

**ROBINSON COLLEGE**

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

# Robinson College

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## Robinson College

### College Details

Year ended 30 June 2011

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#### Address

Robinson College  
Grange Road  
Cambridge  
CB3 9AN

#### Registered Charity Number

1137494

#### Charity Trustees (Members of Council)

Prof A D Yates	Dr J E Smith
Prof D A Ritchie	Dr H Hedgeland
Dr E M Alves Da Silva	Dr J R Thurlow
Dr W Nolan	Mr R Reason
Dr A Markaki	Dr B J McCabe
Prof A Dawar	Dr C Warner
Dr D Thom	Dr G A C Jones
Prof P Kornicki	Dr M J Duer

#### Senior Officers

Warden:	Prof A D Yates
Senior Tutor:	Dr W P Nolan
Finance Bursar:	Mr R Reason
Domestic Bursar:	Wg Cdr P Milloy

#### Principal Advisors:

#### Actuaries

Cartwright Group Ltd  
Suite 7, 2<sup>nd</sup> Floor, The Hub  
IQ Farnborough  
Farnborough  
Hampshire  
GU14 7JP

#### 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 Advisers

Morgan Stanley & Co, International plc 25 Cabot Square Canary Wharf London E14 4QA	UBS AG 1 Curzon Street London W1J 5UB
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#### Solicitors

Taylor Vinters LLP  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

## Robinson College

### Financial Report to the Council and Governing Body

Year ended 30 June 2011

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#### Introduction

Founded in 1977 as a place of religion, education, learning and research and named in memory of the benefactor, David Robinson, the College is a self-governing community of Fellows and scholars and one of the 31 Colleges of the University of Cambridge. The College has 82 Fellows and 547 junior members, of whom 395 are undergraduates and 152 are graduate students. The College funds its charitable objectives from academic fees, student residence and catering charges, income from conferences and investments, and from donations and legacies.

A College of Robinson's size requires at least £40 million to support its charitable objects, maintain the estate and absorb ongoing real reductions in public funding. Being a young College it does not yet have this size of endowment (as at 30<sup>th</sup> June endowment assets amounted to £20 million). To address this the College has a clear strategy that inter-locks the three main drivers of endowment growth being the return on its investments, fundraising and its operating result. The aim is to produce an operating result of zero before donations for the general use of the College and to be cash flow positive before investment activity. This allows us to take a long-term view of endowment assets (20 years) and to allocate investment capital to assets which are most likely to produce superior long-term returns. If the operating result is zero or above, all donations for general use can be added to the endowment rather than being used to pay day-to-day expenses. This is a powerful message to alumni benefactors who benefitted from a brand-new set of College buildings and are concerned that enough capital is accumulated to replace them.

The College recognised that times were likely to become more difficult early and, with the help and support of its staff, was able to implement a number of measures to control its cost base. The year of this report is the second year of a two year wage freeze. The College also closed its staff final salary pension scheme to new joiners whilst increasing the staff contribution rate.

#### Public Benefit Statement

In accordance with its Statutes, the College's charitable purpose is to advance education, learning, research and religion through the provision of a College in the University of Cambridge.

The College provides, in conjunction with the University of Cambridge, an education 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:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems;
- 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 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;
- 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 abroad; 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 a Library, so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely, external scholars and researchers.

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

However, 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 alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities.

## Robinson College

### Financial Report to the Council and Governing Body

#### Year ended 30 June 2011

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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 of Fair Access and provides benefits at a higher level than the minimum OFFA requirement.

To support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages.

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship.

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to Robinson College, the College operates an outreach programme. This programme includes a 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.

The College carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, the College:

- Maintains and supports the Chapel as a place of religious worship and holds religious services on both during the week and on Sundays during term, which are open to the general public and visitors.
- Maintains its outstanding choral tradition, which is integral to the provision of divine service in its Chapel, through the College's Choir which includes both Fellows and students of the College and students from other Colleges.
- Supports, through the College Chaplain, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none.
- The College Chaplain is an ordained priest from any church within the World Council of Churches.

#### Income and Expenditure

The net operating position of the College improved in the year by £308,000 to a surplus of £103,000. Whilst good, this should be seen in the light of a depreciation charge on the College's buildings of £385,000 against a replacement cost of £49 million. If the College were to use the replacement cost, rather than the historic cost, as the base to be depreciated, and depreciated that base over 70 years it would imply a depreciation charge of £700,000, an increase in the charge of £315,000.

	2011 £'000	2010 £'000
Net surplus/(deficit)	157	(43)
FRS 17 pension cost adjustments	72	88
Unrestricted donations	(166)	(390)
Expenditure relating to prior years	<u>40</u>	<u>140</u>
Operating result	<u>103</u>	<u>(205)</u>

Total income increased by 4.3% and expenditure by 1.3%. Income from fees was up 2.1% and from accommodation 6.9%. Income from conferences was up 13.8% as the effects of the initial reaction to the credit crunch ameliorated. Academic fees received amounted to £1,808,000. The full costs of education were £2,714,000. The shortfall of £906,000 was found from the College's other income. This shortfall could be expressed as an education subsidy found by the College.

Salary and wage costs of College Officers, College Teaching Officers and support staff amounted to £3,682,000 an increase of 2.4%.

#### Investments

The year-end value of the portfolio was £18.2 million an increase of £1.26 million. The return on investment for the year was 8.3%. It is quite hard to benchmark this return as only 33% of the College's investments are in assets with daily liquidity and valuation (equities). The remaining 67% are held in cash, property, private equity and hedge funds. Since March 2011, 20% has been held in cash to cover a property commitment, 12% held in property which has not been re-valued and 15% in private equity funds which are at the early stage of their expected "hockey-stick" return profile (i.e. showing low returns). The College had an extremely cautious view of the investment horizon as at the year-end reflecting its low weighting to equities (its benchmark weight is 50%).

## Robinson College

### Financial Report to the Council and Governing Body

Year ended 30 June 2011

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The College's investments are overseen by an Investment Committee of 7, including three external members. Between meetings an Executive Committee of 2 external members, the Warden and the Finance Bursar are empowered to take decisions. Investments are held directly and in client accounts at Morgan Stanley and UBS. Cash holdings are diversified across multiple banks and held in liquid maturities. The College's investments are diversified across markets and asset classes. The College invests part of the endowment in illiquid assets as it believes that illiquidity premia are sometimes available in certain asset types: however it always keeps sufficient cash to meet any foreseeable immediate needs.

#### Cash and Cash Flow

The College accords a high priority to maintaining a strong cash position. Not only does this allow the College to take a long-term view in the asset allocation and management of its endowment assets but those assets do not have to be sold to meet operational needs when markets are depressed. It also provides insurance against a downturn in our income and against contingencies.

As at 30<sup>th</sup> June the College held £1,925,000 of cash within current assets and £3,581,000 within the endowment. The College had a cash inflow from operating activities of £182,000 (after adjusting for the pension deficit payments of £324,000). The cash held in the endowment is for the purposes of funding private equity commitments and an expected property purchase. The College targets holding £2 million of cash in current assets, the rationale for which is outlined below.

- (1) 25% (£1.97 million) of the College's total forecast annual income for 2011-12 comes from the conference business. 65% of this has already been contracted and £900,000 has already been delivered. Although about a third of income is from corporate clients, 20% is from academic events, 33% from associations, institutions and charities and 10% from the health sector: all these sources of income are likely to remain under severe pressure. The variable costs directly associated with producing that income (food and bar supplies, temporary staff and promotion and marketing) are of the order of 35%. Whilst savings would undoubtedly also be made in housekeeping and catering and could be quite substantial if the College believed any downturn was permanent, that would take time to achieve, so prudence dictates that they are not factored into any calculation of a required cash reserve. Any loss of income feeds directly into the income and expenditure account and cash flow at a rate of about 65%. Assuming a worst-case shortfall of £400,000 a year for 2 years the College would require a cash buffer of £500,000 (being £800,000 at 65%).
- (2) The cash shown when the accounts are struck at 30<sup>th</sup> June is at the high point of considerable seasonality: the College expends £1 million more than it receives between July and the end of September. £1 million of cash is therefore held to fund this period of operation.
- (3) A substantial, unbudgeted, expenditure might have to be made on the buildings. Replacing the boilers would cost £500,000 for instance. £500,000 is therefore held as a contingency reserve.

#### Support Received

This year the College received £166,000 in unrestricted donations and grants as well as substantial support from other Colleges and endowments to aid its teaching and research activities. A total of £746,000 was received from all these sources.

The Warden, Fellows and Junior Members in Residence are grateful to the Members and Friends of the College who have helped it to fulfil its charitable objects.

#### Capital and Reserves

Capital and reserves increased by £1.8 million during the year to £30.4 million (6.2%).

Expenditure on maintenance and improvements amounted to £1,104,658. The Royal Institute of Chartered Surveyors recommends that a minimum of 1.5% of the insured value of the estate be spent on maintenance each year. With a gross replacement value of £49.2 million the College faces routine annual expenditure on buildings of at least £738,000. Expenditure is likely to be higher than that minimum for the foreseeable future as the College is two years into a programme to refit all 19 staircases of the main building at the rate of at least one staircase a year.

## **Robinson College**

### **Financial Report to the Council and Governing Body**

**Year ended 30 June 2011**

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#### **Outlook**

The College's financial position is sound, particularly for such a young institution. It is an unfortunate fact that the younger Colleges find it more difficult to attract Fellows and often have to devote a considerable portion of their scarce resources in paying for teaching in consequence. In addition upwards of 70% of donation income is received from alumni aged 50 or more. Robinson's first cohort of undergraduates is only just reaching this age so its donation income is much lower than most other Colleges in Cambridge. Nevertheless the College has substantial advantages: a location that is rapidly becoming the centre of the University, an integrated and modern set of buildings on one site, gorgeous gardens, a substantial conference business and a friendly fellowship and staff.

**A D Yates**  
**Warden**

**R G Reason**  
**Finance Bursar**

**Date: 21 November 2011**

## **Robinson College**

### **Corporate Governance**

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

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1. The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137494) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Trustees are advised in carrying out its duties by the following Committees: academic expenses, admissions, archives, audit, bursaries, chapel, development, education, fellowship, finance, gardens, health and safety, investment, IT, joint liaison, library, membership, remuneration, financial assistance, tutorial, visual arts and website.
4. The principal officers of the College are the Warden, the Finance Bursar and the Senior Tutor.
5. It is the duty of the Audit Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Trustees.
6. There are Registers of Interests of trustees and of the senior administrative officers. Declarations of interest are made systematically at meetings.
7. The College's Trustees during the year ended 30 June 2011 are set out on page 1.

## **Robinson College**

### **Statement of Internal Control**

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

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1. The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Council and Governing Body are responsible, in accordance with the College's Statutes.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.
3. The systems of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2011 and up to the date of approval of the financial statements.
4. The Trustees' review of the effectiveness of the system of internal control is informed in particular by the work of its Audit Committee comprising 3 Fellows appointed for non-concurrent 3 year terms to oversee and challenge all aspects of the College's financial and operational performance but also the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

**Statement of Responsibilities of the College's Charity Trustees**

**Year Ended 30 June 2011**

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The Council in conjunction with the Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require that financial statements are prepared for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing those financial statements the Council in conjunction with the Governing Body is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Council in conjunction with the Governing body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and to enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Robinson College**

### **Independent Auditors' Report to the Council and Governing Body of Robinson College**

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

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We have audited the financial statements of Robinson 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 and College balance sheets, 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 Council and Governing Body, 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 Council and Governing Body 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the College's Council and Governing Body and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the Council and Governing Body are 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 Council; and the overall presentation of the financial statements. In addition, we read all the financial information in the Trustee's Report 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.

**Robinson College**

**Independent Auditors' Report to the Council and Governing Body of Robinson College (*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 Governing Body Report 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 Statutory Auditors**

**CAMBRIDGE**

**Date: 30 November 2011**

## **Robinson 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 7.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments which are included at valuation.

#### **Basis of consolidation**

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 12. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

#### **Recognition of income**

##### **a) 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.

##### **b) 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.

##### **c) 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.

##### **d) Other income**

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

##### **e) Endowment and investment income**

The College invests its endowment investment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. The income crediting policy has been agreed by Council as 4% of the opening value of its investment assets. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments.

## Robinson College

### Statement of Principal Accounting Policies

Year Ended 30 June 2011

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#### Pension schemes

The College participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee administered fund. Because of the mutual nature of the scheme, the College 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 Account represents the contributions payable to the scheme in respect of the accounting period.

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) Freehold Land and Buildings

Land and buildings are stated at cost. Freehold buildings are depreciated on a straight line basis over their expected useful economic lives of 50 years. Freehold land is not depreciated.

Where 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. The related benefactions are credited to permanent capital.

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 June and are depreciated when brought into use.

##### b) Maintenance of premises

The cost of major refurbishment and maintenance that restores value is capitalised and depreciated over the expected useful economic life of the asset concerned. The College also sets aside sums periodically to meet future maintenance costs, these being disclosed as designated reserves.

##### c) Furniture, fittings and equipment

Furniture, fittings, and equipment are capitalised at cost. Depreciation is provided in equal annual instalments over the estimated useful lives of the assets, which are as follows:

Library books	15 years
Furniture and equipment	10 years
Catering equipment	10 years
Information Technology	4 years

These assets are assumed to be scrapped once they reach the end of their estimated useful lives. Therefore they are eliminated from the financial statements at this point.

##### d) Heritage assets

The College does not hold any assets that should be classed as heritage assets.

## **Robinson College**

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

**Year Ended 30 June 2011**

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#### **Investments and Endowment Assets**

##### **a) Securities**

Securities are shown at their market value. Investment income is included when dividends and interest become payable. Interest on bank deposits is included as earned.

##### **b) Works of art**

Works of art are shown in the accounts at their insured value.

##### **c) Subsidiary undertakings**

The College's investment in its subsidiary undertakings is shown at cost less any provision for impairment in value.

##### **d) Unlisted investments**

Unlisted investments are stated at market value where possible otherwise at cost less any provision for permanent diminution in value.

##### **e) Property**

Investment properties are included at open market valuation. A formal valuation was carried out by Bush & Co Estate Agents, as at 30 June 2009.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

#### **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.

#### **Taxation**

The College is a registered charity (number 1137494) 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.

#### **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 may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

## Robinson College

### Consolidated Income and Expenditure Account

Year Ended 30 June 2011

	Note	2011 £000	2010 £000 Restated
<b>Income</b>			
Academic fees and charges	1	1,808	1,770
Residence, catering and conferences	2	4,573	4,213
Endowment and investment income	3	720	590
Donations and grants	4	429	585
Other income	5	114	173
<b>Total income</b>		<b>7,644</b>	<b>7,331</b>
<b>Expenditure</b>			
Education	6	2,714	2,810
Residence, catering & conferences	7	4,109	3,865
Other expenditure	8	714	766
<b>Total expenditure</b>	9	<b>7,537</b>	<b>7,441</b>
<b>Surplus/(deficit) on continuing operations before Contribution under Statute G, II</b>		107	(110)
Contribution under Statute GII		-	-
<b>Surplus/(deficit) on continuing operations after Contribution under Statute G, II</b>		<b>107</b>	<b>(110)</b>
Deficit for the year transferred from accumulated income in endowment funds		50	67
<b>Surplus/(deficit) for the year retained within general reserves</b>		<b>157</b>	<b>(43)</b>

All items dealt with in arriving at the surplus/(deficit) for 2011 and 2010 relate to continuing operations.

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.

The notes on pages 18 to 31 form part of these accounts

**Robinson College**

**Consolidated Statement of Total Recognised Gains and Losses**

**Year Ended 30 June 2011**

	Note	Restricted Funds £000	Unrestricted Funds £000	Total £000	2010 £000 Restated
Surplus/(deficit) on income and expenditure account		-	157	157	(43)
Unspent endowment fund income		(50)	-	(50)	(67)
Increase in market value of Investments		198	1,047	1,245	2,537
Net Income Receivable from Securities Investments		6	30	36	10
Endowment Return Transferred to I and E Account		(108)	(571)	(679)	(590)
Capital grant from Colleges Fund	21	-	409	409	397
New endowments	21	58	-	58	66
Transfers		(3)	3	-	-
Actuarial gain/(loss) in respect of pension scheme	19	-	789	789	(255)
<b>Total Recognised Gains relating to the Year</b>		<u>101</u>	<u>1,864</u>	<u>1,965</u>	<u>2,055</u>
Prior year adjustment	30	(3,147)	2	(3,145)	(3,304)
<b>Total Recognised Gains/(Losses) since the last annual report</b>		<u>(3,046)</u>	<u>1,866</u>	<u>(1,180)</u>	<u>(1,249)</u>
<b>Reconciliation</b>					
<b>Opening reserves and endowments as previously stated</b>		5,847	22,843	28,690	26,794
Total recognised gains/(losses) for the year		(3,046)	1,866	(1,180)	(1,249)
<b>Closing reserves and endowments</b>		<u>2,801</u>	<u>24,709</u>	<u>27,510</u>	<u>25,545</u>

The notes on pages 18 to 31 form part of these accounts

# Robinson College

## Balance Sheet

As at 30 June 2011

	Note	Consolidated 2011 £000	College 2011 £000	Consolidated 2010 £000 Restated	College 2010 £000 Restated
<b>Fixed assets</b>					
Tangible assets	11	15,693	15,693	15,824	15,776
Investments	12	5,302	5,303	4,547	4,548
		<u>20,995</u>	<u>20,996</u>	<u>20,371</u>	<u>20,324</u>
<b>Endowment assets</b>	13	12,942	12,942	12,433	12,433
<b>Current assets</b>					
Stocks	14	115	115	83	83
Debtors	15	1,312	1,248	1,475	1,447
Cash	16	1,925	1,791	2,055	1,996
		<u>3,352</u>	<u>3,154</u>	<u>3,613</u>	<u>3,526</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(1,549)</u>	<u>(1,352)</u>	<u>(1,415)</u>	<u>(1,281)</u>
<b>Net current assets</b>		<u>1,803</u>	<u>1,802</u>	<u>2,198</u>	<u>2,245</u>
<b>Total assets less current liabilities excluding pension liability</b>		35,740	35,740	35,002	35,002
<b>Creditors : amounts falling due in more than one year</b>	18	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>
<b>Net assets excluding pension liability</b>		31,740	31,740	31,002	31,002
<b>Pension liability</b>	19	(1,307)	(1,307)	(2,349)	(2,349)
<b>Net assets including pension liability</b>		<u>30,433</u>	<u>30,433</u>	<u>28,653</u>	<u>28,653</u>
<b>Represented by:</b>					
		<b>Restricted Funds £000</b>	<b>Unrestricted Funds £000</b>	<b>2011 Total £000</b>	<b>2010 Total £000 Restated</b>
<b>Deferred Capital Grants</b>	20	2,923	-	2,923	3,108
<b>Endowments</b>					
Expendable endowments	21	1,246	-	1,246	1,264
Permanent endowments	21	1,555	10,141	11,696	11,169
		<u>2,801</u>	<u>10,141</u>	<u>12,942</u>	<u>12,433</u>
<b>Reserves</b>					
General reserves excluding pension reserve	22	-	15,875	15,875	15,461
Pension reserve	22	-	(1,307)	(1,307)	(2,349)
		<u>-</u>	<u>14,568</u>	<u>14,568</u>	<u>13,112</u>
<b>Total Reserves and Endowments</b>		<u>2,801</u>	<u>24,709</u>	<u>27,510</u>	<u>25,545</u>
<b>Total Funds</b>		<u>5,724</u>	<u>24,709</u>	<u>30,433</u>	<u>28,653</u>

The financial statements were approved by the Council and Governing Body on 21 November 2011 and are signed on their behalf by:

### R Reason

#### Finance Bursar

The notes on pages 18 to 31 form part of these accounts

**Robinson College****Consolidated Cash Flow Statement****For the Year Ended 30 June 2011**

	Note	2011 £000	2010 £000 Restated
<b>Net Cash (Outflow) from Operating Activities</b>	24	(142)	(289)
<b>Returns on Investments and Servicing of Finance</b>	25	142	112
<b>Capital Expenditure and Financial Investment</b>	25	<u>(130)</u>	<u>(227)</u>
<b>(Decrease) in Cash in Year</b>		<u>(130)</u>	<u>(404)</u>
<b>Reconciliation of Net Cash Flow to Movement in net debt</b>			
(Decrease) in Cash in Year		(130)	(404)
Net Debt at beginning of year		(1,945)	(1,541)
<b>Net Debt at end of year</b>	26	<u>(2,075)</u>	<u>(1,945)</u>

The notes on pages 18 to 31 form part of these accounts

# Robinson College

## Notes to the Accounts

### For the Year Ended 30 June 2011

1. Academic Fees and Charges	2011 £000	2010 £000
College Fees:		
Fee Income paid on behalf of Undergraduates at the Publicly-funded Undergraduate rate (per capita fee £3,861)	1,390	1,373
Privately-funded Undergraduate Fee Income (per capita fee £5,000)	170	174
Fee Income received at the Graduate Fee rate (per capita fee £2,229)	243	220
Other fees	5	3
Total	<u>1,808</u>	<u>1,770</u>
<b>2. Income from Residences, Catering and Conferences</b>	<b>2011 £000</b>	<b>2010 £000</b>
Accommodation		
College members	2,404	2,248
Conferences	632	600
Catering		
College members	512	509
Conferences	1,025	856
Total	<u>4,573</u>	<u>4,213</u>
<b>3. Endowment and Investment Income</b>	<b>2011 £000</b>	<b>2010 £000</b>
<b>3a. Analysis</b>		<b>Restated</b>
Income from:		
Total return contribution (note 3b)	679	566
Other interest receivable	41	24
Total	<u>720</u>	<u>590</u>
<b>3b. Summary of Total Return</b>	<b>2011 £000</b>	<b>2010 £000</b>
Income from:		
Land and Buildings	80	80
Quoted and other securities and cash	117	63
Gains/(losses) on Endowment assets:		
Quoted and other securities and cash	1,165	2,457
Investment management costs (note 3c)	(81)	(76)
<b>Total Return for year</b>	<u>1,281</u>	<u>2,524</u>
Total return transferred to income and expenditure account	(679)	(567)
<b>Unapplied total return for the year included within statement of total recognised gains and losses (note 23)</b>	<u>602</u>	<u>1,957</u>
<b>3c. Investment Management Costs</b>	<b>2011 £000</b>	<b>2010 £000</b>
Quoted securities and other investments	<u>81</u>	<u>76</u>
<b>4. Donations and Grants</b>	<b>2011 £000</b>	<b>2010 £000</b>
		<b>Restated</b>
Unrestricted donations	98	322
Grant income	147	79
Released from deferred capital grants (note 20)	184	184
Total	<u>429</u>	<u>585</u>

**Robinson College****Notes to the Accounts****For the Year Ended 30 June 2011**

<b>5. Other Income</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Miscellaneous income	114	173
Total	<u>114</u>	<u>173</u>
<b>6. Education Expenditure</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Teaching	1,841	1,901
Tutorial	524	548
Admissions	122	109
Research	152	145
Scholarships and awards	14	15
Other educational facilities	61	92
Total	<u>2,714</u>	<u>2,810</u>
<b>7. Residences, Catering and Conferences Expenditure</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Accommodation		
College members	1,452	1,373
Conferences	720	660
Catering		
College members	1,189	1,205
Conferences	748	627
Total	<u>4,109</u>	<u>3,865</u>
<b>8. Other Expenditure</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Expenditure of restricted funds	34	42
Academic	162	164
Administration	34	39
College Officers	62	61
Domestic Services	68	55
Loan Interest	202	202
Other grant expenditure	79	66
Other	33	12
Net finance charge in respect of defined benefit pension scheme	40	125
Total	<u>714</u>	<u>766</u>

# Robinson College

## Notes to the Accounts

### For the Year Ended 30 June 2011

#### 9a. Analysis of 2010/11 Expenditure by Activity

	Staff costs (note 10) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	1,472	961	281	2,714
Residence, catering and conferences	2,055	1,716	338	4,109
Other	155	535	24	714
<b>Total</b>	<b>3,682</b>	<b>3,212</b>	<b>643</b>	<b>7,537</b>

Expenditure includes fundraising costs of £107,943. This expenditure includes the costs of alumni relations.

#### 9b. Analysis of 2009/10 Expenditure by Activity

	Staff costs (note 10) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	1,527	1,016	267	2,810
Residence, catering and conferences	1,902	1,639	324	3,865
Other	168	575	23	766
<b>Total</b>	<b>3,597</b>	<b>3,230</b>	<b>614</b>	<b>7,441</b>

Expenditure includes fundraising costs of £124,756. This expenditure includes the costs of alumni relations.

#### 9c. Auditors' remuneration

	2011 £000	2010 £000
Other operating expense include:		
Audit fees payable to the College's external auditors	18	17
Other fees payable to the College's external auditors	10	9

#### 10. Staff

	College fellows £000	Non- academic £000	Total 2011 £000	Total 2010 £000
<b>Staff costs:</b>				
Emoluments	878	2,287	3,165	3,058
Social security costs	52	145	197	210
Other pension costs (note 28)	138	182	320	329
	<b>1,068</b>	<b>2,614</b>	<b>3,682</b>	<b>3,597</b>
	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
Average staff numbers (full time equivalent):				
Academic	82	-	82	84
Non-academic	-	99	99	98
	<b>82</b>	<b>99</b>	<b>181</b>	<b>182</b>

The Governing Body comprises of 82 fellows, of which 19 are stipendiary.

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

During the year emoluments paid to trustees in their capacity as College Fellows was:

	2011 £000	2010 £000
Aggregate Emoluments	<b>260</b>	<b>262</b>

The trustees receive no emoluments in their role as trustees of the Charity.

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2011

11. Tangible Assets Consolidated

	Freehold Land £000	Freehold Buildings £000	Furniture Fittings and Equipment £000	Library Books £000	Total £000
<b>Cost</b>					
At beginning of year	3,443	19,108	2,025	356	24,932
Additions at cost	-	307	182	24	513
Disposals	-	-	(174)	(27)	(201)
At end of year	3,443	19,415	2,033	353	25,244
<b>Depreciation</b>					
At beginning of year	-	8,032	1,013	64	9,109
Charge for the year	-	385	234	24	643
Eliminated on disposal	-	-	(174)	(27)	(201)
At end of year	-	8,417	1,073	61	9,551
<b>Net book value</b>					
At end of year	3,443	10,998	960	292	15,693
At beginning of year	3,443	11,076	1,012	292	15,824

The insured value of freehold land and buildings as at 30 June 2011 was £49,199,915 (2010: £78,791,900)

Tangible Assets College

	Freehold land £000	Freehold buildings £000	Furniture fittings and equipment £000	Library books £000	Total £000
<b>Cost</b>					
At beginning of year	3,443	19,061	2,025	356	24,885
Additions at cost	-	354	182	24	560
Disposals	-	-	(174)	(27)	(201)
At end of year	3,443	19,415	2,033	353	25,244
<b>Depreciation</b>					
At beginning of year	-	8,032	1,013	64	9,109
Charge for the year	-	385	234	24	643
Eliminated on disposal	-	-	(174)	(27)	(201)
At end of year	-	8,417	1,073	61	9,551
<b>Net book value</b>					
At end of year	3,443	10,998	960	292	15,693
At beginning of year	3,443	11,029	1,012	292	15,776

# Robinson College

## Notes to the Accounts

### For the Year Ended 30 June 2011

<b>12. Fixed Asset Investments Consolidated and College</b>	<b>2011 £000</b>	<b>2010 £000 Restated</b>
College Expendable Investments (note 13)	5,302	4,547
Investment in Subsidiary undertakings	1	1
	<u>5,303</u>	<u>4,548</u>

#### Subsidiary Undertakings

At 30 June 2011, Robinson College held an investment in the following companies:

Subsidiary Undertaking	Holding	Proportion of voting rights	Country of Incorporation	Nature of Business
Robinson College Enterprises Ltd	Ordinary	100%	United Kingdom	Provision of conference facilities
Robinson College Developments Ltd	Ordinary	100%	United Kingdom	Provision of development facilities

<b>13. Endowment Assets Consolidated and College</b>	<b>2011 £000</b>	<b>2010 £000 Restated</b>
Balance at beginning of year	16,981	14,164
Additions	4,686	8,095
Disposal	(6,688)	(6,612)
Appreciation on revaluation	783	1,929
Increase in cash balances held at fund managers	2,482	(595)
Balance at end of year	<u>18,244</u>	<u>16,981</u>
Represented by:		
Property	2,000	2,000
Quoted Securities/unit trusts/hedge funds	12,177	13,392
Cash with investment managers	3,581	1,099
Wine and works of art	486	490
	<u>18,244</u>	<u>16,981</u>
College Expendable Investments (note 12)	(5,302)	(4,547)
	<u>12,942</u>	<u>12,433</u>

Unrestricted investment assets comprise permanent unrestricted investments of £10,141,000 (note 21) plus college expendable investments of £5,302,000 (note 12) giving a total of £15,443,000

<b>14. Stocks</b>	<b>Consolidated 2011 £000</b>	<b>College 2011 £000</b>	<b>Consolidated 2010 £000</b>	<b>College 2010 £000</b>
Goods for resale	<u>115</u>	<u>115</u>	<u>83</u>	<u>83</u>
<b>15. Debtors</b>	<b>Consolidated 2011 £000</b>	<b>College 2011 £000</b>	<b>Consolidated 2010 £000</b>	<b>College 2010 £000</b>
Long term debtors and loan	806	806	908	908
Members of the College	87	87	73	73
Amounts due from subsidiary undertakings	-	111	-	190
Other debtors	319	143	398	180
Prepayments	100	101	96	96
	<u>1,312</u>	<u>1,248</u>	<u>1,475</u>	<u>1,447</u>

Within amounts owed by long term debtors, £700,000 (2010: £800,000) is due outside of one year.

**Robinson College**

**Notes to the Accounts**

**Year Ended 30 June 2011**

<b>16. Cash</b>	<b>Consolidated 2011 £000</b>	<b>College 2011 £000</b>	<b>Consolidated 2010 £000</b>	<b>College 2010 £000</b>
Bank deposits	1,239	1,239	1,918	1,918
Current accounts	673	539	125	66
Cash in hand	13	13	12	12
	<u>1,925</u>	<u>1,791</u>	<u>2,055</u>	<u>1,996</u>
<b>17. Creditors: Amounts Falling Due within one year</b>	<b>Consolidated 2011 £000</b>	<b>College 2011 £000</b>	<b>Consolidated 2010 £000</b>	<b>College 2010 £000</b>
Trade Creditors	352	167	340	207
Members of the College	172	172	168	167
University fees	344	344	233	233
Other creditors	590	578	618	618
Accruals & deferred income	91	91	56	56
	<u>1,549</u>	<u>1,352</u>	<u>1,415</u>	<u>1,281</u>
<b>18. Creditors: Amounts Falling Due after more than one year</b>	<b>Consolidated 2011 £000</b>	<b>College 2011 £000</b>	<b>Consolidated 2010 £000</b>	<b>College 2010 £000</b>
Long term bank loan	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
The long term bank loan is due for repayment in 2047.				
<b>19. Pension Liability Group and College</b>			<b>2011 £000</b>	<b>2010 £000</b>
Balance at beginning of year			2,349	2,329
Movement in year:				
Current service cost			299	293
Contributions			(592)	(653)
Other finance (income)/cost			40	125
Actuarial loss/(gain) recognised in the statement of total recognised gains and losses			(789)	255
Balance at end of year			<u>1,307</u>	<u>2,349</u>
<b>20. Deferred capital grants Group and College Buildings</b>		<b>Donations</b>	<b>2011 £000 Total</b>	<b>2010 £000 Total Restated</b>
Balance at beginning of year		3,108	3,108	3,292
Released to income and expenditure account		(184)	(184)	(184)
Balances at end of year		<u>2,923</u>	<u>2,923</u>	<u>3,108</u>

Robinson College

Notes to the Accounts

Year Ended 30 June 2011

21. Endowments Group and College	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>						
As previously stated	13,060	1,019	14,079	1,720	15,799	14,938
Prior year adjustment (note 30)	(3,327)	418	(2,910)	(457)	(3,366)	(3,228)
<b>Restated opening balance:</b>	<u>9,733</u>	<u>1,436</u>	<u>11,169</u>	<u>1,264</u>	<u>12,433</u>	<u>11,710</u>
Capital	9,733	1,033	10,766	(36)	10,730	9,940
Unspent Income	-	403	403	1,300	1,703	1,770
	<u>9,733</u>	<u>1,436</u>	<u>11,169</u>	<u>1,264</u>	<u>12,433</u>	<u>11,710</u>
New endowments received	409	41	450	17	467	463
Income receivable from endowment asset investments	-	57	57	51	109	95
Expenditure	-	(30)	(30)	(128)	(237)	(162)
Net transfer (to)/from Income and expenditure account	-	27	27	(77)	(50)	(67)
Transfers	-	-	-	(3)	(3)	-
Increase in market value of investments	-	51	51	45	96	327
<b>Balance at end of year</b>	<u>10,141</u>	<u>1,555</u>	<u>11,696</u>	<u>1,246</u>	<u>12,942</u>	<u>12,433</u>
Comprising:						
Capital	10,141	1,125	11,266	26	11,292	10,730
Unspent Income	-	430	430	1,220	1,650	1,703
<b>Balance at end of year</b>	<u>10,141</u>	<u>1,555</u>	<u>11,696</u>	<u>1,246</u>	<u>12,942</u>	<u>12,433</u>
<b>Representing</b>						
Fellowship Funds	-	-	-	1,179	1,179	1,206
Scholarship Funds	-	256	256	47	303	284
Prize Funds	-	107	107	12	119	109
Hardship Funds	-	130	130	-	130	127
Other Funds	-	1,062	1,062	8	1,070	974
General endowments	10,141	-	10,141	-	10,141	9,733
<b>Group Total</b>	<u>10,141</u>	<u>1,555</u>	<u>11,696</u>	<u>1,246</u>	<u>12,942</u>	<u>12,433</u>

# Robinson College

## Notes to the Accounts

Year Ended 30 June 2011

22. Reserves Group and College	General reserves £000	2011 Total £000	2010 Total £000 Restated
Balance at beginning of year as previously stated	9,783	9,783	8,565
Prior year adjustment (note 30)	3,329	3,329	3,215
Restated opening balance	<u>13,112</u>	<u>13,112</u>	<u>11,780</u>
Surplus retained for the year	157	157	(43)
Actuarial gain/(loss)	789	789	(255)
Increase/(decrease) in market value of investments	507	507	1,630
Transfers	3	3	-
Balance at end of year	<u><u>14,568</u></u>	<u><u>14,568</u></u>	<u><u>13,112</u></u>
<b>23. Memorandum of Unapplied Total Return</b>		<b>2011 £000</b>	<b>2010 £000</b>
Included within the reserves the following amounts represent the Unapplied Total Return of the College:			
Unapplied total return at beginning of year		2,253	296
Unapplied total return for the year		602	1,957
Unapplied total return at end of year		<u><u>2,855</u></u>	<u><u>2,253</u></u>
<b>24. Reconciliation of consolidated operating surplus to net cash inflow from operating activities</b>		<b>2011 £000</b>	<b>2010 £000 Restated</b>
Surplus/(Deficit) on continuing operation		107	(110)
Depreciation of tangible fixed assets		643	613
Deferred capital grants released to income		(184)	(184)
Investment Income		(720)	(590)
Pension costs less contributions payable		(252)	(235)
(Increase)/Decrease in Stocks		(32)	(2)
(Increase)/Decrease in Debtors		162	71
Increase/(Decrease) in Creditors		134	148
<b>Net cash inflow from operating activities</b>		<u><u>(142)</u></u>	<u><u>(289)</u></u>
<b>25. Cash flows</b>		<b>2011 £000</b>	<b>2010 £000 Restated</b>
<b>Returns on investments and servicing of finance</b>			
Endowment and investment income received		<u>142</u>	<u>112</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(512)	(308)
Net purchase of long term investments		(85)	(382)
New endowments received		467	463
Net cash outflow from capital expenditure and financial investment		<u><u>(130)</u></u>	<u><u>(227)</u></u>

**26. Analysis of changes in net debt**

	At beginning of year £000	Cash flows £000	At end of year £000
Cash at bank and in hand	2,055	(130)	1,925
Debts falling due after more than one year	(4,000)	-	(4,000)
Net Debt	<u>(1,945)</u>	<u>(130)</u>	<u>(2,075)</u>

**27. Capital Commitments**

At 30 June 2011 future capital expenditure authorised and committed amounted to £Nil (2010: £285,000)

**28. Pension Scheme**

The College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS), and the Cambridge Colleges Federation Pension Scheme (CCFPS). The total pension cost for the year ended 30 June 2011 was as follows:

	2011 £000	2010 £000
USS: Contributions	128	127
CCFPS: Charged to income and expenditure account	192	202
	<u>320</u>	<u>329</u>

**University Superannuation Scheme**

The College participates in the Universities Superannuation Scheme, 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.

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 college 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 I&E 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 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 carried 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.

**28. Pension Scheme continued**

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) the 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 out performance 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. 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, agreed to increase the College's 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 scheme specific funding regime had fallen from 103% to 98% (a deficit of circa £700 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.

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 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.

The next formal triennial actuarial valuation is due as at 31 March 2011 and will incorporate allowance for scheme benefit changes and any changes the trustee makes to the underlying actuarial assumptions. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

At 31 March 2011, USS had over 142,000 active members and the college had 33 active members participating in the scheme.

**28. Pension Scheme continued**

**Cambridge Colleges Federation Pension Scheme**

The College is a member of a multi-employer defined benefit scheme, the Cambridge Colleges' Federated Pension Scheme. A full valuation was undertaken as at 31 March 2008 and updated to 30 June 2011 by a qualified independent Actuary.

The agreed contributions to be paid by the College for the forthcoming year are 17.22% of Contribution Pay for non salary sacrifice members (25.72% of Contribution Pay for salary sacrifice members) plus £323,781pa from 1 July 2011, subject to review at future actuarial valuations. This rate excludes PHI.

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

	<b>30 June 2011</b>	<b>30 June 2010</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Discount rate	5.50	5.30
Expected long-term rate of return on Scheme assets	6.20	6.70
Increase in salaries	3.20*	4.15**
Retail Price Index (RPI) assumption	3.40	3.40
Consumer Price Index (CPI) assumption	2.70	n/a
Pension increases (RPI linked)	3.40	3.40
Pension increases (RPI linked with 5% pa Cap)	3.20	3.20

\* For 2011 assumption is 2%pa for 2011 then 3.2% thereafter

\*\* For 2010 assumption is 0.5% pa for 2011 then 4.15% 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 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)

	<b>Long term rate of return expected at 30/06/11</b>	<b>Value at 30/06/11 £'000</b>	<b>Long term rate of return expected at 30/06/10</b>	<b>Value at 30/06/10 £'000</b>
Equities and Hedge Funds	7.1%	3,951	7.8%	3,617
Bonds & Cash	4.8%	2,540	4.7%	1,869
Property	6.1%	564	6.5%	543
Total		<u>7,055</u>		<u>6,029</u>

## 28. Pension Scheme continued

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

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2011 £000	2010 £000	2011 £000	2010 £000	2011 £000	2010 £000
Opening balances	(8,378)	(7,401)	6,029	5,072	(2,349)	(2,329)
Service cost	(299)	(293)	-	-	(299)	(293)
Employer contributions	-	-	567	563	567	563
Expected return on scheme assets	-	-	400	330	400	330
Contributions by members	-	-	25	90	25	90
Interest cost	(440)	(455)	-	-	(440)	(455)
Actuarial gains/(losses)	352	(608)	437	353	789	(255)
Benefits and expenses paid	403	379	(403)	(379)	-	-
Closing balances	<u>(8,362)</u>	<u>(8,378)</u>	<u>7,055</u>	<u>6,029</u>	<u>(1,307)</u>	<u>(2,349)</u>

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

	Year ended 30 June 2011 £000	Year ended 30 June 2010 £000
In staff costs:		
Current service cost	275	203
	<u>275</u>	<u>203</u>
In other expenditure:		
Interest cost	440	455
Expected return on pension scheme assets	(400)	(330)
Net return	<u>40</u>	<u>125</u>
Actual return on pension scheme assets	<u>837</u>	<u>683</u>

The amounts recognised in the statement of total recognised gains and losses are as follows:

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Actual return less expected return on scheme assets	437	353
Experience gains and losses arising on Scheme liabilities	(195)	276
Changes in assumptions underlying the present value of Scheme liabilities	547	(883)
	<u>789</u>	<u>(254)</u>

Notes to the Accounts

Year Ended 30 June 2011

**28. Pension Scheme continued**

Cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses are as follows:

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Opening cumulative actuarial gain/loss	(2,011)	(1,757)
Recognised during the year	789	(254)
Closing cumulative actuarial gain/loss	<u>(1,222)</u>	<u>(2,011)</u>

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

	30 June 2011 £000	30 June 2010 £000	30 June 2009 £000	30 June 2008 £000	30 June 2007 £000
Present value of Scheme liabilities	(8,362)	(8,378)	(7,401)	(6,449)	(6,505)
Market value of Scheme assets	7,055	6,029	5,072	5,403	5,560
<b>Surplus/(deficit) in the Scheme</b>	<u>(1,307)</u>	<u>(2,349)</u>	<u>(2,329)</u>	<u>(1,046)</u>	<u>(945)</u>
Experience gain/(loss) arising on Scheme liabilities	(195)	276	41	(256)	(40)
Actual return less expected return on Scheme assets	437	353	(787)	(658)	159
Change in assumptions underlying present value of Scheme liabilities	547	(883)	(490)	850	162

**29. Related Party Transactions**

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

**30. 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) Designated funds are not permitted and therefore have been transferred to General Reserves.
- d) Land previously classified as Permanent has now been transferred to General Reserves.
- e) A restricted trust fund has been correctly reclassified as deferred income as the balance represents unspent grant income.

**Robinson College****Notes to the Accounts****Year Ended 30 June 2011**

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**30. Prior Year Adjustments continued**

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	4,127	1,720	13,060	9,783	28,690	26,794
Deferred Capital Grants	(3,108)	-	-	-	(3,108)	(3,291)
Reclassification between Permanent and Expendable	418	(418)	-	-	-	-
Reclassification of land	-	-	(2,950)	2,950	-	-
Removal of Permanent Designated Reserves	-	-	(377)	377	-	-
Deferral of grant income	-	(39)	-	2	(37)	(12)
Opening reserves as restated	<u>1,437</u>	<u>1,264</u>	<u>9,733</u>	<u>13,112</u>	<u>25,545</u>	<u>23,491</u>

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

	<b>2010 £000</b>
Operating deficit for the year under previous accounting policies	(19)
Specific donations classified as endowments	(66)
Deferred grant income	(25)
Operating deficit for the year before transfer from endowment funds	<u>(110)</u>