

**GIRTON COLLEGE**

**Huntingdon Road**

**Cambridge**

**CB3 0JG**

**Registered Charity No. 1137541**

**ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011**

# 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:

Susan Jane Smith MA DPhil FBA  
Arif Mohiuddin Ahmed MA PHD  
Albertina Albors-Llorens LLM PHD  
Harriet Dorothy Allen MA PHD MSC  
Crispin Henry William Barnes BSC PHD  
Kathleen Mary Veronica Bennett BSC PHD  
Georgina Emma Mary Born BSC PHD  
Edward John Briscoe BA MPHIL PHD  
Fiona Justine Cooke MA BM BCH MSC PHD  
Nik Cunniffe MA MSC MPHIL PHD  
John Edward Davies MA PHD  
Stuart Davis BA PHD  
Judith Ann Drinkwater MA  
Colm Durkan BA PHD  
Martin William Ennis MA PHD  
Shaun David Fitzgerald MA PHD  
Christopher John Bristow Ford MA PHD  
Abigail Lesley Fowden MA PHD  
Alexandra Mary Fulton BSC PHD  
Frances Gandy MA  
Sinead Maria Garrigan Mattar BA DPHIL  
Patricia Gray BA PHD  
Benjamin John Griffin MA PHD  
Maureen Jane Hackett BA MA  
Howard Peter Hodson MA PHD  
Edward William Holberton BA MPHIL PHD  
Liliana Janik MPHIL PHD  
Andrew Ronald Jefferies MA VETMB FRCPATH  
Clive Lawson MA PHD  
Ross Ian Lawther MA PHD  
Karen Lesley Lee MA  
Deborah Lowther MA  
Santa-Phani Gopal Madabhushi PHD  
Francisca Malaree BSC MA  
Alfredo Gabriele Natali, DOTT IN LETT E FIL  
Emma Pugh BSC PHD  
Roland Ernest Randall MSC MA PHD  
Alastair James Reid MA PHD  
Julia Margaret Riley MA PHD  
Angela Charlotte Roberts PHD  
Anthony Mark Savill MA PHD  
Stuart Ashley Scott MA PHD  
Hugh Richard Shercliff MA PHD  
Fionnuala Elizabeth Sinclair BA PHD  
Stelios Tofaris MA  
Danielle Wilhelmina Antonia Gerarda van den Heuvel MA PHD  
Helen Anne Van Noorden BA MPHIL PHD  
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  
PO Box 326  
Bene't Street  
Cambridge CB2 3PZ

**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 2011**

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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 2011. The activities of student societies have not been consolidated.

### **Introduction**

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

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

### **Trustees**

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

The members of the Council during the financial year were:

Professor Susan J Smith (The Mistress)  
Dr Julia M Riley (The Vice-Mistress)  
Ms Deborah Lowther (The Bursar)  
Mr Andrew R Jefferies (The Senior Tutor)

Dr Martin W. Ennis (until 30.9.10)  
Dr Sandra M. Fulton (until 30.9.10)  
Dr Danielle W A G van den Heuvel (until 30.9.10)  
Dr Sinead M. Garrigan-Mattar  
Professor A. Mark Savill  
Mr Stelios Tofaris  
Dr Harriet D Allen  
Dr Colm Durkan  
Dr Ruth M Williams  
Dr K M Veronica Bennett (from 1.10.10)  
Dr Chris J B Ford (from 1.10.10)  
Ms Frances Gandy (from 1.10.10)

Mr Joe McIntyre (MRC President)  
Mr Fan Cheng (MCR Vice-President)  
Miss Rebecca Williams (JCR Treasurer)  
Miss Kate Bonham (JCR President)  
Mr Guy Rochez (JCR Vice-President)

Mr Richard Taylor (MCR President)  
Mr Edmund Owen (MCR Vice-President)  
Mr Lukas Wong (JCR Treasurer)  
Mr Alex Wessely (JCR President)  
Miss Liz Elder (JCR Vice-President)

# **Girton College**

## **Report of the Augmented Council**

**Year Ended 30 June 2011**

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### *Trustee training*

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

### **Aims and objectives of the College**

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

### **Funding**

The College provides teaching, pastoral care, library and 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.

The College charges the following fees:

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

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

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

### **Public benefit**

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

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

## **Girton College Report of the Augmented Council**

### **Year Ended 30 June 2011**

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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, who make up the College's internationally renowned choir; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances religion by:

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

The College advances learning and research through:

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

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

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

## **Girton College Report of the Augmented Council**

### **Year Ended 30 June 2011**

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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 are attended by students and staff from elsewhere in the University as well as local residents and visitors to Cambridge.

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

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

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

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

In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University, other Colleges and the Isaac Newton Trust, bursary support for those of limited financial means. That scheme is approved by the Office for Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. For the academic year 2010/11, the number of awards made was 119, out of a Home/EU undergraduate population of 481; 55 of the awards were at the maximum value of £3,400; and the average value of the awards was £2,125. The scheme is widely advertised via the University and College websites.

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

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

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

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



## **Girton College Report of the Augmented Council**

### **Year Ended 30 June 2011**

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

#### **Achievements and performance**

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

As at 1<sup>st</sup> October 2010, the College had 40 Official Fellows, 11 Research Fellows, 5 Professorial Fellows, 6 Supernumerary Fellows, 5 Non-Stipendiary Fellows, 29 Life Fellows, 18 Bye-Fellows, 509 undergraduates, 52 postgraduates and 160 research students in residence in Cambridge. Of these, 2 Official Fellows, 7 Research Fellows, 445 undergraduates, and 85 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 39 College Lecturers in all the main subjects offered by the University to undergraduates, of whom 27 were also employed by the University or other institutions and 12 were employed solely by the College or under a share arrangement with another College.

Of the 469 undergraduates entered for Tripos examinations, 72 obtained Firsts, 238 2:1s, 40 Class 2 (undivided), 72 2:2s, 13 Thirds and 34 other results. 6 students de-graded during the year. 45 postgraduate students graduated with Masters level degrees and 27 research students were awarded their PhDs. 1 Grad Dip, 1 MRes, 1 MMus, 2 MSt, 4 LLM, 9 MAST, 5 MBA degrees were also awarded.

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

In its capacity as trustee of restricted funds totalling £23.9m (see note 18), the College awarded full bursaries (i.e. sufficient to cover all College charges) to 16 home students. The College contributed to the cost of the 119 Newton Trust bursaries awarded to Girton students.

The College also hosted 426 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.

[http://www.offa.org.uk/agreements/AA\\_0114%20University%20of%20Cambridge%201213.pdf](http://www.offa.org.uk/agreements/AA_0114%20University%20of%20Cambridge%201213.pdf)

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.

#### **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

## **Girton College Report of the Augmented Council**

### **Year Ended 30 June 2011**

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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.

#### *Income and Expenditure Account*

The College's income and expenditure account for 2010/11 showed a deficit of £201,000 after a depreciation charge for the year of £1,324,000 and before adding back £1,495,000 of unspent trust fund income accumulated for spending in future years. This is a substantial improvement on the previous year's comparative result of a deficit of £628,000, even after taking account of variations in the flow of donations and bequests between the years, and a surplus on disposal of fixed assets in 2010/11. The latter item relates to the sale of two houses in Cambridge which were surplus to requirements. The sale proceeds have been earmarked for investment in the construction of a new wing of student accommodation at Ash Court on the College's main site (see below).

The College is liable for the payment of University Contribution under Statute G,II of £9,000.

The management accounts for the year showed an operating deficit of £307,915 cf. a budgeted operating deficit of £429,483. The costs associated with College's main activities have increased by only 1.1% from 2009/10 to 2010/11, owing to tight budgetary control. An operating deficit of £186,906 is budgeted for 2011/12. Under the financial recovery plan approved by Council following the 2008 financial crisis, the College is budgeting to achieve a balance on its management accounts income and expenditure at the latest by 2012/13, and is currently on target to achieve this.

#### *Cash flow*

The College's operating activities normally absorb an amount of cash equal to the unrestricted investment income available to support them. Cash donations to the College's permanent endowment funds are transferred to the investment portfolio on an annual basis. As demonstrated by the cash flow statement, the College's cash balances increased by £1.1m during the year; this almost exactly equals the proceeds of sale noted above as earmarked for the construction of new student accommodation at Ash Court.

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

#### *Balance Sheet and Statement of Total Recognised Gains and Losses*

As set out in the statement of total recognised gains and losses, the College's net assets increased by 13.8% from £97,859,000 to £111,355. £8,267,000 (61% of the increase) was attributable to the revaluation of fixed assets. The College is grateful to the Colleges Fund for a capital grant of £76,000. The balance of the increase comprises a combination of investment gains, new endowments, trust fund income accumulated for spending in future years and a gain on the actuarial valuation of the College's assets and liabilities in the Cambridge Colleges Federated Pension Scheme (CCFPS).

## **Girton College Report of the Augmented Council**

**Year Ended 30 June 2011**

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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 £70,369,000. The College budgets to spend approximately 1% of this amount annually on routine maintenance. The costs are incurred mainly in supporting an in-house maintenance team with a broad range of skills, together with the materials they require, supplemented by a number of regular and occasional specialist contractors. Routine repair regimes and minor projects completed during 2010/11 included completion of the refurbishment of the Mistress's Flat, completion of the radiator valve replacement project (an important energy saving initiative), redecoration of 81 student bedrooms on the main College site, the refurbishment of 99 Girton Road, minor repairs to the swimming pool roof, fire safety improvements to student houses, repairs to cracking and the external drain and emergency lighting upgrades at Wolfson Court, an upgrade of the electrical installations and follow up works in College house and refurbishment of the upstairs shower room at 112 Huntingdon Road.

### **Conferences and events**

The College utilises surplus accommodation and catering capacity in support of its charitable objectives by hosting a variety of paying conferences and other events throughout the year.

Conference and events turnover during the year was £866,000, an increase of 18.6% on the previous year. The contribution to fixed costs generated by this activity improved by £124,000 from 2009/10 to 2010/11.

The introduction in 2011/12 of 39 week tenancies for undergraduates means that the College no longer has any capacity for residential conferences during the Christmas and Easter vacations. However, it will continue to host day conferences and events, particularly weddings and parties throughout the year, and with the construction of a new wing at Ash Court during 2012 and 2013, hopes to be able to provide a high standard of accommodation and catering services for niche events closely associated with the College's aims and objectives.

### **Staff costs and pensions**

Staff costs increase by 3.95%, of which 1.27% was attributable to an increase in pay. Social security costs increased by 3.7% and pensions costs increased by 24.6%. The College continues to offer final salary pension schemes to eligible staff, a policy which remains under continuing review owing to the escalation in the associated cost experienced in the last decade. On the positive side, the recent actuarial valuation of the CCFPS as at 31<sup>st</sup> March 2011, showed the Girton section of the scheme back in surplus, and the valuation for the purposes of these accounts showed a reduction of 61.5% in the pension scheme liability reported last year.

### **Capital expenditure**

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

The College has recently obtained planning permission to build a further 50 student rooms in a new wing designed by architects Allies and Morrison to complete Ash Court at a cost of £7,750,000. Subject to availability of funding, work is expected to start on site in early 2012 with a view to having the rooms available for first occupancy in October 2013.

The College is also planning to construct a new sports pavilion on its main site in 2012 at a cost of £500,000.

As at 30 June 2011, £321,000 had been invested in support of these and other, more long term, projects (see note 10).

## **Girton College Report of the Augmented Council**

**Year Ended 30 June 2011**

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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 average portfolio value. This overall portfolio spending rule also forms the basis for designing the return objective for the portfolio advised upon by Partners Capital.

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

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

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

The total return for the year ended 30 June 2011 on the College's investment portfolio was 11.7%.

### **Fundraising**

Unrestricted donations and bequests totalling £519,000, and restricted donations and bequests totalling £522,000 were received during the year and have been added to the College's endowment. Other unrestricted donation income of £723,000 has been used either for expenditure on the general educational purposes of the College or invested for the long term in accordance with College policy. Restricted donation income totalling £97,000 has been received for a variety of purposes. The purposes for which restricted endowments and income have been received include scholarship, bursary and hardship funds, teaching fellowships, student prizes, the refurbishment of student accommodation, and new sports facilities.

The costs of the alumni relations and development office during the year were £407,915. This represents a significant investment in a growing income stream of philanthropic donations without which the College will be unable to maintain the standard of its educational facilities in the future.

# **Girton College**

## **Report of the Augmented Council**

**Year Ended 30 June 2011**

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### **Reserves policy**

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

### **Principal risks and uncertainties**

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

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

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

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

The introduction of 39 week tenancies for undergraduates in 2011/12 presents some challenges for the maintenance departments at both sites, reducing the opportunity for Christmas and Easter works to student bedrooms and communal areas.

### **Plans for the future**

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

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

## **Girton College Report of the Augmented Council**

### **Year Ended 30 June 2011**

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Detailed plans for achieving these are still evolving. The main components of the College's strategic plans for the next decade as agreed so far 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 at least a cash-neutral position by 30<sup>th</sup> June 2013. This is a three year recovery plan, the first year of which was 2010/11, and the measures proposed have so far been successfully implemented through the budgeting process;
- b. Building a new wing of student rooms at College to replace 50 undergraduate rooms at Wolfson Court to be converted to graduate use. An architectural competition was held to find an architect to design such a building for Ash Court and Allies and Morrison were appointed. Planning permission has now been achieved and work is expected to start on site in early 2012 with a view to completion in the summer of 2013;
- c. Refurbishing Wolfson Court as wholly or mainly graduate accommodation. A feasibility study has been undertaken to clarify the opportunity which exists to transform this site into a world class graduate centre;
- d. Disposing of all off-site graduate hostels;
- e. Launching a new and ambitious fundraising campaign aimed at:
  - i. Supplementing borrowed funds and the proceeds of sale of the graduate hostels to facilitate the building of the new wing at Ash Court and the subsequent refurbishment of Wolfson Court;
  - ii. Securing sufficient endowment for teaching to meet the gap between the funding provided by the College fee and the actual cost of teaching posts;
  - iii. Building the endowment to a level which would enable the College to break even after depreciation (i.e. to ensure its long term financial sustainability as a permanent institution);
- f. Celebrating the 150<sup>th</sup> anniversary of the founding of the College in 2019.

On behalf of the Augmented Council

Deborah Lowther  
Bursar  
29 November 2011

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

### **Year Ended 30 June 2011**

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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 2011**

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We have audited the financial statements of Girton College for the year ended 30 June 2011 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

#### **Scope of the audit of financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Augmented Council; and the overall presentation of the financial statements. In addition, we read all the financial information in the Report of the Augmented Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the College's affairs as at 30 June 2011 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 1993, the College's Statutes and the Statutes of the University of Cambridge;
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge.



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

**Year Ended 30 June 2011**

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**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 1993 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

# **Girton College**

## **Statement of Principal Accounting Policies**

**Year Ended 30 June 2011**

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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 certain land and buildings.

### **Basis of consolidation**

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

### **Recognition of income**

#### *Academic fees*

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

#### *Restricted grant income*

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

#### *Donations and benefactions*

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

#### *Capital grants and donations*

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

#### *Other income*

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

## **Girton College**

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

#### **Year Ended 30 June 2011**

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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 closing balance of the fund as at the previous 1 January.

##### **Pension schemes**

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

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

##### **Tangible fixed assets**

###### **a. Land and buildings**

Land and buildings are stated at valuation. Where buildings have been revalued, they are valued on the basis of their depreciated replacement cost. The valuation in April 2008 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.

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

###### **b. Maintenance of premises**

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

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

**Year Ended 30 June 2011**

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**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.

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

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

**Investments**

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

**Stocks**

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

**Provisions**

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

**Endowment funds**

Endowment funds are classified under three headings:

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

**Foreign currencies**

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

## **Girton College**

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

**Year Ended 30 June 2011**

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#### **Taxation**

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

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

#### **University Contribution under Statute G,II**

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

**Girton College**  
**Consolidated Income and Expenditure Account**

**Year Ended 30 June 2011**

<b>Income</b>	Note	<b>2011 £'000</b>	<b>2010 £'000 Restated</b>
Academic Fees and Charges	1	2,386	2,332
Residences, Catering and Conferences	2	3,503	3,290
Endowment and Investment Income	3	1,296	983
Donations	4	940	1,654
Surplus on disposal of tangible fixed assets		657	-
<b>Total Income</b>		<u>8,782</u>	<u>8,259</u>
<b>Expenditure</b>			
Education	5	3,433	3,366
Residences, Catering and Conferences	6	5,550	5,521
<b>Total Expenditure</b>	8	<u>8,983</u>	<u>8,887</u>
<b>Operating (Deficit)/Surplus</b>		(201)	(628)
Contribution under Statute G,II	7	<u>(9)</u>	<u>(10)</u>
		(210)	(638)
(Deficit) for the year transferred (to) accumulated income in endowment funds		(52)	(95)
<b>Net (Deficit)</b>		<u>(158)</u>	<u>(543)</u>

All items dealt with in arriving at the deficit for 2011 and 2010 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 2011**

	Restricted Funds £'000	Unrestricted Funds £'000	Total 2011 £'000	Total 2010 £'000 Restated
(Deficit) on income and expenditure account	-	(158)	(158)	(543)
Unspent endowment fund income	(93)	41	(52)	(95)
Increase in market value of investments				
Endowment assets	1,815	469	2,284	3,394
Fixed asset investments	-	2,105	2,105	
Income receivable from investments (net)	-	115	115	407
Investment return transferred to income and expenditure account	(576)	(720)	(1,296)	(983)
Unrealised surplus on revaluation of fixed assets	-	8,267	8,267	-
New endowments	522	519	1,041	1,913
Capital Grant Received from Colleges Fund	-	76	76	132
Transfers	(172)	172	-	-
Actuarial (loss)/gain on pension scheme assets and liabilities	-	1,114	1,114	(1,144)
<b>Total Recognised Gains/(Losses) relating to the year</b>	<b>1,496</b>	<b>12,000</b>	<b>13,496</b>	<b>3,081</b>
<b>Reconciliation</b>				
Opening reserves and endowments	17,813	80,046	97,859	94,778
Total recognised gains/(losses) for the year	1,496	12,000	13,496	3,081
Closing reserves and endowments	<u>19,309</u>	<u>92,046</u>	<u>111,355</u>	<u>97,859</u>

**Girton College**  
**Consolidated Balance Sheet**

**Year Ended 30 June 2011**

	Note		<b>2011</b>	<b>2010</b>
			<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>				
Tangible Assets	10		70,690	63,572
Investments	11		<u>29,477</u>	<u>27,503</u>
			100,167	91,075
<b>Endowment assets</b>	11		23,862	22,032
<b>Current Assets</b>				
Stock			94	64
Debtors	12		512	321
Cash	13		<u>2,325</u>	<u>1,174</u>
			2,931	1,559
<b>Creditors: amounts falling due within one year</b>	14		<u>(1,077)</u>	<u>(1,060)</u>
<b>Net Current Assets</b>			1,854	499
<b>Total Assets Less Current Liabilities</b>			<u>125,883</u>	<u>113,606</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(8,270)	(8,457)
<b>Net Assets excluding Pension Liability</b>			<u>117,613</u>	<u>105,149</u>
<b>Pension Liability</b>	16		(706)	(1,788)
<b>Net Assets including Pension Liability</b>			<u>116,907</u>	<u>103,361</u>
		<b>Restricted Funds</b>	<b>Un-restricted Funds</b>	
		<b>£'000</b>	<b>£'000</b>	
<b>Deferred capital grants</b>	17			<b>2011</b>
				<b>£'000</b>
				<b>2010</b>
				<b>Restated</b>
				<b>£'000</b>
<b>Endowments</b>	18			
Expendable endowments		176	-	176
Permanent endowments		19,133	4,553	23,686
				21,657
<b>Reserves</b>	19			
General reserves excluding pension reserve		-	60,732	60,732
Pension reserve		-	(706)	(706)
Operational property revaluation reserve		-	27,467	27,467
		<u>19,309</u>	<u>92,046</u>	<u>111,355</u>
				<u>97,859</u>
				<u>116,907</u>
				<u>103,361</u>

Approved by the Augmented Council on 29 November 2011 and signed on their behalf by:

Prof Susan Smith  
Mistress

Deborah Lowther  
Bursar



**Girton College**  
**Consolidated Cash Flow Statement**

**Year Ended 30 June 2011**

	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b> <b>Restated</b>
<b>Operating Activities</b>		
Operating (Deficit)	(201)	(628)
Depreciation	1,324	1,332
Surplus on disposal of tangible fixed assets	(657)	-
Pension Reserve Loss/(Surplus)	32	(10)
Deferred Capital Fund Applied	(120)	(88)
Investment Income and interest	(1,296)	(983)
Non cash donation	-	(2,100)
Decrease/(Increase) in Stocks	(30)	(11)
(Increase)/Decrease in Debtors	(191)	339
Increase/(Decrease) in Creditors	(44)	80
<b>Net Cash Outflow from Operating Activities</b>	<b>(1,183)</b>	<b>(2,069)</b>
<b>Returns on Investments and Servicing of Finance</b>		
Investment Income	563	770
Other Interest Received	-	11
Interest Paid	(448)	(412)
<b>Net Cash Inflow from Returns on Investments and Servicing of Finance</b>	<b>115</b>	<b>369</b>
<b>Contribution to Colleges Fund</b>	<b>(9)</b>	<b>(10)</b>
<b>Capital Transactions</b>		
Donations & Benefactions	1,041	1,913
Deferred Capital Grants received	170	-
Capital Grants Received from Colleges Fund	76	132
Proceeds of disposal of tangible fixed assets	948	-
	2,235	2,045
Pension fund special contribution	-	(105)
Payments to Acquire Tangible Fixed Assets	(466)	(395)
Payments to Acquire/Disposals of Investment Assets	584	(5,003)
	118	(5,503)
<b>Net Cash Inflow/(Outflow) from Capital Transactions</b>	<b>2,353</b>	<b>(3,458)</b>
<b>Net Cash Inflow/(Outflow) Before Financing</b>	<b>1,276</b>	<b>(5,168)</b>
<b>Financing</b>		
Long Term Loans Received	-	-
Long Term Loans Repaid	(125)	(121)
<b>Net Cash (Outflow) from Financing</b>	<b>(125)</b>	<b>(121)</b>
<b>Increase/(Decrease) in Cash in Year</b>	<b>1,151</b>	<b>(5,289)</b>

**Girton College**  
**Consolidated Cash Flow Statement (continued)**

**Year Ended 30 June 2011**

	<b>2011</b>	<b>2010</b>	
	<b>£000</b>	<b>£000</b>	
<b>Reconciliation of net cash flow to movement in net liquid assets</b>			
Increase/(Decrease) in Cash in the Year	1,151	(5,289)	
Movement in Long Term Loans	125	121	
Net change in debt	<u>1,276</u>	<u>(5,168)</u>	
Net Debt brought forward at 1 July 2010	<u>(7,045)</u>	<u>(1,877)</u>	
Net Debt carried forward at 30 June 2011	<u><u>(5,769)</u></u>	<u><u>(7,045)</u></u>	
<b>Analysis of Changes in Net Debt</b>			
	<b>At</b>	<b>Cash</b>	<b>At</b>
	<b>1 July</b>	<b>Flows</b>	<b>30 June</b>
	<b>2010</b>	<b>£000</b>	<b>2011</b>
	<b>£000</b>		<b>£000</b>
Cash at bank and in hand	1,174	1,151	2,325
Long term loans	<u>(8,219)</u>	<u>125</u>	<u>(8,094)</u>
	<u><u>(7,045)</u></u>	<u><u>1,276</u></u>	<u><u>(5,769)</u></u>

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

<b>1. Academic Fees and Charges</b>		<b>2011</b>	<b>2010</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 £3,744)		1,835	1,817
Other Undergraduate Fee Income			
Matriculating post 2004/5 (per capita fee £5,545)		272	230
Graduate Fee Income (per capita fee £2,229)		279	285
Total		<u>2,386</u>	<u>2,332</u>
<b>2. Residences, Catering and Conferences Income</b>		<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>
Accommodation	College members	1,878	1,830
	Conferences	312	257
Catering	College members	759	730
	Conferences	554	473
Total		<u>3,503</u>	<u>3,290</u>
<b>3 Endowment and Investment Income</b>			
<b>3a Analysis</b>		<b>2011</b>	<b>2010</b>
		<b>Total</b>	<b>Total</b>
		<b>£000</b>	<b>£000</b>
			<b>Restated</b>
Total return recognised in income and expenditure account (3b)			
Income from:			
Land and buildings		327	324
Quoted securities		969	659
		<u>1,296</u>	<u>983</u>
<b>3b Summary of Total Return</b>		<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>
Income from:			
Land and buildings		638	636
Quoted and other securities and cash		128	269
Gains/(losses) from endowment assets:			
Land and buildings		32	-
Quoted and other securities and cash		4,357	3,394
Loan interest payable		(399)	(405)
Investment management costs		(252)	(96)
Total return for the year		4,504	3,798
Total return transferred to income and expenditure account		(1,296)	(983)
Unapplied total return for year included in STRGL		<u>3,208</u>	<u>2,815</u>

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

<b>3c Investment Management costs</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Land and buildings	37	33
Quoted and other securities and cash	215	63
	<u>252</u>	<u>96</u>
<b>4 Donations</b>	<b>2011 £'000</b>	<b>2010 £'000 Restated</b>
Unrestricted donations	723	828
Restricted donations	97	690
Released from deferred capital grants (see note 17)	120	136
	<u>940</u>	<u>1,654</u>
<b>5. Education Expenditure</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Teaching	1,762	1,748
Tutorial	322	310
Admissions	243	223
Research	610	595
Scholarships and awards	355	341
Other Educational Facilities	141	149
Total	<u>3,433</u>	<u>3,366</u>
<b>6. Residence, Catering and Conferences Expenditure</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Accommodation		
	College Members	2,419
	Conferences	1,133
Catering		
	College Members	1,454
	Conferences	515
Total	<u>5,550</u>	<u>5,521</u>
<b>7. Taxation</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
University Contribution	<u>9</u>	<u>10</u>

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

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

  

<b>8b. Analysis of 2010 Expenditure by Activity</b>	<b>Staff Costs (Note 9) £'000</b>	<b>Other Operating Expenses £'000</b>	<b>Depreciation £'000</b>	<b>Total £'000</b>
Education (Note 5)	2,271	869	226	3,366
Residences, Catering and Conferences (Note 6)	2,635	1,780	1,106	5,521
Other	-	-	-	-
	<u>4,906</u>	<u>2,649</u>	<u>1,332</u>	<u>8,887</u>

Included in the above costs are £407,915 (2010: £423,902) of development costs including alumni relations.

<b>8c. Auditors' remuneration</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Other operating expenses include:		
Audit fees payable to the College's external auditors	17	15
Other fees payable to the College's external auditors	8	16

<b>9. Staff</b>	<b>College Fellows 2011 £'000</b>	<b>Academics 2011 £'000</b>	<b>Other Non- Academics 2011 £'000</b>	<b>Total 2011 £'000</b>	<b>Total 2010 £'000</b>
<b>Staff Costs</b>					
Emoluments	1,242	93	2,806	4,141	4,089
Social Security Costs	94	3	188	285	276
Other Pension Costs (see note 23)	189	4	481	674	541
	<u>1,525</u>	<u>100</u>	<u>3,475</u>	<u>5,100</u>	<u>4,906</u>

**Average Staff Numbers**

Academic	51	19	-	70	74
Non-Academic – full time equivalent	-	-	121	121	124
	<u>51</u>	<u>19</u>	<u>121</u>	<u>191</u>	<u>198</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 2011**

**10. Fixed Assets**

	<b>Assets In Construction</b>	<b>Freehold Land &amp; Buildings</b>	<b>Long Leasehold Land &amp; Buildings</b>	<b>Furniture, Fittings and Equipment</b>	<b>Total</b>
	<b>£,000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Original Cost</b>					
As at 1 July 2010	-	65,897	289	279	66,465
Additions	321	145	-	-	466
Disposals	-	(310)	-	-	(310)
Revaluation	-	4,329	19	-	4,348
As at 30 June 2011	<u>321</u>	<u>70,061</u>	<u>308</u>	<u>279</u>	<u>70,969</u>
<b>Accumulated Depreciation</b>					
At 1 July 2010	-	2,602	12	279	2,893
Charge for the Year	-	1,318	6	-	1,324
Disposals in year	-	(19)	-	-	(19)
Written back on Revaluation	-	(3,901)	(18)	-	(3,919)
At 30 June 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>279</u>	<u>279</u>
<b>Net Book value</b>					
At 30 June 2011	<u>321</u>	<u>70,061</u>	<u>308</u>	<u>-</u>	<u>70,690</u>
At 30 June 2010	<u>-</u>	<u>63,295</u>	<u>277</u>	<u>-</u>	<u>63,572</u>

The insured value of Freehold Buildings at 30 June 2011 was £115,345,200 (2010: £92,276,161).

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

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

<b>11. Investment Assets</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 July 2010	49,535	38,962
Additions	13,306	34,110
Disposals	(12,081)	(14,119)
Appreciation/(depreciation) on revaluation	3,163	4,078
Increase/(Decrease) in Cash Balances held by Fund Managers	(584)	(13,496)
As at 30 June 2011	<u>53,339</u>	<u>49,535</u>

**Represented by:**

	<b>Endowment Assets</b>	<b>Investments</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Freehold Land and Buildings	-	8,590	8,590	8,558
Quoted Securities – Fixed Interest	-	-	-	1,791
Quoted Securities – Equities		24	24	21
Alternative Investments	23,862	14,041	37,903	32,388
Cash held for Reinvestment		1,172	1,172	1,127
Antique Furniture, Works of Art etc		5,650	5,650	5,650
	<u>23,862</u>	<u>29,477</u>	<u>53,339</u>	<u>49,535</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 2011, the College's share in the three remaining properties is estimated to be about £525,000 (gross); this amount is not included within Investment Assets.

<b>12. Debtors</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Members of the College	245	92
Other debtors	233	195
Prepayments and accrued income	34	34
	<u>512</u>	<u>321</u>

<b>13. Cash</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Bank Deposits	2,323	1,172
Cash in Hand	2	2
	<u>2,325</u>	<u>1,174</u>

<b>14. Creditors: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Long Term Loans	127	125
Student Prepayments	90	35
Other Creditors	860	900
	<u>1,077</u>	<u>1,060</u>

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

<b>15. Creditors: amounts falling due after more than one year</b>			<b>2011</b>	<b>2010</b>
			<b>£'000</b>	<b>£'000</b>
Long Term Loans			7,967	8,094
Student Prepayments			303	363
			<u>8,270</u>	<u>8,457</u>
<b>16. Pension liabilities</b>			<b>2011</b>	<b>2010</b>
			<b>£'000</b>	<b>£'000</b>
Balance at beginning of year			1,788	759
Movement in year:				
Current service cost including life assurance			442	221
Contributions			(448)	(399)
Other finance cost			36	63
Actuarial loss/(gain) recognised in statement of total recognised gains and losses			(1,112)	1,144
Balance at end of year			<u>706</u>	<u>1,788</u>
<b>17. Deferred capital grants</b>	<b>Grants</b>	<b>Donations</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>2011</b>	<b>2010</b>
			<b>£'000</b>	<b>£'000</b>
				<b>Restated</b>
Balance at beginning of year				
Buildings	-	5,502	5,502	5,590
Grants and donations received:				
Buildings	-	170	170	48
Released to income and expenditure account::				
Buildings	-	(120)	(120)	(136)
Balance at end of year				
Buildings		5,552	5,552	5,502



**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

18. Endowments	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted Expendable £'000	2011 Total £'000	2010 Total £'000 Restated
<b>Balance at beginning of year:</b>						
Capital	4,064	16,581	20,645	345	20,990	18,821
Unspent income	155	857	1,012	30	1,042	1,095
New endowments received	519	482	1,001	40	1,041	1,913
Income receivable from endowment asset investments	149	576	725	-	725	688
Expenditure	(108)	(669)	(777)	-	(777)	(783)
Net transfer (to)/from income and expenditure account	41	(93)	(52)	-	(52)	(95)
Increase/(decrease) in market value of investments	470	1,814	2,284	-	2,284	1,005
Release of unapplied total return	(149)	(576)	(725)	-	(725)	(688)
Transfers from/(to) general reserves	(546)	67	(479)	(239)	(718)	(19)
Balance at end of year	<u>4,553</u>	<u>19,133</u>	<u>23,686</u>	<u>176</u>	<u>23,862</u>	<u>22,032</u>
Comprising:						
Capital	4,380	18,285	22,665	145	22,810	20,990
Unspent income	173	848	1,021	31	1,052	1,042
Balance at end of year	<u>4,553</u>	<u>19,133</u>	<u>23,686</u>	<u>176</u>	<u>23,862</u>	<u>22,032</u>
<b>Representing</b>						
Fellowship Funds	1,783	8,867	10,650	-	10,650	9,261
Scholarship Funds	-	4,363	4,363	-	4,363	4,021
Prize Funds	142	337	479	-	479	411
Hardship Funds	289	524	813	-	813	700
Bursary Funds	77	2,549	2,626	-	2,626	2,312
Travel grant Funds	16	256	272	-	272	295
Other funds	2,140	1,443	3,583	-	3,583	3,804
General endowments	106	794	900	176	1,076	1,228
	<u>4,553</u>	<u>19,133</u>	<u>23,686</u>	<u>176</u>	<u>23,862</u>	<u>22,032</u>

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

<b>19. Reserves</b>	<b>General reserves £'000</b>	<b>Operational property revaluation reserve £'000</b>	<b>Total 2011 £'000</b>	<b>Total 2010 £'000 Restated</b>
Balance at beginning of year	56,627	19,200	75,827	74,862
(Deficit)/Surplus retained for year	(158)	8,267	8,109	(543)
Capital grant received from Colleges Fund	76	-	76	132
Increase in market value of investments	2,105	-	2,105	2,389
Release of unapplied total return	(456)	-	(456)	112
Actuarial gain/(loss)	1,114	-	1,114	(1,144)
Transfers from Endowment Funds	718	-	718	19
Balance at end of year	<u>60,026</u>	<u>27,467</u>	<u>87,493</u>	<u>75,827</u>

**20. Memorandum of Unapplied Total Return**

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

	<b>2011 £'000</b>	<b>2010 £'000</b>
Unapplied Total Return at beginning of year	6,542	3,727
Unapplied Total Return for the year (see note 3b)	3,208	2,815
Unapplied Total Return at end of year	<u>9,750</u>	<u>6,542</u>

**21. 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.

<b>22. Capital Commitments</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Commitments contracted for at 30 June 2011	<u>423</u>	<u>99</u>

## Girton College Notes to the Accounts

Year Ended 30 June 2011

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### 23. 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 £674,000 (2010: £541,000).

#### Universities Superannuation Scheme

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

The 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 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 board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pension 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 a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2011 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 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus 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 3.3% per annum.

Standard mortality tables were used as follows:

Male members' mortality	PA92 MC YoB tables - rated down 1 year
Female members' mortality	PA92 MC YoB tables – No age rating

## Girton College Notes to the Accounts

### Year Ended 30 June 2011

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#### 23. Pension Schemes (continued)

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

Males (females) currently aged 65	22.8 (24.8) years
Males (females) currently aged 45	24.0 (25.9) years

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) funding level was approximately 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 107% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% 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 6.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%.

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 except that the valuation rate of interest assumed asset outperformance over gilts of 1.7% per annum (compared to 2% per annum for the technical provisions) giving a discount rate of 6.1% per annum; also the allowance for promotional salary increases was not as high. There is currently uncertainty in the sector regarding pay growth. 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.

The scheme wide contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, increased the institution contribution rate to 16% of pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fluctuate and at 31 March 2011 the market's assessment of inflation has increased slightly. The government has also announced a change to the inflation measure used in determining the "Official Pensions Index" from the Retail Prices Index to the Consumer Prices Index. The actuary has taken this all into account in his funding level estimates at 31 March 2011 by reducing the assumption for pension increases from 3.3% to 2.9% p.a. The actuary has estimated that the funding level as at 31 March 2011 under the new scheme specific funding regime had fallen from 103% to 98% (a deficit of circa £7,000 million). Over the past 12 months, the funding level has improved from 91% (as at 31 March 2010) to 98%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the three years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). The next formal valuation is at 31 March 2011 and this will incorporate assumptions agreed by the trustee company.

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

**23. Pension Schemes (continued)**

With effect from 1 October 2011, new joiners to the scheme will join the new revalued benefits section rather than the existing final salary section. This change will have an impact, expected to be positive, on the future funding levels.

On the FRS17 basis, using an 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 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 54%.

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 sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

<i>Assumption</i>	<i>Change in assumption</i>	<i>Impact on scheme liabilities</i>
Valuation rate of interest	Increase/decrease by 0.5%	Decrease/increase by £2.2 billion
Rate of pension increases	Increase/decrease by 0.5%	Increase/decrease by £1.5 billion
Rate of salary growth	Increase/decrease by 0.5%	Increase/decrease by £0.7 billion
Rate of mortality	More prudent assumption (move to long cohort future improvements from the medium cohort adopted at the valuation)	Increase by £1.6 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.

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 major exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognizes that it would be theoretically 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 internal investment team, 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 although the trustee is mindful of the desirability of keeping the funding level on the scheme's technical provisions close to or above 100% thereby minimizing the risk of the introduction of deficit contributions. 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 as at 31 March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

**23. Pension Schemes (continued)**

At 31 March 2011, USS had over 142,000 active members and the college had 68 active members participating in the scheme.

The total pension cost for the College was £192,793 (2010: £217,682). The contribution rate payable by the College was 16% of pensionable salaries

**Cambridge Colleges Federated Pension Scheme**

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

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

	<b>2011</b>	<b>2010</b>
	% p.a	% p.a
Discount rate	5.5%	5.6%
Expected long-term rate of return on Scheme assets	6.2%	6.6%
Salary inflation assumption	3.2% <sup>1</sup>	4.7%
Inflation assumption	3.4%	3.7%
Pension increases (inflation linked)	3.4%	3.7%
Pension increases (capped inflation linked)	3.2%	3.5%

The underlying mortality assumption is based upon the standard table known as Self administered Pension Schemes (SAPS) mortality tables for average normal pensioners projected in line with the CMI 2009 projection and a target long term improvement rate of 0.75% p.a. This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 21.7 year (previously 20.7 years)
  - Female age 65 now has a life expectancy of 23.6 years (previously 23.5 years)
  - Male age 45 now and retiring in 20 years would have a life expectancy then of 22.7 years (previously 21.8 years)
- Female age 45 now and retiring in 20 years would have a life expectancy then of 24.8 years (previously 24.5 years)

**Employee Benefit Obligations**

The amounts recognised in the balance sheet as at 31 March 2011 to the nearest £'000 (with comparative figures as at 31 March 2009) are as follows:

	<b>2011</b>	<b>2010</b>
	£000	£000
Present value of Scheme liabilities	(8,568)	(8,547)
Market value of Scheme assets	7,862	6,759
<b>Surplus/(deficit) in the Scheme</b>	<u>(706)</u>	<u>(1,788)</u>

<sup>1</sup> 2.0% in 2010, 3.2% thereafter

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

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**23. Pension Schemes (continued)**

The amounts to be recognised in the profit and loss for the 15 months to 30 June 2011 (with comparative figures for the year ending 31 March 2010) are as follows:

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Current service cost	441	221
Interest on Scheme liabilities	612	391
Expected return on Scheme assets	(575)	(328)
Past service cost		-
Curtailement gain		-
<b>Total</b>	<u>478</u>	<u>284</u>
Actual return on Scheme assets	810	1,071

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

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Present value of Scheme liabilities at beginning of period	8,547	5,993
Service cost including Employee contributions	608	361
Interest cost	611	391
Actuarial losses/(gains)	(878)	1,887
Benefits paid	(320)	(85)
Present value of Scheme liabilities at end of period	<u>8,568</u>	<u>8,547</u>

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

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Market value of Scheme assets at beginning of period	6,759	5,234
Expected return	575	328
Actuarial gains/(losses)	234	743
Contributions paid by the College	447	399
Employee contributions	167	140
Benefits paid	(320)	(85)
<b>Market value of Scheme assets at end of period</b>	<u>7,862</u>	<u>6,759</u>

The agreed contributions to be paid by the College for the forthcoming year are 17.14% of Contribution Pay plus £104,638 pa, subject to review at future actuarial valuations. This rate excludes PHI.

The major categories of Scheme assets as a percentage of total Scheme assets for the 15 months to 30 June 2011 (with comparative figures for the year ending 31 March 2010) are as follows:

	<b>2011</b>	<b>2010</b>
Equities and Hedge Funds	56%	60%
Bonds and Cash	36%	32%
Property	8%	8%
<b>Total</b>	100%	100%

**Girton College**  
**Notes to the Accounts**

**Year Ended 30 June 2011**

**23. Pension Schemes (continued)**

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 7.1% (2010: 7.5%), property 6.1% (2010: 6.5%) and an expected rate of return on bonds and cash of 4.8% (2010: 5.0%).

Analysis of amount recognizable in statement of total recognised gains and losses (STRGL) for the 15 months to 30 June 2011 (with comparative figures for the year ending 31 March 2010) are as follows:

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Actual return less expected return on Scheme assets	235	743
Experience gains and losses arising on Scheme liabilities	91	114
Changes in assumptions underlying the present value of Scheme liabilities	788	(2,001)
<b>Actuarial gain/(loss) recognised in STRGL</b>	<u>1,114</u>	<u>(1,144)</u>

Cumulative amount of actuarial gains and losses recognised in STRGL for the 15 months to 30 June 2011 (with comparative figures for the year ending 30 June 2010) are as follows:

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Cumulative actuarial gain/(loss) at beginning of period	(1,709)	(565)
Recognised during the period	1,114	(1,144)
<b>Cumulative actuarial gain/(loss) at end of period</b>	<u>(595)</u>	<u>(1,709)</u>

Movement in surplus/(deficit) during the 15 months to 30 June 2011 (with comparative figures for the year ending 31 March 2010) are as follows:

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Surplus/(deficit) in Scheme at beginning of year	(1,788)	(759)
Service Cost (Employer Only)	(442)	(221)
Contributions paid by the College	447	398
Finance Cost	(37)	(62)
Actuarial gain/(loss)	1,114	(1,144)
<b>Surplus/(deficit) in Scheme at the end of the year</b>	<u>(706)</u>	<u>(1,788)</u>

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

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Present value of Scheme liabilities	(8,568)	(8,547)	(5,993)	(6,090)	(5,879)
Market value of Scheme assets	7,862	6,759	5,234	5,699	5,416
<b>Surplus/(deficit) in the Scheme</b>	<u>(706)</u>	<u>(1,788)</u>	<u>(759)</u>	<u>(391)</u>	<u>(463)</u>
Actual return less expected return on Scheme assets	234	743	(1,134)	(409)	(3)
Experience gain/(loss) arising on Scheme liabilities	91	114	(59)	(74)	7
Change in assumptions underlying present value of Scheme liabilities	788	(2,001)	793	455	298



**Girton College**  
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**Year Ended 30 June 2011**

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**24. 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.

**25. Prior Year Adjustments**

The College has adopted the new RCCA guidelines in the current year and therefore comparative figures have been restated to reflect the revised accounting policies. This has affected the classification of reserves as follows:

- a) Deferred Capital Grants are now disclosed separately on the face of the balance sheet rather than as part of restricted reserves.
- b) The classification of reserves between Expendable and Permanent Endowments has been revised.
- c) The classification of reserves between Restricted and Unrestricted Funds has been revised.
- d) Designated funds are not permitted and therefore have been transferred to General Reserves.

The effect of these changes on opening reserves is as follows:

	<b>Restricted Permanent £000</b>	<b>Restricted Expendable £000</b>	<b>Unrestricted Permanent £000</b>	<b>General Reserves £000</b>	<b>2011 Total £000</b>	<b>2010 Total £000 Restated</b>
Opening reserves under previous accounting policies	13,930	7,252	17,924	64,255	103,361	100,370
Deferred Capital Grants	-	(5,490)	-	-	(5,490)	(5,575)
Reclassification between Permanent and Expendable	1,375	(1,375)	-	-	-	-
Reclassification between Restricted and Unrestricted	2,133	-	(2,133)	-	-	-
Removal of Permanent Designated Reserves	-	-	(11,572)	11,572	-	-
Deferral of grant income	-	(12)	-	-	(12)	(17)
Opening reserves as restated	<u>17,438</u>	<u>375</u>	<u>4,219</u>	<u>75,827</u>	<u>97,859</u>	<u>94,778</u>

**Girton College**  
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**25 Prior Year Adjustments continued**

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The effect of the prior year adjustments on the surplus for the year ended 30 June 2010 is as follows:

	<b>2010</b> <b>£000</b>
Operating deficit for the year under previous accounting policies	(1,059)
Unrestricted donations previously classified as endowments	431
	<hr/>
Operating deficit for the year before transfer from endowment funds	<u>(628)</u>