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GIRTON COLLEGE

Huntingdon Road

Cambridge

CB3 0JG

Registered Charity No. 1137541

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2013

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Girton College Members of the Augmented Council

The members of the Augmented Council during the year 2012-13 were as follows:

Susan Jane Smith MA DPhil FBA
Carlo Acerini BSC MBChB DCH MRCP MD MA FRCPCH FRCP
Albertina Albors-Llorens LL.M PHD
Harriet Dorothy Allen MA PHD MSC
Crispin Henry William Barnes BSC PHD
Kathleen Mary Veronica Bennett BSC PHD
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
Colm Durkan BA PHD
Martin William Ennis MA PHD
Shaun David Fitzgerald MA PHD
Christopher John Bristow Ford MA PHD
Abigail Lesley Fowden MA PHD
Alexandra Mary Fulton BSC PHD
Frances Gandy MA
Sinead Maria Garrigan Mattar BA DPHIL
Patricia Mia Gray BA PHD
Benjamin John Griffin MA PHD
Maureen Jane Hackett BA MA
Edward William Holberton BA MPHIL PHD
Katherine Hughes, PhD – BSC BVSC MRCVS PHD
Liliana Janik MPHIL PHD
Andrew Ronald Jefferies MA VETMB FRCPATH
Henrik Latter BA PHD
Clive Lawson MA PHD
Ross Ian Lawther MA PHD
Karen Lesley Lee MA
Deborah Lowther MA
Santa-Phani Gopal Madabhushi PHD
Kamiar Mohaddes BSC MPHIL PHD
Emma Pugh – BSC PHD
Alastair James Reid MA PHD
Julia Margaret Riley MA PHD
Angela Charlotte Roberts PHD
Jochen H Runde – MPHIL PHD
Stuart Ashley Scott MA PHD
Hugh Richard Shercliff MA PHD
Stelios Tofaris MA PHD
Helen Anne Van Noorden BA MPHIL PHD
Per-Olof Helge Wikstrom BA PHD
Neil Wright PHD

Auditors

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

Bankers

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

Investment Advisor

Partners Capital LLP
5 Young Street
London
W8 5EH

Solicitors

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

Girton College

Report of the Augmented Council

Year Ended 30 June 2013

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 2013. 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) (until 30.9.13)
Dr A M Fulton (The Senior Tutor) (from 1.10.13)
Dr K M Veronica Bennett (until 30.9.13)
Dr Chris J B Ford (until 30.9.13)
Ms Frances Gandy (until 30.9.13)
Dr C H W Barnes
Dr L Janik
Ms K Lee (from 1.10.13)
Prof E Briscoe
Dr H Van Noorden
Prof G Madabhushi (from 1.10.13)
Dr S Davis (from 1.10.13)
Dr K Mohaddes (from 1.10.13)
Prof M Savill (from 1.10.13)
Dr Alastair Reid (until 31.12.12)
Mr M Hatfield (JCR President) (until 31.3.13)
Ms A Tobolewska (JCR Vice-President) (until 30.11.12)
Mr S DeBere (JCR Treasurer) (until 30.12.12)
Mr Al-Taie (MCR President) (until 30.5.13)
Ms B Cooke (MCR Vice-President) (until 30.10.13)
Ms S Stillwell (JCR President) (from 1.4.13)
Mr A Adeore (JCR Vice-President) (from 30.11.12)
Mr H Frost (JCR Treasurer) (from 1.1.13)
Ms E Lavan (from 1.6.13)

Girton College Report of the Augmented Council

Year Ended 30 June 2013

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 is held annually for new and continuing members.

Aims and objectives of the College

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

Funding

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

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

The College charges students as follows:

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

- b) Accommodation and meal charges at reasonable rates intended to cover the College's costs.

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

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

Public benefit

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

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

Girton College Report of the Augmented Council

Year Ended 30 June 2013

- 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 2013

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

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

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

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

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

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

In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University, other Colleges and the Isaac Newton Trust, bursary support for those of limited financial means. That scheme is approved by the Office for Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. For the academic year 2012/13, the number of awards made was 119, out of a Home/EU undergraduate population of 481; 55 of the awards were at the maximum value of £3,400; and the average value of the awards was £2,125. The scheme is widely advertised via the University and College websites.

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

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

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

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

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Year Ended 30 June 2013

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

Achievements and performance

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

As at 1st October 2012 the College had 38 Official Fellows, 10 Research Fellows, 5 Professorial Fellows, 4 Supernumerary Fellows, 3 Non-Stipendiary Fellows, 32 Life Fellows, 20 Bye-Fellows, 483 undergraduates, 53 postgraduates and 186 research students in residence in Cambridge. Of these, 2 Official Fellows, 5 Research Fellows, 423 undergraduates, and 96 postgraduate and research students were living in College-owned or College-managed accommodation.

The College was responsible for providing a Director of Studies for each undergraduate, and for providing small-group teaching in addition to the teaching provided by the University. The College employed 37 College Lecturers in all the main subjects offered by the University to undergraduates, of whom 23 were also employed by the University or other institutions and 14 were employed solely by the College or under a share arrangement with another College.

Of the 449 undergraduates entered for Tripos examinations, 74 obtained Firsts, 235 2:1s, 21 Class 2 (undivided), 58 2:2s, 12 Thirds and 49 other results. 13 students de-graded during the year. 41 postgraduate students graduated with Masters level degrees and 24 research students were awarded their PhDs., 2 LLM, 3 PGCE, 6 MAST, 2 Dip and 5 MBA/MFin degrees were also awarded.

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

In its capacity as trustee of restricted funds totalling £22m (see note 19), the College contributed to the cost of the 131 Newton Trust bursaries awarded to Girton students. The College also awarded 17 bursaries which covered most of College charges (the grants were of max £3,500 per year)

The College also hosted 364 conferences and events (see below).

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

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

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Year Ended 30 June 2013

Financial review

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

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

Income and Expenditure Account

The College's income and expenditure account for 2012-13 showed a deficit of £840K after a depreciation charge for the year of £1,409k.

The management accounts for the year showed an operating deficit of £495k (2012-13 deficit £174k) cf. a budgeted operating deficit of £502k (2012-13 budgeted deficit £187k). The costs associated with College's main activities have increased by 2.8% between 2011-12 and 2012-13 (while the associated income streams have increased by 4.7%). This is evidence of effective budgetary control over the operating activities of the College. However, volatility in global investment markets and in the flow of donations and bequests make the overall financial outcome less easy to manage.

The College is liable for the payment of University Contribution under Statute G,II of £9k and received a grant of £100k from the Colleges fund during the year.

Cash flow

The College's operating activities normally absorb an amount of cash equal to the unrestricted investment income available to support them. Cash donations to the College's permanent endowment funds are transferred to the investment portfolio on an annual basis. As at 30th June, a cumulative £5.9m of cash had been expended on the construction of new student accommodation at Ash Court and a new sports pavilion. The total cost of these projects is budgeted to be approximately £9m, the commitment to which has informed the management of cash balances during the year. As demonstrated by the cash flow statement, the College's cash balances reduced by £2.1m during the financial year, mainly due to the on-going construction project (see above). This was offset by Donations & Benefactions of £2.2m (£1.3m more than in 2011-12 in cash terms).

During the year, the College repaid further installments of £132k of long term loans as they fell due.

Balance Sheet and Statement of Total Recognised Gains and Losses

As set out in the statement of total recognised gains and losses, the College's net assets increased by 3% from £112m to £116m. The increase resulted from a combination of investment gains (£4.2m) and new endowments (2.2m), which offset the operating loss and a loss 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 2013

Maintenance of buildings

The College's operational estate is valued in its balance sheet on a depreciated replacement cost basis at £71,042k. The College budgets to spend approximately 1% of this amount annually on routine maintenance. The costs are incurred mainly in supporting an in-house maintenance team with a broad range of skills, together with the materials they require, supplemented by a number of regular and occasional specialist contractors.

Conferences and events

The College utilises surplus accommodation and catering capacity in support of its charitable objectives by hosting a variety of paying conferences and other events throughout the year. Conference and events turnover during the year was £777k (2011-12 - £834k). The contribution to fixed costs generated by this activity was some £50k more than in the previous year. The introduction in 2011/12 of continuous tenancies for undergraduates means that the College has no capacity for residential conferences during the Christmas and Easter vacations. However, it continues to host day conferences and events, particularly weddings and parties throughout the year, and with the construction of the new wing at Ash Court hopes to be able to provide a high standard of accommodation and catering services for niche events closely associated with the College's aims and objectives from 2014/15.

Staff costs and pensions

Staff costs remained static compared to 2011-12. The College continues to offer final salary pension schemes to eligible staff, a policy which remains under continuing review owing to the escalation in the associated cost experienced in the last decade. The reduction in pension costs of 14.2% reflects the most recent actuarial valuation of the CCFPS as at 31st March 2011. This showed the Girton section of the scheme back in surplus, obviating the need for the College to make further additional payments into the scheme as part of a recovery plan. The CCFPS valuation for the purposes of these accounts has once again substantially increased the pension scheme liability in the balance sheet which stands at £3,361k as at 30th June 2013. This reflects increases in the actuarial valuation of the scheme's liabilities. This level of volatility is unhelpful, but the College believes it can afford to take a long term view of the costs and benefits of the scheme on behalf of its staff.

Capital expenditure

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

In 2011/12 the College entered into a contract to build, at a cost of approximately £8.5m, a further 50 student rooms in a new wing on its main site, designed by architects Allies and Morrison to complete Ash Court. As at 30 June 2013, some £5.9m had been invested in this project, which has been largely completed since the year end. The new rooms were available for first occupancy by students in October 2013.

During the year, the College also contracted to build a new sports pavilion on the main site at a cost of approximately £500k, which was opened during the Easter Term of 2013.

As at 30 June 2013, £6,404k had been invested in these capital projects (see note 10).

Girton College Report of the Augmented Council

Year Ended 30 June 2013

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 2013 on the College's investment portfolio was – 6.9% (2011-12 - 2.9%).

Fundraising

Unrestricted donations and bequests totalling £873k, and restricted donations and bequests totalling £1,363k were received during the year and have been added to the College's endowment. Other unrestricted donation income of £834k has been used either for expenditure on the general educational purposes of the College or invested for the long term in accordance with College policy, and £150k has been added to deferred capital grants for buildings (see note 18). Restricted donation income totalling £55k has been received for a variety of purposes. The purposes for which restricted endowments and income have been received include scholarship, bursary and hardship funds, teaching fellowships, student prizes, the refurbishment of student accommodation, and new sports facilities.

The net costs of the alumni relations and development office during the year were £346k (2011-12 £334k). 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 2013

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

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

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

Plans for the future

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

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

Girton College
Report of the Augmented Council

Year Ended 30 June 2013

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

- a. Short-term financial plan: a package of strategies for increasing income and cutting costs with a view to returning the College operating account to a cash-neutral position as soon as possible. The College's ability to implement such measures quickly is constrained by on-going commitments to overlapping cohorts of students, and the College Council has accepted that its operating activities will need to be supported by withdrawals from reserves for the medium term;
- b. Re-organisation of the operational estate: the construction of a new wing of student rooms at College has enabled 50 undergraduate rooms at Wolfson Court to be converted to graduate use, and off-site houses containing a commensurate number of graduate rooms are in the process of being sold. This is expected to reduce maintenance and running costs. The next phase of development of the estate is now under consideration by the College Council;
- c. Implementation of a new strategic academic plan;
- d. *A Great Campaign*; in 2011/12 the College launched a new and ambitious fundraising campaign aimed at:
 - i. Building the endowment to a level which would enable the College to break even after depreciation (i.e. to ensure its long term financial sustainability as a permanent institution);
 - ii. Securing sufficient endowment for teaching to meet the gap between the funding provided by the College fee and existing accumulated endowment funding, and the actual cost of teaching posts;
 - iii. Supplementing borrowed funds and the proceeds of sale of the graduate hostels to facilitate the reorganisation of the operational estate
- e. Celebrating the 150th anniversary of the founding of the College in 2019.

On behalf of the Augmented Council



Deborah Lowther
Bursar
3 December 2013

Girton College Responsibilities of the Council and the Augmented Council

Year Ended 30 June 2013

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 2013

We have audited the financial statements of Girton College for the year ended 30 June 2013 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 frame work that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of the Augmented Council and Auditors

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

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [APB's] Ethical Standards for Auditors.

Scope of the audit of financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the College's affairs as at 30 June 2013 and of the group's income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge;
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge.

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

Year Ended 30 June 2013

Matters on which we are required to report by exception

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

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



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

12 December 2013

Girton College

Statement of Principal Accounting Policies

Year Ended 30 June 2013

Basis of preparation

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

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

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and all operational properties.

Basis of consolidation

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

Recognition of income

Academic fees

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

Restricted grant income

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

Donations and benefactions

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

Capital grants and donations

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

Other income

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

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

Year Ended 30 June 2013

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

Pension schemes

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

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

Tangible fixed assets

a. Land and buildings

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

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

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

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

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

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

Girton College
Statement of Principal Accounting Policies - continued

Year Ended 30 June 2013

b. Maintenance of premises

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

c. Furniture, fittings and equipment

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

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

d. 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 2013

Taxation

The College is a registered charity (number 1137541) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

University Contribution under Statute G,II

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

Girton College
Consolidated Income and Expenditure Account

Year Ended 30 June 2013

		2013 £'000	2012 £'000
Income	Note		
Academic Fees and Charges	1	2,815	2,808
Residences, Catering and Conferences	2	3,561	3,623
Endowment and Investment Income	3	1,341	1,528
Donations	4	1,009	891
Surplus on disposal of tangible fixed assets		-	21
Total Income		<u>8,726</u>	<u>8,871</u>
Expenditure			
Education	5	3,798	3,732
Residences, Catering and Conferences	6	5,759	5,758
Total Expenditure	8	<u>9,557</u>	<u>9,490</u>
Operating (Deficit)		(831)	(619)
Contribution under Statute G,II	7	(9)	(11)
		<u>(840)</u>	<u>(630)</u>
Surplus/(Deficit) for the year transferred from/ (to) accumulated income in endowment funds		30	(119)
Net (Deficit)		<u>(810)</u>	<u>(749)</u>

All items dealt with in arriving at the deficit for 2013 and 2012 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 2013

	Restricted Funds £'000	Unrestricted Funds £'000	Total 2013 £'000	Total 2012 £'000
(Deficit) on income and expenditure account	-	(810)	(810)	(749)
Unspent endowment fund income	(86)	56	(30)	119
(Decrease)/Increase in market value of investments				
Endowment assets	2,061	2,104	4,165	(234)
Fixed asset investments	-	-	-	(1,487)
Income receivable from investments (net)	-	(25)	(25)	71
Investment return transferred to income and expenditure account	(725)	(616)	(1,341)	(1,528)
New endowments	1,363	873	2,236	993
Capital Grant Received from Colleges Fund	-	100	100	-
Actuarial (loss) on pension scheme assets and liabilities	-	(834)	(834)	(1,767)
Transfers	45	(45)	-	-
Total Recognised Gains/(Losses) relating to the year	2,658	803	3,461	(4,582)
Reconciliation				
Opening reserves and endowments	19,297	87,476	106,773	111,355
Total recognised gains/(losses) for the year	2,658	803	3,461	(4,582)
Closing reserves and endowments	<u>21,955</u>	<u>88,279</u>	<u>110,234</u>	<u>106,773</u>

Girton College
Consolidated Balance Sheet

Year Ended 30 June 2013

	Note	2013 £'000	Restated 2012 £'000		
Fixed Assets					
Tangible Assets	10	74,711	70,146		
Investments	11	22,800	24,409		
		<u>97,511</u>	<u>94,555</u>		
Endowment assets	12	29,280	25,319		
Current Assets					
Stock		57	98		
Debtors	13	914	540		
Cash	14	1,318	3,400		
		<u>2,289</u>	<u>4,038</u>		
Creditors: amounts falling due within one year	15	<u>(1,724)</u>	<u>(963)</u>		
Net Current Assets		565	3,075		
Total Assets Less Current Liabilities		<u>127,356</u>	<u>122,949</u>		
Creditors: amounts falling due after more than one year	16	<u>(8,162)</u>	<u>(8,232)</u>		
Net Assets excluding Pension Liability		<u>119,194</u>	<u>114,717</u>		
Pension Liability	17	<u>(3,361)</u>	<u>(2,375)</u>		
Net Assets including Pension Liability		<u>115,833</u>	<u>112,342</u>		
		Restricted Funds £'000	Unrestricted Funds £'000	2013 £'000	Restated 2012 £'000
Deferred capital grants	18	5,599	-	5,599	5,569
Endowments	19				
Expendable endowments		125	-	125	155
Permanent endowments		21,830	7,325	29,155	25,164
		<u>21,955</u>	<u>7,325</u>	<u>29,280</u>	<u>25,319</u>
Reserves	20				
General reserves excluding pension reserve		-	57,946	57,946	56,911
Pension reserve		-	(3,361)	(3,361)	(2,375)
Operational property revaluation reserve		-	26,369	26,369	26,918
		<u>-</u>	<u>80,954</u>	<u>80,954</u>	<u>81,454</u>
Total Reserves and Endowments		<u>21,955</u>	<u>88,279</u>	<u>110,234</u>	<u>106,773</u>
Total Funds		<u>27,554</u>	<u>88,279</u>	<u>115,833</u>	<u>112,342</u>

Approved by the Augmented Council on 3 December 2013 and signed on their behalf by:

Prof Susan Smith
Mistress

Deborah Lowther
Bursar

Girton College
Consolidated Cash Flow Statement

Year Ended 30 June 2013

	2013 £000	2012 £000
Operating Activities		
Operating (Deficit)	(831)	(619)
Depreciation	1,409	1,407
Surplus on disposal of tangible fixed assets	-	(21)
Pension Reserve Loss/(Surplus)	152	(98)
Deferred Capital Fund Applied	(120)	(120)
Investment Income and interest	(1,341)	(1,528)
Decrease/(Increase) in Stocks	41	(4)
(Increase)/Decrease in Debtors	(374)	(28)
Increase in Creditors	825	49
Net Cash Outflow from Operating Activities	(239)	(962)
Returns on Investments and Servicing of Finance		
Investment Income	434	532
Other Interest Received	17	22
Interest Paid	(386)	(392)
Net Cash Inflow from Returns on Investments and Servicing of Finance	65	162
Contribution to Colleges Fund	(11)	(11)
Capital Transactions		
Donations & Benefactions	2,236	993
Deferred Capital Grants received	150	137
Capital Grants Received from Colleges Fund	100	-
Proceeds of disposal of tangible fixed assets	-	21
	2,486	1,151
Payments to Acquire Tangible Fixed Assets	(5,974)	(938)
Disposals of Investment Assets	1,723	1,800
	(4,251)	862
Net Cash (Outflow)/Inflow from Capital Transactions	(1,765)	2,013
Net Cash (Outflow)/Inflow Before Financing	(1,950)	1,202
Financing		
Long Term Loans Repaid	(132)	(127)
Net Cash (Outflow) from Financing	(132)	(127)
(Decrease)/Increase in Cash in Year	(2,082)	1,075

Girton College
Consolidated Cash Flow Statement (continued)

Year Ended 30 June 2013

	2013 £000	2012 £000	
Reconciliation of net cash flow to movement in net liquid assets			
(Decrease)/Increase in Cash in the Year	(2,082)	1,075	
Movement in Long Term Loans	132	127	
Net change in debt	(1,950)	1,202	
Net Debt brought forward	(4,567)	(5,769)	
Net Debt carried forward	<u>(6,517)</u>	<u>(4,567)</u>	
 Analysis of Changes in Net Debt			
	At 1 July 2012 £000	Cash Flows £000	At 30 June 2013 £000
Cash at bank and in hand	3,400	£ (2,082)	1,318
Long term loans	(7,967)	132	(7,835)
	<u>(4,567)</u>	<u>(1,950)</u>	<u>(6,517)</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2013

1. Academic Fees and Charges		2013	2012
		£'000	£'000
College Fees:			
Fee Income paid on behalf of Undergraduates at the Publicly-funded Undergraduate rate (per capita fee £3,951 - £4,500)		1,710	1,834
Privately-funded undergraduate fee income (per capita fee £6,425)		270	333
Graduate Fee Income (per capita fee £2,349)		540	356
		<u>2,520</u>	<u>2,523</u>
Cambridge Bursaries Income		295	285
Total		<u>2,815</u>	<u>2,808</u>
2. Residences, Catering and Conferences Income		2013	2012
		£'000	£'000
Accommodation	College members	2,025	1,962
	Conferences	283	319
Catering	College members	759	827
	Conferences	494	515
Total		<u>3,561</u>	<u>3,623</u>
3 Endowment and Investment Income			
3a Analysis		2013	2012
		Total	Total
		£000	£000
Total return recognised in income and expenditure account (3b)		<u>1,341</u>	<u>1,528</u>
3b Summary of Total Return		2013	2012
		£'000	£'000
Income from:			
Land and buildings		509	585
Quoted and other securities and cash		203	96
Gains/(losses) from endowment assets:			
Land and buildings		-	(1,487)
Quoted and other securities and cash		4,165	(234)
Loan interest payable		(386)	(392)
Investment management costs		<u>(350)</u>	<u>(218)</u>
Total return for the year		4,141	(1,650)
Total return transferred to income and expenditure account		<u>(1,341)</u>	<u>(1,528)</u>
Unapplied total return for year included in STRGL		<u>2,800</u>	<u>(3,178)</u>
3c Investment Management costs		2013	2012
		£'000	£'000
Land and buildings		65	53
Quoted and other securities and cash		285	165
		<u>350</u>	<u>218</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2013

4	Donations			2013	2012
				£'000	£'000
	Unrestricted donations			834	692
	Restricted donations			55	79
	Released from deferred capital grants (see note 17)			120	120
				<u>1,009</u>	<u>891</u>
5.	Education Expenditure			2013	2012
				£'000	£'000
	Teaching			1,838	1,808
	Tutorial			319	324
	Admissions			225	233
	Research			567	580
	Scholarships and awards			718	647
	Other Educational Facilities			131	140
	Total			<u>3,798</u>	<u>3,732</u>
6.	Residence, Catering and Conferences Expenditure			2013	2012
				£'000	£'000
	Accommodation	College Members		2,507	2,488
		Conferences		1,176	1,165
	Catering	College Members		1,557	1,580
		Conferences		519	525
	Total			<u>5,759</u>	<u>5,758</u>
7.	Taxation			2013	2012
				£'000	£'000
	University Contribution			<u>9</u>	<u>11</u>
8a	Analysis of 2013 Expenditure by Activity	Staff Costs (Note 9)	Other Operating Expenses	Depreciation	Total
		£'000	£'000	£'000	£'000
	Education (Note 5)	2,363	1,176	259	3,798
	Residences, Catering and Conferences (Note 6)	2,547	2,062	1,150	5,759
		<u>4,910</u>	<u>3,238</u>	<u>1,409</u>	<u>9,557</u>

Included in the above costs are £346k (2012: £334k) of development office costs including alumni relations.

Girton College
Notes to the Accounts

Year Ended 30 June 2013

8b. Analysis of 2012 Expenditure by Activity	Staff Costs (Note 9) £'000	Other Operating Expenses £'000	Depreciation £'000	Total £'000
Education (Note 5)	2,305	1,173	254	3,732
Residences, Catering and Conferences (Note 6)	2,608	1,997	1,153	5,758
	<u>4,913</u>	<u>3,170</u>	<u>1,407</u>	<u>9,490</u>

8c. Auditors' remuneration	2013 £'000	2012 £'000
Other operating expenses include:		
Audit fees payable to the College's external auditors – 2013 audit	15	-
Audit fees payable to the College's external auditors – 2012 audit	15	-
Audit fees payable to the College's external auditors – 2011 audit	-	16
Other fees payable to the College's external auditors	10	14

9. Staff	Other			Total	Total
	College Fellows 2013 £'000	Academics 2013 £'000	Non- Academics 2013 £'000	2013 £'000	2012 £'000
Staff Costs					
Emoluments	1,274	71	2,831	4,176	4,119
Social Security Costs	99	2	186	287	273
Other Pension Costs (see note 23)	197	3	247	447	521
	<u>1,570</u>	<u>76</u>	<u>3,264</u>	<u>4,910</u>	<u>4,913</u>

Average Staff Numbers

Academic	50	19	-	69	70
Non-Academic – full time equivalent	-	-	119	119	119
	<u>50</u>	<u>19</u>	<u>119</u>	<u>188</u>	<u>189</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 2013

10. Fixed Assets

	Assets In Construction	Freehold Land & Buildings	Long Leasehold Land & Buildings	Furniture, Fittings and Equipment	Software	Total
	£,000	£'000	£'000	£'000	£'000	£'000
Original Cost/valuation						
As at 1 July 2012	1,120	70,125	308	279	-	71,832
Additions	5,284	609	-	39	42	5,974
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
As at 30 June 2013	6,404	70,734	308	318	42	77,806
Accumulated Depreciation						
At 1 July 2012	-	1,401	6	279	-	1,686
Charge for the Year	-	1,403	6	-	-	1,409
Disposals in year	-	-	-	-	-	-
Written back on Revaluation	-	-	-	-	-	-
At 30 June 2013	-	2,804	12	279	-	3,095
Net Book value						
At 30 June 2013	6,404	67,930	296	39	42	74,711
At 30 June 2012	1,120	68,724	302	-	-	70,146

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

The insured value of Freehold Buildings at 30 June 2013 was £98,656,015 (2012: £91,939,360).

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

11. Fixed Asset Investments Consolidated and College

	2013 £000	Restated 2012 £000
College Expendable Investments (note 12)	22,800	24,409

Subsidiary Undertaking

At 30 June 2013, Girton College held an investment in the following company:

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

Girton College
Notes to the Accounts

Year Ended 30 June 2013

12. Endowment Assets	2013 £'000	2012 £'000
As at 1 July 2012	49,728	53,339
Additions	8,267	8,142
Disposals	(10,613)	(11,052)
Appreciation/(depreciation) on revaluation	4,167	(1,415)
Increase/(Decrease) in Cash Balances held by Fund Managers	531	714
As at 30 June 2013	<u>52,080</u>	<u>49,728</u>
Represented by:		Restated
	2013 £'000	2012 £'000
Freehold Land and Buildings	7,103	7,103
Quoted Securities – Equities	25	23
Alternative Investments	36,870	35,066
Cash held for Reinvestment	2,417	1,886
Antique Furniture, Works of Art etc	5,665	5,650
	<u>52,080</u>	<u>49,728</u>
College Expendable Investments (note 11)	(22,800)	(24,409)
	<u>29,280</u>	<u>25,319</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 2013, the College's share in the three remaining properties is estimated to be about £525k (gross); this amount is not included within Investment Assets.

13. Debtors	2013 £'000	2012 £'000
Members of the College	215	348
Other debtors	640	152
Prepayments and accrued income	59	40
	<u>914</u>	<u>540</u>
14. Cash	2013 £'000	2012 £'000
Bank Deposits	1,316	3,398
Cash in Hand	2	2
	<u>1,318</u>	<u>3,400</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2013

15. Creditors: amounts falling due within one year			2013	2012
			£'000	£'000
Long Term Loans			135	131
Student Prepayments			20	69
Other Creditors			1,569	763
			<u>1,724</u>	<u>963</u>
16. Creditors: amounts falling due after more than one year			2013	2012
			£'000	£'000
Long Term Loans			7,700	7,836
Student Prepayments			462	396
			<u>8,162</u>	<u>8,232</u>
17. Pension liabilities			2013	2012
			£'000	£'000
Balance at beginning of year			2,375	706
Movement in year:				
Current service cost including life assurance			308	283
Contributions			(200)	(365)
Other finance cost			44	(16)
Actuarial loss/(gain) recognised in statement of total recognised gains and losses			834	1,767
Balance at end of year			<u>3,361</u>	<u>2,375</u>
18. Deferred capital grants	Grants	Donations	Total	Total
	£'000	£'000	2013	2012
			£'000	£'000
				Restated
Balance at beginning of year				
Buildings	-	5,569	5,569	5,552
Grants and donations received:				
Buildings	-	150	150	137
Released to income and expenditure account::				
Buildings	-	(120)	(120)	(120)
Balance at end of year				
Buildings	-	5,599	5,599	5,569

Girton College
Notes to the Accounts

Year Ended 30 June 2013

19. Endowments	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted Expendable £'000	2013 Total £'000	Restated 2012 Total £'000
Balance at beginning of year:						
Prior year adjustment (note 27)	4,419	19,142	23,561	155	23,716	23,862
Restated opening balance	1,603	-	1,603	-	1,603	1,583
	<u>6,022</u>	<u>19,142</u>	<u>25,164</u>	<u>155</u>	<u>25,319</u>	<u>25,445</u>
Balance at beginning of year:						
Capital	5,964	18,189	24,153	-	24,153	24,393
Unspent income	58	953	1,011	155	1,166	1,052
	<u>6,022</u>	<u>19,142</u>	<u>25,164</u>	<u>155</u>	<u>25,319</u>	<u>25,445</u>
New endowments received	873	1,339	2,212	24	2,236	1,093
Income receivable from endowment asset investments	157	703	860	-	860	863
Other income	-	53	53	-	53	-
Expenditure	(101)	(788)	(889)	(54)	(943)	(744)
Net transfer (to)/from income and expenditure account	56	(32)	24	(54)	(30)	119
Increase/(decrease) in market value of investments	419	1,336	1,755	-	1,755	(1,144)
Transfers between funds	(45)	45	-	-	-	(194)
Balance at end of year	<u>7,325</u>	<u>21,830</u>	<u>29,155</u>	<u>125</u>	<u>29,280</u>	<u>25,319</u>
Comprising:						
Capital	7,256	20,864	28,120	-	28,120	24,153
Unspent income	69	966	1,035	125	1,160	1,166
Balance at end of year	<u>7,325</u>	<u>21,830</u>	<u>29,155</u>	<u>125</u>	<u>29,280</u>	<u>25,319</u>
Representing						
Fellowship Funds	1,865	10,827	12,692	-	12,692	11,219
Scholarship Funds	-	4,721	4,721	-	4,721	4,429
Prize Funds	145	364	509	-	509	461
Hardship Funds	313	579	892	-	892	801
Bursary Funds	79	2,666	2,745	-	2,745	2,526
Travel grant Funds	16	262	278	-	278	261
Other funds	2,213	1,486	3,699	125	3,824	3,493
General endowments	2,694	925	3,619	-	3,619	2,129
	<u>7,325</u>	<u>21,830</u>	<u>29,155</u>	<u>125</u>	<u>29,280</u>	<u>25,319</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2013

20. Reserves	General reserves £'000	Operational property revaluation reserve £'000	Total 2013 £'000	Restated Total 2012 £'000
Balance at beginning of year as previously stated	56,139	26,918	83,057	87,493
Prior year adjustment (note 27)	(1,603)	-	(1,603)	(1,583)
Restated opening balance	<u>54,536</u>	<u>26,918</u>	<u>81,454</u>	<u>85,910</u>
(Deficit)/Surplus retained for year	(810)	-	(810)	(749)
Capital grant received from Colleges Fund	100	-	100	-
(Decrease)/Increase in market value of investments	1,044	-	1,044	(2,114)
Actuarial gain/(loss)	(834)	-	(834)	(1,687)
Transfers from Endowment Funds	-	-	-	94
Transfer in respect of depreciation on revalued operational properties	549	(549)	-	-
Balance at end of year	<u>54,585</u>	<u>26,369</u>	<u>80,954</u>	<u>81,454</u>

21. Memorandum of Unapplied Total Return

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

	2013 £'000	2012 £'000
Unapplied Total Return at beginning of year	6,572	9,750
Unapplied Total Return for the year (see note 3b)	2,800	(3,178)
Unapplied Total Return at end of year	<u>9,372</u>	<u>6,572</u>

22. Policy on Management of Reserves

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

23. Capital Commitments

	2013 £'000	2012 £'000
Commitments contracted for at 30 June 2013	<u>1,900</u>	<u>8,300</u>

Girton College Notes to the Accounts

Year Ended 30 June 2013

24. Pension Schemes

The College's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federation Pension Scheme (CCFPS). The total pension cost for the period was £446,516 (2012: £521,079).

University Superannuation Scheme

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

The appointment of directors to the board of the trustee is determined by the trustee 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; and a minimum of three and a maximum of five are independent 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.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, the actuary carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2013 are also included in this note.

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

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

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

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

Girton College
Notes to the Accounts

Year Ended 30 June 2013

24. Pension Schemes (continued)

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

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

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

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

Since the valuation effective date there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

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

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

Flexible retirement - flexible retirement options were introduced.

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

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

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

The actuary has estimated that the funding level as at 31 March 2013 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are cited as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2013 estimation.

Girton College
Notes to the Accounts

Year Ended 30 June 2013

24. Pension Schemes (continued)

On the FRS17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2013 was 68%. As estimate of the funding level measured on a historic gilts basis at the date was approximately 55%.

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

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

At 31 March 2013, USS had over 148,000 active members and the College had 65 active members participating in the scheme. The contribution rate payable by the College was 16% of pensionable salaries.

Cambridge Colleges Federated Pension Scheme

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

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

	2013	2012
	% p.a	% p.a
Discount rate	4.6	4.7
Expected long-term rate of return on Scheme assets	6.2	5.6
Salary inflation assumption	2.8 ¹	2.2 ²
Retail Price Index (RPI) assumption	3.3	2.7
Consumer Prices Index (CPI) assumption	2.3	1.7
Pension increases (inflation linked)	3.3	2.7
Pension increases (capped inflation linked)	3.1	2.5

¹ 1.5% in 2013; 2.8% thereafter

² 1.5% in 2012 and 2013; 2.2% thereafter

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 2012 projection and a target long-term improvement rate of 0.75% p.a. The allowance for improvements has been updated from 2012 when the CMI 2011 project table was adopted. This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 22.0 years (previously 21.9).
- Female age 65 now has a life expectancy of 24.2 years (previously 24.1).
- Male age 45 now and retiring in 20 years would have a life expectancy then of 22.9 years (previously 22.8).
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.3 years (previously 25.3).

Girton College
Notes to the Accounts

Year Ended 30 June 2013

24. Pension Schemes (continued)

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2013 to the nearest £'000 (with comparative figures as at 30 June 2012) are as follows:

	2013 £000	2012 £000
Present value of Scheme liabilities	(11,349)	(9,486)
Market value of Scheme assets	7,988	7,111
Surplus/(deficit) in the Scheme	<u>(3,361)</u>	<u>(2,375)</u>

The amounts to be recognised in the profit and loss for the 12 months ending 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Current service cost	308	283
Interest on Scheme liabilities	449	472
Expected return on Scheme assets	(404)	(489)
Total	<u>353</u>	<u>266</u>
Actual return on Scheme assets	856	(895)

Changes in the present value of the Scheme liabilities for the 12 months to 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Present value of Scheme liabilities at beginning of period	9,486	8,568
Service cost including Employee contributions	434	411
Interest cost	449	472
Actuarial losses/(gains)	1,286	383
Benefits paid	(306)	(348)
Present value of Scheme liabilities at end of period	<u>11,349</u>	<u>9,486</u>

Changes in the fair value of the Scheme assets for the 12 months ending 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Market value of Scheme assets at beginning of period	7,111	7,862
Expected return	404	488
Actuarial gains/(losses)	453	(1,384)
Contributions paid by the College	200	365
Employee contributions	126	128
Benefits paid	(306)	(348)
Market value of Scheme assets at end of period	<u>7,988</u>	<u>7,111</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2013

24. Pension Schemes (continued)

The agreed contributions to be paid by the College for the forthcoming year are 11.81% of Contribution Pay plus £22,808 pa to cover expenses, subject to review at future actuarial valuations. This rate excludes PHI.

The major categories of Scheme assets as a percentage of total Scheme assets at 30 June 2013 (with comparative figures at 30 June 2012) are as follows:

	2013	2012
Equities and Hedge Funds	68%	66%
Bonds and Cash	24%	25%
Property	8%	9%
Total	100%	100%

The expected long term rate of return on the Scheme assets has been calculated based upon the major asset categories shown in the above table and an expected rate of return on equities and hedge funds of 7.0% (2012: 6.4%), property 6.0% (2012: 5.4%) and an expected rate of return on bonds and cash of 4.0% (2012: 3.7%).

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL) for the 12 months ending 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Actual return less expected return on Scheme assets	453	(1,384)
Experience gains and losses arising on Scheme liabilities	27	(281)
Changes in assumptions underlying the present value of Scheme liabilities	<u>(1,313)</u>	<u>(102)</u>
Actuarial gain/(loss) recognised in STRGL	<u>(834)</u>	<u>(1,767)</u>

Cumulative amount of actuarial gains and losses recognised in STRGL for the 12 months to 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Cumulative actuarial gain/(loss) at beginning of period	(2,363)	(595)
Recognised during the period	<u>(834)</u>	<u>(1,767)</u>
Cumulative actuarial gain/(loss) at end of period	<u>(3,197)</u>	<u>(2,362)</u>

Movement in surplus/(deficit) during the 12 months to 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Surplus/(deficit) in Scheme at beginning of year	(2,375)	(706)
Service Cost (Employer Only)	(307)	(283)
Contributions paid by the College	200	365
Finance Cost	(45)	16
Actuarial gain/(loss)	<u>(834)</u>	<u>(1,767)</u>
Surplus/(deficit) in Scheme at the end of the year	<u>(3,361)</u>	<u>(2,375)</u>

Girton College
Notes to the Accounts

Year Ended 30 June 2013

24. Pension Schemes (continued)

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

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Present value of Scheme liabilities	(11,349)	(9,486)	(8,568)	(8,547)	(5,993)
Market value of Scheme assets	<u>7,988</u>	<u>7,111</u>	<u>7,862</u>	<u>6,759</u>	<u>5,234</u>
Surplus/(deficit) in the Scheme	<u>(3,361)</u>	<u>(2,375)</u>	<u>(706)</u>	<u>(1,788)</u>	<u>(759)</u>
Actual return less expected return on Scheme assets	453	(1,384)	234	743	(1,134)
Experience gain/(loss) arising on Scheme liabilities	27	(281)	91	114	(59)
Change in assumptions underlying present value of Scheme liabilities	(1,313)	(102)	788	(2,001)	793

25. Related Party Transactions

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

26. Contingent Liabilities

As disclosed in note 24, with effect from 16 March 2007, the Universities Superannuation Scheme (USS) positioned itself as a "last man standing" scheme so that in the event of an insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers.

27. Prior Year Adjustment

A prior year adjustment has been made to reclassify donations received for the general endowment of the College.