

Trinity College

Financial Statements

Year Ended 31 July 2006

The accounts' index (if any), Responsibilities of the Governing Body, Statement of Principal Accounting Policies and Independent Auditors' Report have been omitted from this 150 dpi Akme scan.

TRINITY COLLEGE
Report of the Governing Body

The Governing Body of Trinity College presents the annual report and financial statements for the year ended 31 July 2006.

Status

Trinity College is an eleemosynary chartered charitable corporation. It was founded by Thomas Pope under a Letters of Patent issued by Philip and Mary, dated 8 March 1555, and a Deed of Foundation dated 25 March 1555. The corporation comprises the President and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research. Within these Objects, the College also has various permanently endowed trust funds held for special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

Governance

The Governing Body of the College comprises the President and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, The Lord Bishop of Winchester. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Letters of Patent of 8 March 1555, and the Universities of Oxford and Cambridge Act 1923. The Governing Body is responsible for the strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the President and is supported by a comprehensive committee structure.

Scope of financial statements

The financial statements consolidate the accounts of Trinity College and its subsidiary undertakings, Wroxton Estates Ltd and Trinity College Developments Ltd. Wroxton Estates Ltd owns 50% of Drayton Farms, a farming partnership, and Trinity College Developments Ltd provides design and construction services to the College.

Review of operations and finance

The financial statements have been prepared in accordance with the reporting requirements for Oxford Colleges as set out in Statute XV made by the University under the Universities of Oxford and Cambridge Act, 1923.

The income and expenditure account on page 8 of the financial statements shows a surplus of £297,000 against the previous year's figure of £258,000. Over the year the total net assets of the College increased from £62.3m to £67.6m as detailed in the Statement of Total Recognised Gains and Losses.

The College subsidizes its core activities of education and research to a considerable degree, with only approximately a quarter of its revenue being derived from student fee income. Income from the letting of College accommodation and facilities and from the endowment is vital to the College's ability to continue to fulfill its objectives.

Investment performance

During the year the endowment fund was managed in accordance with Statute XIX of the College Statutes. The endowment comprises a passive equity portfolio managed by Barclays Global Investors and an active equity/bond portfolio managed by Aberdeen Asset Management. There is a property portfolio managed by the College land agent, Laws and Fiennes. Performance is reviewed termly by an Investment Management Committee that comprises internal and external members with experience and expertise in investment management.

TRINITY COLLEGE
Report of the Governing Body

Reserves

The balance on reserves at the year end amounted to £5.3m (note 15) all of which was general reserve. After allowing for the amounts invested in fixed assets the College's general reserve was £519,000. The Governing Body has reviewed the reserves of the College and has concluded that a general reserve of £500,000 should be maintained to allow the College to be managed efficiently and to provide a buffer for uninterrupted services.

Risk management

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have been established to mitigate these risks.

Approved by Governing Body on 8 November 2006



Sir Ivor Roberts KCMG

TRINITY COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2006

	Notes	2006 £	2005 £
INCOME			
Academic fees and tuition income	1	1,359,702	1,331,356
Other operating income	2	2,148,080	1,853,578
Endowment return and interest receivable	3	1,558,609	1,588,346
Total income		<u>5,066,391</u>	<u>4,773,280</u>
EXPENDITURE			
Staff costs	4	2,823,061	2,627,022
Depreciation		358,798	329,278
Other operating expenses		1,524,259	1,457,668
Contribution under Statute XV		63,003	100,446
Total expenditure	6	<u>4,769,121</u>	<u>4,514,414</u>
Surplus for the year	7	297,270	258,866

Consolidated statement of total recognised gains and losses
Year ended 31 July 2006

	Notes	2006 £	2005 £
Reserves			
Surplus for the year		297,270	258,866
Endowments			
Income receivable from endowment asset investments	14	1,591,187	1,566,500
Endowment return transferred to income and expenditure account	14	(1,514,339)	(1,558,712)
Appreciation of endowment asset investments	14	4,118,491	7,079,566
New endowments received	14	797,425	671,830
Total recognised gains relating to the year		<u>5,290,034</u>	<u>8,018,050</u>
Opening reserves and endowments		62,316,284	54,298,234
Closing reserves and endowments		<u>67,606,318</u>	<u>62,316,284</u>

TRINITY COLLEGE
Balance Sheets
As at 31 July 2006

	Notes	CONSOLIDATED		COLLEGE	
		2006 £	2005 £	2006 £	2005 £
Fixed assets					
Tangible assets	8	4,773,564	4,801,386	4,773,564	4,801,386
Investments	9	100,000	100,000	100,003	100,003
		<u>4,873,564</u>	<u>4,901,386</u>	<u>4,873,567</u>	<u>4,901,389</u>
Endowment asset investments					
Securities and cash deposits	10	49,870,544	43,859,412	49,870,544	43,859,412
Land and property	10	12,443,059	12,840,426	12,308,000	12,701,000
		<u>62,313,603</u>	<u>56,699,838</u>	<u>62,178,544</u>	<u>56,560,412</u>
Current assets:					
Stocks		113,511	128,706	113,511	128,706
Debtors	11	604,520	448,268	688,024	625,167
Cash at bank and in hand		515,016	964,799	509,239	797,420
		<u>1,233,047</u>	<u>1,541,773</u>	<u>1,310,774</u>	<u>1,551,293</u>
Creditors:					
Amounts falling due within one year	12	(667,472)	(685,804)	(667,662)	(615,613)
		<u>565,575</u>	<u>855,969</u>	<u>643,112</u>	<u>935,680</u>
Net current assets (liabilities)					
		<u>67,752,742</u>	<u>62,457,193</u>	<u>67,695,223</u>	<u>62,397,481</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>67,752,742</u>	<u>62,457,193</u>	<u>67,695,223</u>	<u>62,397,481</u>
Provision for liabilities and charges	13	(146,424)	(140,909)	(146,424)	(140,909)
		<u>67,606,318</u>	<u>62,316,284</u>	<u>67,548,799</u>	<u>62,256,572</u>
TOTAL NET ASSETS					
		<u>67,606,318</u>	<u>62,316,284</u>	<u>67,548,799</u>	<u>62,256,572</u>
Endowments					
Specific	14	9,024,954	7,790,655	9,024,954	7,790,655
General	14	53,288,649	48,909,183	53,153,590	48,769,757
		<u>62,313,603</u>	<u>56,699,838</u>	<u>62,178,544</u>	<u>56,560,412</u>
Reserves					
General reserves	15	5,292,715	5,616,446	5,370,255	5,696,160
		<u>5,292,715</u>	<u>5,616,446</u>	<u>5,370,255</u>	<u>5,696,160</u>
TOTAL FUNDS					
		<u>67,606,318</u>	<u>62,316,284</u>	<u>67,548,799</u>	<u>62,256,572</u>

The financial statements were approved and authorised for issue by the Governing Body of Trinity College on 8 November 2006.

Ivor Roberts

Sir Ivor Roberts KCMG
President

K J S Knott
K J S Knott CVO
Estates Bursar

TRINITY COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2006

	Note	2006 £	2005 £
Net cash outflow from operating activities	16	<u>(1,056,415)</u>	<u>(1,077,479)</u>
Returns on investments and servicing of finance			
Income from endowments received		1,591,187	1,566,500
Other income from investments and interest received		44,270	29,634
Net cash inflow from returns on investments and servicing of finance		<u>1,635,457</u>	<u>1,596,134</u>
Capital expenditure and financial investment			
Net realisation/(acquisition) of tangible fixed assets		(330,976)	(868,642)
Net realisation/(acquisition) of endowment asset investments		2,288,289	1,579,647
Endowments received		797,425	671,830
Net cash inflow (outflow) from capital expenditure and financial investment		<u>2,754,738</u>	<u>1,382,835</u>
Net cash inflow before use of liquid resources and financing		<u>3,333,780</u>	<u>1,901,490</u>
Increase/(Decrease) in cash		<u>3,333,780</u>	<u>1,901,490</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(Decrease) in cash		3,333,780	1,901,490
Change in net funds		<u>3,333,780</u>	<u>1,901,490</u>
Net funds at 1 August		2,708,094	806,604
Net funds at end of year		<u>6,041,874</u>	<u>2,708,094</u>

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

	2006 £	2005 £
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	1,134,751	1,107,761
Tuition fees from overseas students	189,992	160,370
Other fees	2,038	1,174
Other tuition income	52,921	62,051
	<u>1,359,702</u>	<u>1,331,356</u>

The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,035,861 (2005 - £1,035,079).

	£	£
2 OTHER OPERATING INCOME		
Residential income from college members	1,350,041	1,172,490
Conference and function income	745,247	606,555
Grants and donations	12,713	26,591
Other income	40,079	47,942
	<u>2,148,080</u>	<u>1,853,578</u>

	£	£
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 14)	122,954	182,732
Transferred from general endowments (note 14)	1,391,385	1,375,980
Other investment income	3,000	3,000
Other interest receivable	41,270	26,634
	<u>1,558,609</u>	<u>1,588,346</u>

	£	£
4 STAFF COSTS		
Gross pay	2,359,695	2,212,219
Social Security costs	164,464	150,389
Other pension costs	248,014	212,964
Other benefits	50,888	51,450
	<u>2,823,061</u>	<u>2,627,022</u>

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

5 PENSION SCHEMES

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary), and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. The schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by the accounting standard FRS17 'Retirement Benefits', the College accounts for the schemes as if they were defined contribution schemes. The schemes are periodically valued by qualified actuaries using the projected unit method; in addition, both USS and OSPS embrace a market value approach. The levels of contribution take account of any actuarial surpluses or deficiencies in each scheme. The assumptions and other data that have the most effect on the determination of the contribution levels are as follows:

	USS	OSPS
Date of latest actuarial valuation	2005	2004
Investment returns per annum	4.5%	7.0%
Salary increases per annum	3.9%	4.4%
Pension increases per annum	2.9%	3.0%
Market value of assets at latest actuarial valuation	£21,740m	£167m
Proportion of accrued benefits covered by the actuarial value of these assets	77.0%	76.0%

The total of all employer's pension costs (including supplementation of pensions for ex-employees or their dependants) was £248,014 (2005 £212,964)

Universities Superannuation Scheme (USS):

The contributions payable by the college during the accounting period were equal to 14% of total pensionable salaries. The pensions charge recorded by the College during the accounting period was equal to the contributions payable (£105,143, 2005 £89,220)

Oxford Staff Pension Scheme (OSPS):

The college paid contributions of 17.5% during the accounting period, as set out in the statutory schedule of contributions agreed with the actuary.

The scheme actuarial valuation as at 31 July 2001 identified a required long-term employer contribution rate of 16.4%. The scheme had introduced a stepped annual increase to reach this contribution rate. Employer contributions have been increased to 17.5% for the year ended 31 July 2006. The actuarial valuation as at 31 July 2004 identifies a required long term employer contribution rate of 15.8% of pensionable salaries, but also identifies a funding deficit £51.3m in the scheme. The University, on behalf of all the employers participating in the scheme, has agreed with the Trustees to address the deficit by maintaining the employers contribution rate at 17.5% until 31 July 2008, then increasing it to 21.5%, subject to revision of the next actuarial valuation due as at 31 July 2007. The pensions charge recorded during the accounting period was equal to the contributions payable (£139,141, 2005 £123,744).

Other schemes:

The college also has a small number of staff in the now closed Trinity College non-contributory scheme which was effectively replaced by OSPS in 1994. Employer contributions under this scheme were £1,486 in the accounting period. The College also makes contributions to the Church of England Funded Pensions Scheme. Employer contributions under this scheme were £2,244 in the accounting period.

FRS 17:

USS, OSPS and the Church of England Funded Pensions Scheme are multi-employer schemes where the share of assets and liabilities applicable to each employer is not identified. The College will therefore account for its pension costs for each scheme on a defined contribution basis as permitted by FRS 17.

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

6 ANALYSIS OF EXPENDITURE

	Staff costs	Depreciation	Other operating expenses	2006 Total	2005 Total
	£	£	£	£	£
Academic	1,199,434	-	80,228	1,279,662	1,338,891
Residences, catering and conferences	863,035	36,882	690,265	1,590,182	1,429,200
Premises	283,835	314,476	398,404	996,715	870,233
College administration	337,292	7,440	156,392	501,124	432,912
Endowment management	12,117	-	85,543	97,660	109,256
Fundraising	78,685	-	66,215	144,900	186,102
Other	48,663	-	47,212	95,875	47,374
	<u>2,823,061</u>	<u>358,798</u>	<u>1,524,259</u>	<u>4,706,118</u>	<u>4,413,968</u>
Contribution under Statute XV				63,003	100,446
Total expenditure				<u>4,769,121</u>	<u>4,514,414</u>
				£	£
Other operating expenses include auditors' remuneration: in respect of the audit of these financial statements				<u>10,000</u>	<u>9,250</u>

The above analysis includes expenditure in respect of UK and European students met by publicly funded fee income amounting to £1,035,861 (2005 £1,035,079).

7 SURPLUS FOR THE YEAR

The surplus for the year is made up as follows:

College's surplus for the year	£ 299,463	£ 259,225
Surplus generated by the subsidiary undertaking(s)	(2,193)	(359)
	<u>297,270</u>	<u>258,866</u>

8 TANGIBLE FIXED ASSETS

CONSOLIDATED AND COLLEGE

	Land & buildings		
	Freehold	Equipment	Total
	£	£	£
Cost			
At start of year	6,515,831	600,795	7,116,626
Additions	247,241	83,735	330,976
Disposals	-	-	-
At end of year	<u>6,763,072</u>	<u>684,530</u>	<u>7,447,602</u>
Depreciation			
At start of year	1,861,169	454,071	2,315,240
Charge for period	300,415	58,383	358,798
On disposals	-	-	-
At end of year	<u>2,161,584</u>	<u>512,454</u>	<u>2,674,038</u>
Net book value			
At end of year	<u>4,601,488</u>	<u>172,076</u>	<u>4,773,564</u>
At start of year	<u>4,654,662</u>	<u>146,724</u>	<u>4,801,386</u>

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

9 FIXED ASSET INVESTMENTS COLLEGE	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
Investments stated at cost				
Subsidiary undertakings				
Balance at start of year			3	3
Additions				
Balance at end of year			3	3
Land & Buildings	100,000	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,003</u>	<u>100,003</u>

The College owns 100% of the issued ordinary £1 shares of Trinity College Developments Ltd, a company incorporated in England and Wales, and 100% of the issued ordinary £1 shares in Wroxton Estates Ltd, a company incorporated in England and Wales. The principal business activity of Trinity College Developments Ltd is the provision of construction and development services to Trinity College. The principal activity of Wroxton Estates Ltd is the ownership of a 50% share of the Drayton Farms farming partnership. The College has a joint-equity investment in a residential property which is stated at cost.

10 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED			COLLEGE		
	Securities & cash £	Land & property £	Total £	Securities & cash £	Land & property £	Total £
At market value						
At start of year	43,859,412	12,840,426	56,699,838	43,859,412	12,701,000	56,560,412
Purchases at cost	2,203,667	399,829	2,603,496	2,203,667	394,196	2,597,863
Sales proceeds	(3,935,489)	(956,296)	(4,891,785)	(3,935,489)	(946,296)	(4,881,785)
Increase in cash held by fund manager	3,783,563		3,783,563	3,783,563		3,783,563
Revaluation gains	3,959,391	159,100	4,118,491	3,959,391	159,100	4,118,491
At end of year	<u>49,870,544</u>	<u>12,443,059</u>	<u>62,313,603</u>	<u>49,870,544</u>	<u>12,308,000</u>	<u>62,178,544</u>
Analysed as						
Fixed interest stocks (listed)	6,576,328					
Equities (listed)	34,917,315					
Unlisted securities	2,850,043					
Cash	5,526,858					
	<u>49,870,544</u>					
Historical cost at end of year	<u>38,538,103</u>					

Estates land and property valuations as at 31 July have been made by the College land agent, the basis of valuation being open market value on existing use. An independent valuation by a firm of Chartered Surveyors is obtained every three years.

11 DEBTORS

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
Amounts falling due within one year				
Trade debtors	551,810	353,366	551,814	353,366
Amounts owed by College members	50,430	29,630	50,430	29,630
Amounts owed by group undertakings			83,500	176,899
Loans	800	1,100	800	1,100
Prepayments and accrued income	1,480	64,172	1,480	64,172
	<u>604,520</u>	<u>448,268</u>	<u>688,024</u>	<u>625,167</u>

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

12 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2006	2005	2006	2005
	£	£	£	£
Trade creditors	288,474	280,563	284,529	190,981
College Contribution	89,927	100,446	89,927	100,446
Other taxation and social security	86,116	40,444	90,251	59,835
Accruals and deferred income	202,955	264,351	202,955	264,351
	<u>667,472</u>	<u>685,804</u>	<u>667,662</u>	<u>615,613</u>

13 PROVISIONS FOR LIABILITIES AND CHARGES
CONSOLIDATED AND COLLEGE

	2006	2005
	£	£
At start of year	140,909	161,182
Expenditure in the period	(2,609)	(16,819)
Transferred from/(to) income and expenditure account	8,124	(3,454)
At end of year	<u>146,424</u>	<u>140,909</u>

This provision was made to meet the liabilities of the non-contributory Trinity College pension scheme

14 ENDOWMENTS

	CONSOLIDATED			COLLEGE		
	Specific	General	Total	Specific	General	Total
	£	£	£	£	£	£
At start of year	7,790,655	48,909,183	56,699,838	7,790,655	48,769,757	56,560,412
Endowments received	471,192	326,233	797,425	471,192	326,233	797,425
Appreciation (depreciation) of endowment investments	711,259	3,407,232	4,118,491	711,259	3,407,232	4,118,491
Income receivable from endowment asset investments	199,802	1,391,385	1,591,187	199,802	1,385,752	1,585,554
Transferred to income and expenditure account (note 4)	(122,954)	(1,391,385)	(1,514,339)	(122,954)	(1,385,752)	(1,508,706)
Transfer (to)/from reserves	(25,000)	646,001	621,001	(25,000)	650,368	625,368
At end of year	<u>9,024,954</u>	<u>53,288,649</u>	<u>62,313,603</u>	<u>9,024,954</u>	<u>53,153,590</u>	<u>62,178,544</u>

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of the College at its desired level of activity. Specific Endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity. General Endowments represent the corporate capital of the College and include bequests and gifts where the use of the capital and income, or only the income is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body. Specific endowments (consolidated and College) include funds valued at £293,193 (2005 £262,932) which provide income for purposes that lie outside the objects of the College. Income arising amounted to £6589 (2005 £6,414).

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

15 RESERVES

GENERAL RESERVES

	CONSOLIDATED	COLLEGE
	£	£
At start of year	5,616,446	5,696,160
Surplus from income and expenditure account	297,270	299,463
Transfer (to)/from endowment	(621,001)	(625,368)
At end of year	5,292,715	5,370,255

	CONSOLIDATED		COLLEGE	
	2006	2005	2006	2005
	£	£	£	£
Representing:				
Undepreciated cost of tangible fixed assets financed out of general reserve	4,773,564	4,801,386	4,773,564	4,801,386
College general reserve	519,151	815,060	596,691	894,774
	<u>5,292,715</u>	<u>5,616,446</u>	<u>5,370,255</u>	<u>5,696,160</u>

16 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH
OUTFLOW FROM OPERATING ACTIVITIES

	2006	2005
	£	£
Surplus for the year	297,270	258,866
Depreciation	358,798	329,278
Endowment income and interest receivable	(1,558,609)	(1,588,346)
Decrease (increase) in stocks	15,195	(8,217)
Decrease (increase) in debtors	(156,252)	(59,113)
(Decrease) increase in creditors	(18,332)	10,326
(Decrease) increase in provisions	5,515	(20,273)
	<u>(1,056,415)</u>	<u>(1,077,479)</u>

	2006	Changes	2005
	£		£
17 ANALYSIS OF CHANGE IN NET FUNDS			
Cash at bank and in hand	515,016	(449,783)	964,799
Endowment asset investments cash (Note 10)	5,526,858	3,783,563	1,743,295
	<u>6,041,874</u>	<u>3,333,780</u>	<u>2,708,094</u>

TRINITY COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

18 CAPITAL COMMITMENTS

The College had no capital commitments contracted for at 31 July 2006 (2005 Nil)

19 FINANCIAL COMMITMENTS

At 31 July The College had no annual commitments under non-cancellable operating leases.

20 POST BALANCE SHEET EVENTS

There are no material events occurring after the date of the balance sheet where disclosure is deemed to contribute to a proper understanding of the financial position.

21 CONTINGENT LIABILITIES

There are no significant contingent liabilities.

22 RELATED PARTY TRANSACTIONS

There are no material transactions undertaken by the College with a related party that require disclosure.