

ROBINSON COLLEGE

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2012

Robinson College

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Robinson College

College Details

Year ended 30 June 2012

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 (retired 30/09/2011)	Dr S T Trudgill (appointed 01/10/11)
Prof D A Ritchie	Dr H Hedgeland (retired 30/09/2011)	Mr M J Reavley (appointed 01/10/11)
Dr E M Alves Da Silva	Dr J R Thurlow (retired 30/09/2011)	Dr M W Gehring (appointed 01/10/11)
Dr W Nolan	Mr R Reason	Dr D A Woodman (appointed 01/10/11)
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 (retired 30/09/2011)	

Senior Officers

Warden:	Prof A D Yates
Senior Tutor:	Dr W P Nolan
Bursar:	Mr R Reason

Principal Advisors:

Actuaries

Cartwright Group Ltd
Suite 7, 2nd 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 2012

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 554 junior members, of whom 389 are undergraduates and 165 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 a sizeable endowment to support its charitable objects, maintain the estate and absorb the removal of public funding from the 2012 matriculands onwards without reducing the quality of the education it offers or its support of research. Being a young College it does not yet have this size of endowment (as at 30th June investment assets amounted to £18.7 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 but after fully providing for the replacement of buildings in operational use 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.

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 2012

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 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 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 adjusted operating surplus of the College improved in the year by £311,000. However there was still a deficit on the College's preferred operating measure of operating result before unrestricted donations of £154,000. The College changed its depreciation policy in the year to one of using replacement cost instead of historic cost depreciation. This has increased the depreciation charge on the buildings from £281,000 to £805,000, an increase of £524,000.

	2012 £'000	2011 £'000
Net reported surplus	139	157
Unrestricted donations	<u>(293)</u>	<u>(98)</u>
Operating deficit/surplus	(154)	59
Increase in depreciation charge	<u>524</u>	-
Adjusted operating surplus	370	59
FRS 17 pension cost adjustments	35	72
Expenditure relating to prior years	-	<u>40</u>
Comparative operating result	<u>405</u>	<u>171</u>

The change in depreciation policy means that the accounts are, for the first time, showing the full depreciation charge on the value of the remaining useful lives of the College's operational buildings. That value is £56,526,000 and is shown on the balance sheet of the College resulting in a very large increase in closing reserves and endowments of £45,081,000. Whilst being much closer to reality than the old historic cost basis, the depreciated replacement value is still £19.3 million less than the full reinstatement value of the buildings: that is the shortfall that will eventually have to be funded by our endowment when the buildings are replaced.

Total income increased by 9.4% and expenditure by 9.7%. Income from fees was up 6.5% and from conferences was up 11.4% - another very strong performance. The increase in expenditure was distorted by the change to the depreciation policy. Without that expenditure would have increased by 4.4%. Academic fee income received amounted to £2,177,000. The full costs of education were £3,485,000. The shortfall of £1,308,000 was found from the College's other income. Salary and wage costs of College Officers, College Teaching Officers and support staff amounted to £3,806,000 an increase of 3.4%. Within that the amount spent on education rose 7.3% whilst that spent on support was almost unchanged.

Robinson College

Financial Report to the Council and Governing Body

Year ended 30 June 2012

Investments

The year-end value of the portfolio was £18.7 million an increase of £0.5 million. The return on investment for the year was 3.4%. During the year £6,000,000 was placed for management with the Cambridge University Endowment Fund. This was funded by the sale of the majority of the College's hedge fund portfolio and its equity index trackers.

The 3.4% total return on the portfolio was a good relative performance for the year though below the long-term expected return on the portfolio of a real 6.2% (which would have meant a nominal return of 9.0% in 2011-12). For comparison the FTSE all share index was down 3.1%, the MSCI world equity index was down 4.3% and the WM total charity fund index down by 1.2%.

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, with the University of Cambridge in its endowment fund 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 investment assets but those assets are unlikely to 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 30th June the College held £1,954,000 of cash within current assets and £360,000 within the endowment. The College targets holding £2 million of cash in current assets, the rationale for which is outlined below.

- (1) 21% (£1.72 million) of the College's total forecast annual income for 2012-13 comes from the conference business. An unusually high 85% of this has already been contracted and £890,000 has been taken so far. 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 30th 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 £292,000 in unrestricted donations as well as substantial support from other Colleges and endowments to aid its teaching and research activities. A total of £907,000 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.

Robinson College

Financial Report to the Council and Governing Body

Year ended 30 June 2012

Capital and Reserves

Capital and reserves increased by £43.8 million during the year to £74.2 million. £45.1 million of the increase was the result of a revaluation of operational buildings. There was a £1.3 million decrease owing to a larger provision for pensions liabilities, largely driven by the fall in long-term interest rates. This is an accounting provision rather than a real loss of value to the College.

Expenditure on maintenance and improvements amounted to £1,081,000. 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 £75.8 million the College faces routine annual expenditure on buildings of around £1,137,000.

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 across the University 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.

An integral part of a Cambridge education is being accommodated with your peer group in a College. This provides interdisciplinary educational advantages but comes at a cost to the College of maintain and improving 555 undergraduate, graduate and Fellows rooms together with their associated teaching facilities. 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, outstanding catering and a friendly fellowship and staff.

A D Yates
Warden

R Reason
Bursar

Date:

Robinson College

Corporate Governance

Year Ended 30 June 2012

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 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 and Governing Body.
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 2012 are set out on page 1.

Robinson College

Statement of Internal Control

Year Ended 30 June 2012

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 2012 and up to the date of approval of the financial statements.

Robinson College

Statement of Responsibilities of the College's Charity Trustees

Year Ended 30 June 2012

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 2012

We have audited the financial statements of Robinson College for the year ended 30 June 2012 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 framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Council and Governing Body, as a body, in accordance with the 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 8, 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 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 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 2012 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.

Robinson College

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

Year Ended 30 June 2012

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 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:

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 9.

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 2012

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

Freehold buildings have been restated at valuation with effect from 1st July 2011. They are valued on the basis of their depreciated replacement cost and the valuation was carried out by Savills, Chartered Surveyors in September 2012. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 70 years.

Freehold land is not depreciated and where purchased is stated at cost.

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.

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 2012

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 2012

		2012 £000	2011 £000
Income	Note		
Academic fees and charges	1	2,177	2,044
Residence, catering and conferences	2	5,045	4,573
Endowment and investment income	3	772	720
Donations and grants	4	544	429
Other income	5	86	114
Total income		8,624	7,880
Expenditure			
Education	6	3,485	2,950
Residence, catering & conferences	7	4,398	4,109
Other expenditure	8	644	714
Total expenditure	9	8,527	7,773
Surplus on continuing operations before Contribution under Statute G, II		97	107
Contribution under Statute GII		-	-
Surplus on continuing operations after Contribution under Statute G, II		97	107
Expenditure financed by transfer from accumulated income in endowment funds		42	50
Surplus for the year retained within general reserves		139	157

All items dealt with in arriving at the surplus for 2012 and 2011 relate to continuing operations.

Note of Historical Cost Surpluses and Deficits For the year ended 30 June 2012

	Note	2012 £	2011 £
Surplus on continuing operations		97	107
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	22	524	-
Historical cost surplus for the year		621	107

The notes on pages 18 to 30 form part of these accounts

Robinson College

Consolidated Statement of Total Recognised Gains and Losses

Year Ended 30 June 2012

	Note	Restricted Funds £000	Unrestricted Funds £000	2012 Total £000	2011 Total £000
Surplus on income and expenditure account		-	139	139	157
Unspent endowment fund income		(42)	-	(42)	(50)
Increase in market value of Investments		45	245	290	1,245
Net income receivable from securities investments		38	211	249	36
Endowment return transferred to I and E Account		(112)	(618)	(730)	(679)
Unrealised surplus on revaluation of fixed assets	22	-	45,081	45,081	-
Capital grant from Colleges Fund	21	-	484	484	409
New endowments	21	63	-	63	58
Actuarial (loss)/gain in respect of pension scheme	19	-	(1,586)	(1,586)	789
Total Recognised (losses)/gains relating to the year		(8)	43,956	43,948	1,965
Reconciliation					
Opening reserves and endowments		2,801	24,709	27,510	25,545
Total recognised (losses)/gains for the year		(8)	43,956	43,948	1,965
Closing reserves and endowments		2,793	68,665	71,458	27,510

Robinson College

Balance Sheet

As at 30 June 2012

	Note	Consolidated 2012 £000	College 2012 £000	Consolidated 2011 £000	College 2011 £000
Fixed assets					
Tangible assets	11	62,385	62,385	15,693	15,693
Investments	12	5,317	5,318	5,302	5,303
		<u>67,702</u>	<u>67,703</u>	<u>20,995</u>	<u>20,996</u>
Endowment assets	13	13,419	13,419	12,942	12,942
Current assets					
Stocks	14	102	102	115	115
Debtors	15	1,154	1,096	1,312	1,248
Cash	16	1,954	1,829	1,925	1,791
		<u>3,210</u>	<u>3,027</u>	<u>3,352</u>	<u>3,154</u>
Creditors: amounts falling due within one year	17	<u>(1,535)</u>	<u>(1,353)</u>	<u>(1,549)</u>	<u>(1,352)</u>
Net current assets		<u>1,675</u>	<u>1,674</u>	<u>1,803</u>	<u>1,802</u>
Total assets less current liabilities excluding pension liability		82,796	82,796	35,740	35,740
Creditors : amounts falling due in more than one year	18	<u>(5,994)</u>	<u>(5,994)</u>	<u>(4,000)</u>	<u>(4,000)</u>
Net assets excluding pension liability		76,802	76,802	31,740	31,740
Pension liability	19	(2,605)	(2,605)	(1,307)	(1,307)
Net assets including pension liability		<u>74,197</u>	<u>74,197</u>	<u>30,433</u>	<u>30,433</u>
Represented by:					
		Restricted Funds £000	Unrestricted Funds £000	2012 Total £000	2011 Total £000
Deferred Capital Grants	20	2,739	-	2,739	2,923
Endowments					
Expendable endowments	21	1,216	-	1,216	1,246
Permanent endowments	21	1,577	10,626	12,203	11,696
		<u>2,793</u>	<u>10,626</u>	<u>13,419</u>	<u>12,942</u>
Reserves					
General reserves excluding pension reserve	22	-	24,504	24,504	15,875
Pension reserve	22	-	(2,605)	(2,605)	(1,307)
Operational property revaluation reserve	22	-	36,140	36,140	-
		<u>-</u>	<u>58,039</u>	<u>58,039</u>	<u>14,568</u>
Total Reserves and Endowments		<u>2,793</u>	<u>68,665</u>	<u>71,458</u>	<u>27,510</u>
Total Funds		<u>5,532</u>	<u>68,665</u>	<u>74,197</u>	<u>30,433</u>

The financial statements were approved by the Council and Governing Body on
by:

and are signed on their behalf

R Reason

Finance Bursar

The notes on pages 18 to 30 form part of these accounts

Robinson College

Consolidated Cash Flow Statement

For the Year Ended 30 June 2012

	Note	2012 £000	2011 £000
Net Cash (Outflow) from Operating Activities	24	(111)	(142)
Returns on Investments and Servicing of Finance	25	182	142
Capital Expenditure and Financial Investment	25	<u>(42)</u>	<u>(130)</u>
Increase/(Decrease) in Cash in Year		<u>29</u>	<u>(130)</u>
Reconciliation of Net Cash Flow to Movement in net debt			
Increase/(Decrease) in Cash in Year		29	(130)
Net Debt at beginning of year		(2,075)	(1,945)
Net Debt at end of year	26	<u>(2,046)</u>	<u>(2,075)</u>

The notes on pages 18 to 30 form part of these accounts

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2012

1. Academic Fees and Charges	2012 £000	2011 £000
College Fees:		
Fee Income paid on behalf of Undergraduates at the Publicly-funded Undergraduate rate (per capita fee £3,951)	1,465	1,390
Privately-funded Undergraduate Fee Income (per capita fee £5,350)	219	170
Fee Income received at the Graduate Fee rate (per capita fee £2,289)	224	243
Other fees	23	5
	1,931	1,808
Cambridge Bursaries Income	246	236
Total	2,177	2,044
2. Income from Residences, Catering and Conferences	2012 £000	2011 £000
Accommodation		
College members	2,635	2,404
Conferences	836	632
Catering		
College members	564	512
Conferences	1,010	1,025
Total	5,045	4,573
3. Endowment and Investment Income	2012 £000	2011 £000
3a. Analysis		
Income from:		
Total return contribution (note 3b)	730	679
Other interest receivable	42	41
Total	772	720
3b. Summary of Total Return	2012 £000	2011 £000
Income from:		
Land and Buildings	64	80
Quoted and other securities and cash	298	117
Gains/(losses) on Endowment assets:		
Quoted and other securities and cash	290	1,165
Investment management costs (note 3c)	(113)	(81)
Total Return for year	539	1,281
Total return transferred to income and expenditure account	(730)	(679)
(Applied)/unapplied total return for the year included within statement of total recognised gains and losses (note 23)	(191)	602
3c. Investment Management Costs	2012 £000	2011 £000
Quoted securities and other investments	113	81

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2012

4. Donations and Grants	2012	2011
	£000	£000
Unrestricted donations	292	98
Grant income	68	147
Released from deferred capital grants (note 20)	184	184
Total	<u>544</u>	<u>429</u>
5. Other Income	2012	2011
	£000	£000
Miscellaneous income	86	114
Total	<u>86</u>	<u>114</u>
6. Education Expenditure	2012	2011
	£000	£000
Teaching	2,118	1,841
Tutorial	586	524
Admissions	130	122
Research	175	152
Scholarships and awards	323	250
Other educational facilities	153	61
Total	<u>3,485</u>	<u>2,950</u>
7. Residences, Catering and Conferences Expenditure	2012	2011
	£000	£000
Accommodation		
College members	1,614	1,452
Conferences	801	720
Catering		
College members	1,280	1,189
Conferences	703	748
Total	<u>4,398</u>	<u>4,109</u>
8. Other Expenditure	2012	2011
	£000	£000
Expenditure of restricted funds	34	34
Academic	107	162
Administration	40	34
College Officers	103	62
Domestic Services	70	68
Loan Interest	203	202
Other grant expenditure	-	79
Other	63	33
Net finance charge in respect of defined benefit pension scheme	24	40
Total	<u>644</u>	<u>714</u>

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2012

9a. Analysis of 2011/12 Expenditure by Activity

	Staff costs (note 10) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	1,579	1,446	460	3,485
Residence, catering and conferences	2,018	1,819	561	4,398
Other	209	395	40	644
Total	<u>3,806</u>	<u>3,660</u>	<u>1,061</u>	<u>8,527</u>

Expenditure includes fundraising costs of £145,708. This expenditure includes the costs of alumni relations.

9b. Analysis of 2010/11 Expenditure by Activity

	Staff costs (note 10) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	1,472	1,197	281	2,950
Residence, catering and conferences	2,055	1,716	338	4,109
Other	155	535	24	714
Total	<u>3,682</u>	<u>3,448</u>	<u>643</u>	<u>7,773</u>

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

9c. Auditors' remuneration

	2012 £000	2011 £000
Other operating expense include:		
Audit fees payable to the College's external auditors	18	18
Other fees payable to the College's external auditors	9	10

10. Staff

	College fellows £000	Non- academic £000	Total 2012 £000	Total 2011 £000
Staff costs:				
Emoluments	855	2,475	3,330	3,165
Social security costs	68	137	205	197
Other pension costs (note 28)	110	161	271	320
	<u>1,033</u>	<u>2,773</u>	<u>3,806</u>	<u>3,682</u>
	No	No	No	No
Average staff numbers (full time equivalent):				
Academic	82	-	82	82
Non-academic	-	101	101	99
	<u>81</u>	<u>101</u>	<u>183</u>	<u>181</u>

The Governing Body comprises of 82 fellows, of which 14 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:

	2012 £000	2011 £000
Aggregate Emoluments	<u>279</u>	<u>260</u>

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 2012

Tangible Assets Consolidated and College					
	Freehold Land £000	Freehold Buildings £000	Furniture Fittings and Equipment £000	Library Books £000	Total £000
Cost					
At beginning of year	3,443	19,415	2,033	353	25,244
Additions at cost	1,242	1,252	160	18	2,672
Revaluation in year	-	36,664	-	-	36,664
Disposals	-	-	(195)	(25)	(220)
At end of year	4,685	57,331	1,998	346	64,360
Depreciation					
At beginning of year	-	8,417	1,073	61	9,551
Charge for the year	-	805	234	22	1,061
Written back on revaluation	-	(8,417)	-	-	(8,417)
Eliminated on disposal	-	-	(195)	(25)	(220)
At end of year	-	805	1,112	58	1,975
Net book value					
At end of year	<u>4,685</u>	<u>56,526</u>	<u>886</u>	<u>288</u>	<u>62,385</u>
At beginning of year	<u>3,443</u>	<u>10,998</u>	<u>960</u>	<u>292</u>	<u>15,693</u>

The insured value of freehold land and buildings as at 30 June 2012 was £51,940,000 (2011: £49,199,915).

Freehold buildings have been revalued with effect from 1 July 2011 on the basis of their depreciated replacement cost. The valuation in September 2012 was carried out by Savills, Chartered Surveyors.

12. Fixed Asset Investments Consolidated and College	2012 £000	2011 £000
College Expendable Investments (note 13)	5,317	5,302
Investment in Subsidiary undertakings	1	1
	<u>5,318</u>	<u>5,303</u>

Subsidiary Undertakings

At 30 June 2012, 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

Robinson College

Notes to the Accounts

For the Year Ended 30 June 2012

13. Endowment Assets Consolidated and College	2012 £000	2011 £000
Balance at beginning of year	18,244	16,981
Additions	10,814	4,686
Disposal	(10,043)	(6,688)
Appreciation on revaluation	768	783
(Decrease)/Increase in cash balances held at fund managers	(3,222)	2,482
Loan to general reserves	2,175	-
Balance at end of year	<u>18,736</u>	<u>18,244</u>
Represented by:		
Property	2,000	2,000
Quoted Securities/unit trusts/hedge funds	13,720	12,177
Cash with investment managers	360	3,581
Wine and works of art	481	486
Loan to general reserves	2,175	-
	<u>18,736</u>	<u>18,244</u>
College Expendable Investments (note 12)	(5,317)	(5,302)
	<u>13,419</u>	<u>12,942</u>

Unrestricted investment assets comprise permanent unrestricted investments of £10,626,000 (note 21) plus college expendable investments of £5,317,000 (note 12) giving a total of £15,943,000.

14. Stocks	Consolidated 2012 £000	College 2012 £000	Consolidated 2011 £000	College 2011 £000
Goods for resale	<u>102</u>	<u>102</u>	<u>115</u>	<u>115</u>

15. Debtors	Consolidated 2012 £000	College 2012 £000	Consolidated 2011 £000	College 2011 £000
Long term debtors and loan	707	707	806	806
Members of the College	109	109	87	87
Amounts due from subsidiary undertakings	-	64	-	111
Other debtors	238	116	319	143
Prepayments	100	100	100	101
	<u>1,154</u>	<u>1,096</u>	<u>1,312</u>	<u>1,248</u>

Within amounts owed by long term debtors, £600,000 (2011: £700,000) is due after one year.

Robinson College

Notes to the Accounts

Year Ended 30 June 2012

16. Cash	Consolidated 2012 £000	College 2012 £000	Consolidated 2011 £000	College 2011 £000
Bank deposits	1,051	1,051	1,239	1,239
Current accounts	896	771	673	539
Cash in hand	7	7	13	13
	<u>1,954</u>	<u>1,829</u>	<u>1,925</u>	<u>1,791</u>

17. Creditors: Amounts Falling Due within one year	Consolidated 2012 £000	College 2012 £000	Consolidated 2011 £000	College 2011 £000
Trade Creditors	366	184	352	167
Members of the College	26	26	172	172
University fees	230	230	344	344
Other creditors	801	801	590	578
Accruals & deferred income	112	112	91	91
	<u>1,535</u>	<u>1,353</u>	<u>1,549</u>	<u>1,352</u>

18. Creditors: Amounts Falling Due after more than one year	Consolidated 2012 £000	College 2012 £000	Consolidated 2011 £000	College 2011 £000
Long term bank loan	4,000	4,000	4,000	4,000
Due to endowment	1,994	1,994	-	-
	<u>5,994</u>	<u>5,994</u>	<u>4,000</u>	<u>4,000</u>

The long term bank loan is due for repayment in 2047.

19. Pension Liability Group and College	2012 £000	2011 £000
Balance at beginning of year	1,307	2,349
Movement in year:		
Current service cost	234	299
Contributions	(546)	(592)
Other finance cost	24	40
Actuarial loss/(gain) recognised in the statement of total recognised gains and losses	1,586	(789)
Balance at end of year	<u>2,605</u>	<u>1,307</u>

20. Deferred capital grants Group and College Buildings	Donations	2012 £000 Total	2011 £000 Total
Balance at beginning of year	2,923	2,923	3,108
Released to income and expenditure account	(184)	(184)	(184)
Balances at end of year	<u>2,739</u>	<u>2,739</u>	<u>2,923</u>

Robinson College

Notes to the Accounts

Year Ended 30 June 2012

21. Endowments Group and College	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	2012 Total £000	2011 Total £000
Capital	10,142	1,125	11,267	26	11,293	10,730
Unspent Income	-	429	429	1,220	1,649	1,703
	<u>10,142</u>	<u>1,554</u>	<u>11,696</u>	<u>1,246</u>	<u>12,942</u>	<u>12,433</u>
New endowments received	484	29	513	34	547	467
Income receivable from endowment asset investments	-	62	62	50	112	109
Expenditure	-	(53)	(53)	(101)	(154)	(237)
Net transfer (to)/from Income and expenditure account	-	9	9	(51)	(42)	(50)
Transfers	-	-	-	-	-	(3)
Increase in market value of investments	-	(15)	(15)	(13)	(28)	96
Balance at end of year	<u>10,626</u>	<u>1,577</u>	<u>12,203</u>	<u>1,216</u>	<u>13,419</u>	<u>12,942</u>
Comprising:						
Capital	10,626	1,139	11,765	47	11,812	11,292
Unspent Income	-	438	438	1,169	1,607	1,650
Balance at end of year	<u>10,626</u>	<u>1,577</u>	<u>12,203</u>	<u>1,216</u>	<u>13,419</u>	<u>12,942</u>
Representing						
Fellowship Funds	-	-	-	1,147	1,147	1,179
Scholarship Funds	-	260	260	48	308	303
Prize Funds	-	109	109	13	122	119
Hardship Funds	-	128	128	-	128	130
Other Funds	-	1,080	1,080	8	1,088	1,070
General endowments	10,626	-	10,626	-	10,626	10,141
Group Total	<u>10,626</u>	<u>1,577</u>	<u>12,203</u>	<u>1,216</u>	<u>13,419</u>	<u>12,942</u>

Robinson College

Notes to the Accounts

Year Ended 30 June 2012

22. Reserves Group and College	General reserves	Operational Property revaluation reserve	2012 Total	2011 Total
	£000	£000	£000	£000
Opening balance	14,568	-	14,568	13,112
Surplus retained for the year	139	-	139	157
Actuarial (loss)/gain	(1,586)	-	(1,586)	789
(Decrease)/increase in market value of investments	(163)	-	(163)	507
Transfers	-	-	-	3
Revaluation in year	8,417	36,664	45,081	-
Transfer in respect of depreciation on revalued operational property	524	(524)	-	-
Balance at end of year	<u>21,899</u>	<u>36,140</u>	<u>58,039</u>	<u>14,568</u>
23. Memorandum of Unapplied Total Return			2012 £000	2011 £000
Included within the reserves the following amounts represent the Unapplied Total Return of the College:				
Unapplied total return at beginning of year			2,855	2,253
(Applied)/unapplied total return for the year			(191)	602
Unapplied total return at end of year			<u>2,664</u>	<u>2,855</u>
24. Reconciliation of consolidated operating surplus to net cash outflow from operating activities			2012 £000	2011 £000
Surplus on continuing operation			97	107
Depreciation of tangible fixed assets			1,061	643
Deferred capital grants released to income			(184)	(184)
Investment Income			(772)	(720)
Pension costs less contributions payable			(289)	(252)
Decrease/(Increase) in Stocks			13	(32)
Decrease in Debtors			159	162
(Decrease)/Increase in Creditors			(196)	134
Net cash outflow from operating activities			<u>(111)</u>	<u>(142)</u>
25. Cash flows			2012 £000	2011 £000
Returns on investments and servicing of finance				
Endowment and investment income received			<u>182</u>	<u>142</u>
Capital expenditure and financial investment				
Purchase of tangible fixed assets			(2,672)	(512)
Net purchase of long term investments			2,083	(85)
New endowments received			547	467
Net cash outflow from capital expenditure and financial investment			<u>(42)</u>	<u>(130)</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	1,925	29	1,954
Debts falling due after more than one year	(4,000)	-	(4,000)
Net Debt	<u>(2,075)</u>	<u>29</u>	<u>(2,046)</u>

27. Capital Commitments

At 30 June 2012 future capital expenditure authorised and committed amounted to £Nil (2011: £Nil)

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 2012 was as follows:

	2012 £000	2011 £000
USS: Contributions	129	128
CCFPS: Charged to income and expenditure account	142	192
	<u>271</u>	<u>320</u>

University Superannuation Scheme

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

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. 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 2012 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

28. Pension Scheme continued

USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the 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 previous valuation as at 31 March 2008 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%.

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the year end, although the market assessment of inflation has remained reasonably constant. The actuary has estimated that the funding level as at 31 March 2012 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 sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.9% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2012 was 74%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

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.

Robinson College

Notes to the Accounts

Year Ended 30 June 2012

28. Pension Scheme continued

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 2012, USS had over 145,000 active members and the College had 20 active members participating in the scheme. The contribution rate payable by the College was 16% of pensionable salaries.

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 2011 and updated to 30 June 2012 by a qualified independent Actuary.

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

	30 June 2012	30 June 2011
	% p.a.	% p.a.
Discount rate	4.7	5.5
Expected long-term rate of return on Scheme assets	5.6	6.2
Increase in salaries	2.2*	3.2**
Retail Price Index (RPI) assumption	2.7	3.4
Consumer Price Index (CPI) assumption	1.7	2.7
Pension increases (RPI linked)	2.7	3.4
Pension increases (RPI linked with 5% pa Cap)	2.5	3.2

* 1.5% in 2012 and 2013; 2.2% thereafter

** For 2011 assumption is 2%pa for 2011 then 3.2% 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 2011 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 21.9 year (previously 21.7 years)
- Female age 65 now has a life expectancy of 24.1 years (previously 23.6 years)
- Male age 45 now and retiring in 20 years would have a life expectancy then of 22.8 years (previously 22.7 years)
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.3 years (previously 24.8 years)

	Long term rate of return expected at 30/06/12	Value at 30/06/12 £'000	Long term rate of return expected at 30/06/11	Value at 30/06/11 £'000
Equities and Hedge Funds	6.4%	4,288	7.1%	3,951
Bonds & Cash	3.7%	1,624	4.8%	2,540
Property	5.4%	585	6.1%	564
Total		<u>6,497</u>		<u>7,055</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	
	2012 £000	2011 £000	2012 £000	2011 £000	2012 £000	2011 £000
Opening balances	(8,362)	(8,378)	7,055	6,029	(1,307)	(2,349)
Service cost	(253)	(299)		-	(253)	(299)
Employer contributions	-	-	547	567	547	567
Expected return on scheme assets	-	-	433	400	433	400
Contributions by members	-	-	18	25	18	25
Interest cost	(457)	(440)	-	-	(457)	(440)
Actuarial gains/(losses)	(367)	352	(1,219)	437	(1,586)	789
Benefits and expenses paid	337	403	(337)	(403)	-	-
Closing balances	<u>(9,102)</u>	<u>(8,362)</u>	<u>6,497</u>	<u>7,055</u>	<u>(2,605)</u>	<u>(1,307)</u>

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

	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
In staff costs:		
Current service cost	234	275
	<u>234</u>	<u>275</u>
In other expenditure:		
Interest cost	457	440
Expected return on pension scheme assets	(433)	(400)
Net return	<u>24</u>	<u>40</u>
Actual return on pension scheme assets	<u>(786)</u>	<u>837</u>

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

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Actual return less expected return on scheme assets	(1,219)	437
Experience gains and losses arising on Scheme liabilities	(273)	(195)
Changes in assumptions underlying the present value of Scheme liabilities	(94)	547
	<u>(1,586)</u>	<u>789</u>

Notes to the Accounts

Year Ended 30 June 2012

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 2012 £'000	Year ended 30 June 2011 £'000
Opening cumulative actuarial gain/loss	(1,222)	(2,011)
Recognised during the year	<u>(1,586)</u>	<u>789</u>
Closing cumulative actuarial gain/loss	<u>(2,808)</u>	<u>(1,222)</u>

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

	30 June 2012 £000	30 June 2011 £000	30 June 2010 £000	30 June 2009 £000	30 June 2008 £000
Present value of Scheme liabilities	(9,102)	(8,362)	(8,378)	(7,401)	(6,449)
Market value of Scheme assets	6,497	7,055	6,029	5,072	5,403
Surplus/(deficit) in the Scheme	<u>(2,605)</u>	<u>(1,307)</u>	<u>(2,349)</u>	<u>(2,329)</u>	<u>(1,046)</u>
Experience gain/(loss) arising on Scheme liabilities	(273)	(195)	276	41	(256)
Actual return less expected return on Scheme assets	(1,219)	437	353	(787)	(658)
Change in assumptions underlying present value of Scheme liabilities	(94)	547	(883)	(490)	850

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.