
Transfer approved under GII, 4 (vii)	115	104
25% of College Estate let at Rack Rent		
Balance at 30 June 2008	<u>743</u>	<u>628</u>

#### 18. Related Party Transactions

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