



DOWNING COLLEGE CAMBRIDGE
ANNUAL REPORT AND ACCOUNTS

for the financial year ending
30 June 2011





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“One perpetual College for students in law, physic, and other useful arts and learning.”

FINANCIAL HIGHLIGHTS

	2011	2010	2009
	£	£	£
Income			
Income	8,598,450	8,148,968	7,893,897
Donations and Benefactions Received	2,842,721	2,711,954	1,785,397
Conference Services Income	1,886,940	1,616,911	1,214,192
Operating Surplus/(Deficit)	(367,715)	(751,444)	(1,049,034)
Cost of Space (£ per m2)	£193.93	£202.85	£204.77
College Fees:			
Publicly Funded Undergraduates	£3,861	£3,744	£3,612
Privately Funded Undergraduates	£5,304	£4,791	£4,515
Graduates	£2,229	£2,184	£2,127
Loss on College Fee per Student	£2,245	£2,503	£2,735
Capital Expenditure			
Investment in Historical Buildings	298,346	503,853	1,771,217
Investment in Student Accommodation	634,063	478,339	1,382,039
Assets			
Free Reserves	12,516,872	9,790,543	10,912,086
Investment Portfolio	29,252,221	25,211,440	24,162,211
Spending Rule Amount	1,467,740	1,497,688	1,830,995
Return on Securities	14.0%	7.2%	-21.7%
Return on Securities: 3 year average	-1.46%	-6.73%	-5.95%
Net Assets	134,421,462	125,348,459	122,748,031

DOWNING COLLEGE, CAMBRIDGE CB2 1DQ

Patron: HRH The Duchess of Kent, GCVO

Visitor: The Crown

MEMBERS OF THE GOVERNING BODY

Master : Professor Barry John Everitt, BSc (Hull), MA, PhD (Birmingham), ScD, DSc. (Hon. Hull), DSc. (Hon. Birmingham), FRS, FMedSci

Professor of Behavioural Neuroscience

The Fellows of the College (in order of Election) as of 1 October 2011

Peter James Duffett-Smith, MA, PhD, *Vice-Master*, University Reader in Experimental Radio Physics (1980)

Peter David Evans, MA, PhD, ScD, *Tutor*, Fellow in Physiology, Principal Investigator, Babraham Institute (1981)

Richard James Stibbs, MA, President, *Praelector*, *Secretary to the Governing Body*, *Fellows' Steward*, University Senior Computer Officer (1982)

Paul Christopher Millett, MA, PhD, *Admissions Tutor* and Collins Fellow in Classics, University Senior Lecturer in Classics (1983)

William Mark Adams, MA, MSc (London), PhD, Moran Professor of Conservation and Development (1984)

Trevor William Clyne, MA, PhD, FEng, Professor of the Mechanics of Materials (1985)

Catherine Lynette Phillips, BA (Queens'), MA (Toronto), PhD, R J Owens Fellow in English (1988)

Graham John Virgo, MA, BCL (Oxon), *Senior Tutor*, Professor of English Private Law (1989)

John Stuart Landreth McCombie, MA, MA (McMaster), PhD, *Tutor*, University Reader in Applied Economics (1989)

David John Wales, MA, PhD, ScD, Professor of Chemical Physics (1989)

Trevor William Robbins, MA, PhD, FRS, Professor of Cognitive Neuroscience (1991)

Sarah Jane Bray, BA, MPhil, PhD, Professor of Developmental Biology (1991)

Stafford Withington, BEng (Bradford), PhD (Manchester), Professor of Analytical Physics (1992)

Christopher Allim Haniff, MA, PhD, Professor of Physics (1993)

Nicholas Coleman, BSc, MB, ChB (Bristol), PhD, Verjee Fellow in Medicine, Group Leader, Medical Research Council Cancer Cell Unit,

Professorial Fellow in Pathology (1994)

Adam Noel Ledgeway, BA (Salford), MA (Manchester), PhD (Manchester), *Tutor*, University Senior Lecturer in Linguistics (1996)

Ian Richard James, BA, MA (Warwick), PhD (Warwick), *Tutor for Graduates*, Fellow in Modern and Medieval Languages, University Lecturer in French (1996)

Susan Elizabeth Lintott, MA, PhD (Kent), *Senior Bursar* (1997)

Zoe Helen Barber, MA, PhD, University Senior Lecturer in Materials Science (2000)

Sophia Demoulini, BA (Wooster), MSc (Minnesota), PhD (Minnesota), Fellow in Mathematics (2000)

Ian Gareth Roberts, BA (Wales, Bangor) MA (Salford), PhD (Southern California), LittD, FBA, Professor of Linguistics (2000)

Michael Trevor Bravo, BEng (Carleton), MPhil, PhD, University Senior Lecturer at the Scott Polar Research Institute (2001)

David Robert Pratt, MA, PhD, *Archivist and Keeper of Art and Artefacts*, Fellow in History (2001)

David John Feldman, QC (Hon), MA (Oxon), DCL (Oxon), FBA, FRSA, Rouse Ball Professor of English Law (2003)

Liping Xu, BSc (Beijing), PhD, University Lecturer in Turbomachinery (2004)

Paul Derek Barker, BSc (Imperial College, London), DPhil (Oxon) University Senior Lecturer in Chemistry (2004)

Guy Barnett Williams, BA, PhD, *Assistant Admissions Tutor*, (*Science*), Senior Research Associate, Wolfson Brain Imaging Centre (2004)

Marcus Tomalin, MA, MPhil, PhD, *Fellow Librarian, Assistant Admissions Tutor*, Tutor, Fellow in English, University Research Associate in Engineering (2004)

Jay Theodore Stock, BA (Trent), MSc (Guelph), PhD (Toronto), *Graduate Tutor*, University Lecturer in Human Evolution and Development (2005)

Natalia Mora-Sitja, BSc (Barcelona), MA, (Barcelona), MSc (Oxon), DPhil (Oxon), *Tutor*, University Lecturer in Economic History (2005)

Kathleen Liddell, LLB (Melbourne), BSc (Melbourne), MBioeth (Monash), DPhil (Oxon) University Lecturer in Intellectual Property Law (2005)

William O'Neill, BSc (Essex), MSc (Essex), PhD (Imperial), University Reader in Laser Engineering (2006)

Amy Catherine Goymour, MA, BCL (Oxon), *Tutor*, University Lecturer in Law (2006)

Adriana Irma Pesci, MS, PhD (Nacional de la Plata), *Senior Treasurer of the Amalgamation Club*, Darley Fellow in Mathematics (2006)

Amy Louise Milton, BA, MSc, PhD, University Lecturer in Experimental Psychology (2007)

Brigitte Steger, MPhil, PhD (Vienna), University Lecturer in Modern Japanese Studies (2007)

Jonathan Trevor, BA (Glamorgan), MA (Warwick), PhD, University Lecturer in Human Resources and Organisations (2008)

Kenneth McNamara, BSc, PhD, *Dean*, University Lecturer in Earth Sciences (2008)

Richard Keith Taplin, MBE, BSc (LSE), *Junior Bursar* (2009)

Jie Li, BS (Wuhun), MS (Paris), MS (Paris), PhD (Paris), University Lecturer in Fluid Dynamics (2009)

Subha Mukherji, M.Phil, PhD, *Acting Graduate Tutor*, University Lecturer in English (2009)

Adam Fouad Ramadan, BA, MSc (UCL), D.Phil (Oxon), Fellow in Geography (2009)

Keith James Eyeons, MA, MA (MM) (Nottingham), Ph.D, *Chaplain, Fellow Information Officer* (2010)

Robert Keith Harle, MA, PhD, Fellow in Computer Science (2010)

Timothy James Burton, MA, MB, B.Chir, PhD, Clinical Lecturer in Translational Medicine & Therapeutics (2010)

Jimena Berni, MS (UBA), PhD (UBA), Henslow Research Fellow in Biomedical Sciences (2010)

Jamie Thomas Alcock, BA (Queensland), PhD (Queensland), University Lecturer in Real Estate Finance (2010)

Marta Morgado Correia, PhD, Fellow in Biological Sciences (2010)

Paul Linden, BSc (Adelaide), MSc (Flinders), PhD, FRS, Professorial Fellow in Fluid Dynamics (2011)

Alicia Hinarejos, BA, MPhil. (Valencia), BA (UNED), MJur, MPhil, DPhil (Oxon), University Lecturer in Law (2011)

Gabrielle Bennett, BA (Virginia), Development Director (2011)

Joseph Webster, MA Hons (Edinburgh), MScR (Edinburgh), Isaac Newton-Graham Robertson Research Fellow (2011)

Retirements and Resignations 1 July 2010 – 30 September 2011

Margery Ann Barrand, BSc, PhD (London), University Senior Lecturer in Pharmacology (1992) (retired 30 September 2010)

Franco Giuseppe Giacinto Basso, LLC (Pisa), Fellow in Classics, Language Teaching Officer Faculty of Classics (2007) (resigned 30 September 2010)

Penelope Nevill, BA (Auckland), LLB (Auckland), LLM, *Praelector*, Fellow in International Law (2005) (resigned 30 September 2010)

Richard Michael Smith, BA (London), MA (Oxon), PhD, FBA, Professor of Historical Geography and Demography (1994) (retired 31 December 2010)

Kendra Adriana Packham, MA (Oxon), MSt (Oxon), Research Fellow in English (2008) (end of tenure 30 September 2011)

Sophie-Ann Harrington, MSci, MA, PhD, *Praelector*, Mays Wild Research Fellow in Materials Science (2009) (resigned 30 September 2011)

The Honorary Fellows

Giles Skey Brindley, MA (London), MD, FRS
 Sir Francis Graham Smith, MA, PhD, FRS
 David Rees, ScD, FRS
 Sir Arnold Stanley Vincent Burgen, MA, FRS
 Sir Alan Bowness, CBE, MA
 Dame Janet Abbott Baker, CH, DBE, Hon, Mus D
 Alan Norman Howard, MA, PhD, FRIC
 Peter Mathias, CBE, D Litt, FBA
 Sir Trevor Robert Nunn, CBE, BA
 Godfrey Michael Bradman, FCA
 Colin Brian Blakemore MA, ScD, FRS
 Alan Carrington, CBE, MA, BSc (Southampton),
 MA, DSc (Bristol), FRS
 Martin John Kemp, MA, FBA
 Richard John Bowring, MA, PhD, LittD
 David Stanley Ingram, OBE, PhD, ScD, FRSE
 Quentin Saxby Blake, CBE, MA, RDI, FCSD
 FRA
 Sir Lawrence Antony Collins, LLD, FBA
 Baroness Phyllis Dorothy James, OBE, JP, FRSL
 Sir David Anthony King, MA, PhD, ScD, FRS
 Rt Revd Nicholas Thomas Wright, DPhil, DD
 Sir John Pendry, PhD, FRS
 Sir Brian Vickers, PhD, LittD, FBA
 Aitzaz Ahsan, MA, Barrister at Law

The Emeritus Fellows

David Kenneth Holbrook, MA
 (deceased 11.8.2011)
 Alfred Thomas Grove, MA
 David Andrew Blackadder, BSc(Edinburgh),
 MA, DPhil (Oxon)
 Ian Bonar Topping, MA
 Robert John Richards, MA, PhD
 Charles Harpum, MA, LLB, LLD
 John Alan Hopkins, MA, LLB
 Martin Joshua Mays, MA, PhD
 Barry Charles Moore, MA,
 MSc (London School of Economics)
 Philip Huson Rubery, MA, PhD, ScD
 Charles Porter Ellington, BA (Duke), MA,
 PhD, FRS
 Margery Ann Barrand, BSc, PhD
 Richard Smith BA (London), MA (Oxon),
 PhD, FBA

The Associate Fellows

Julian Jeffs, QC, MA
 William Tudor-John, MA
 George Frederick Pulman, QC, MA
 Neville Tait, MA

The Wilkins Fellows

Godfrey Michael Bradman, FCA
 Julian Robin Darley, MA
 Richard Alexander Frischmann, MA
 Flemming Heilmann, MA
 Alan Norman Howard, MA, PhD, FRIC
 Joanna Maitland Robinson
 Rumi Verjee, MA
 Tim Cadbury, MA
 Janet Owens, MD
 Richard Williams, MA
 Jonathan Howard, MA
 Chris Bartram, MA, FRICS, RA

The Fellows Commoner

Timothy Rawle, MA
 Martin Vinnell, BSc, PhD (Essex)
 Michael McEvoy, MA, PhD
 Peter Thomson, MA
 David Chambers, MSc (LBS), MSc (LSE),
 PhD (LSE)
 Humphrey Battcock, MA
 Serita Rana, MA
 Barrie Hunt, MA, M.Ed (Exeter)

The Fellows Commoner Emeritus

John Hicks, MA, FREng

Bye-Fellows

Nigel Allington, BSc (Hull)
 Richard Berengarten, MA
 Theresa Biberauer, BA (Stellenbosch), MPhil,
 PhD
 Stuart Eves, VetMB, MRCVS
 Neda Farahi, PhD
 Felipe Hernandez, BArch (San Buenaventura),
 MA
 David Irving, BMus, MPhil, PhD
 Vicky Jones, MA, MB, BChir
 Peter Kitson, MA, PhD
 Kerry Maunder, PhD
 Alex Morris, PhD
 Jill Pearson, BA, VETMC, MRCVS
 Ian Sabir, MA, PhD
 William Schafer, PhD
 Jane Sterling, MB, BChir, MA, PhD, FRCP
 Gareth Taylor, BA, PhD
 Michael Wakelam, BSc (Birmingham),
 PhD (Birmingham)
 Kamran Yunus, PhD

OFFICERS AND PRINCIPAL PROFESSIONAL ADVISERS

Master: Professor B J Everitt, BSc, MA, PhD, ScD, FRS, DSc (Hon. Hull), DSc (Hon. Birmingham), FMedSci

Acting Senior Tutor: (1 January-30 September 2011): Dr M Tomalin, MA, MPhil, PhD

Senior Tutor: Professor G J Virgo, MA, BCL

Senior Bursar: Dr S E Lintott, MA, PhD

Actuaries

Cartwright Consulting Ltd
Mill Pool House
Mill Lane
Godalming GU7 1EY

Architects

Caruso St John
1 Coate Street
London E2 9AG

Robert Lombardelli Partnership
St. Luke's House
5 Walsworth Road
Hitchin, Herts SG4 9SP

Quinlan and Francis Terry
Old Exchange
High Street
Dedham
Colchester CO7 6HA

Auditors

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

Bankers

Barclays Bank
PO Box 326
Bene't Street
Cambridge CB4 3UT

Property Managers

Carter Jonas LLP
6-8 Hills Road
Cambridge CB2 1NH

Property Valuers

Carter Jonas LLP
6-8 Hills Road
Cambridge CB2 1NH

Securities Managers

Partners Capital LLP
5 Young Street
London W8 5EH

Morgan Stanley Securities Limited
Private Wealth Management
25 Cabot Square
London E14 4QA

Solicitors

Hewitsons LLP
Shakespeare House
42 Newmarket Road
Cambridge CB5 8EP

Charles Russell LLP
Clarendon House
Clarendon Road
Cambridge CB2 8FH



Report of the Governing Body



REPORT OF THE GOVERNING BODY

The academic year took place against a background of debate on the controversial changes to the funding of higher education. It is uncertain how the substitution of funding from the Higher Education Funding Council (HEFCE) by funding from students will ultimately affect the College; whether the new funding regime will be financially beneficial or harmful; nor when the effects will be felt. Whatever the outcome, however, in the short-term further instability has been introduced in the finances of the College, the prospects of those students who join the College in October 2012, and future philanthropy to the sector.

The accounts that follow consolidate those of the College and its wholly-owned subsidiaries, Downing College Developments Limited, Downing Cambridge Conferences Limited, and The May Ball Company Limited. The College is one of 31 autonomous, self-governing colleges within the University of Cambridge. The College, which was founded in 1800 with a bequest from Sir George Downing, was originally intended mainly for the encouragement of the studies of Law and Medicine and of the cognate subjects of Moral and Natural Science; it is now intended for the encouragement of all subjects taught in the University. For the second year running, the University was ranked 1st in the QS World Rankings, a ranking system that uses a broad set of criteria, weighting by global academic reputation (40%), employer reputation (10%), number of citations in academic publications (20%), ratio of faculty to students (20%), the proportion of international students (5%), and the proportion of international faculty (5%). For the academic year 2010-11, the College consisted of 52 Fellows, 445 undergraduates, 165 graduates, 8,656 members out of residence, and 133 permanent staff (Full-Time Equivalent: 109).

The Official Fellowship

The Fellowship, which is responsible through membership of the Governing Body for the governance of the College, consisted of 52 at 1 October 2010. As is usual at that time of year, academics join and leave. This year, there were 3 admissions to the Fellowship: Paul Linden, BSc, MSc, PhD, FRS, Professorial Fellow in Fluid Dynamics; Alicia Hinarejos, BA, MPhil (Valencia), BA (UNED), MJur, MPhil, DPhil (Oxon), University Lecturer in Law; and Gabrielle Bennett, BA (Virginia). During the year, Professor Richard Smith, the Vice Master and Head of the Department of Geography in the University, retired and Ms Gabrielle Bennett became a Fellow on her return to the role of Director of Development, which she had previously held from January 1999 to May 2002. On 1 October 2011 Joseph Webster MA Hons (Edinburgh), MScR (Edinburgh), Isaac Newton-Graham Robertson Research Fellow, was admitted to the Fellowship. In addition to their responsibilities as tutors, directors of studies, and supervisors, the academic Fellowship are engaged in research. A selection of their publications during the year is given on pages 18 and 19.

The College has three active exchange programmes with international institutions: Keio University, the University of Virginia, and Pomona College. This year's visitors were: Professor Aiko Kurasaw (Keio), Dr Elizabeth Magill (Virginia), and Professor Dwight Whitaker (Pomona). Dr Brigitte Steger, the College's Fellow in Modern Japanese Studies, visited Keio University, and Dr Jonathan Trevor, our Fellow in Human Resources and Organisations, visited Virginia.

Junior Members

In October 2011, 141 undergraduates and 80 graduates were admitted, bringing the total number of fee-paying students to 609, consisting of 446 undergraduates and 163 graduates. In addition, there were 101 registered graduate students who were in the writing-up phase of their research. The number of applicants per undergraduate place is among the highest in the University. In October 2010, 87% of all applicants were given at least two interviews by two academic staff, in addition to subject specific tests. Of the remainder, 96 were deselected and 4 withdrew prior to interview. Offers were made to 133 candidates (plus 8 deferred offers from the previous admissions round), of whom 125 were admitted in October 2011.

The Tripos results included some remarkable achievements. Ten out of 16 students taking the Medical and Veterinary Sciences Part II examinations achieved 1sts. In other subjects, 9 students were awarded College Special Prizes for coming in the top 2.5% of their class lists: Aly Monaghan (Archaeology and Architecture Part I), Ian Tang (Chemical Engineering Part IIB), Paul Le Blan (Engineering Part IIA), Rodrigo Queiro (Engineering Part IIB), Lucy Chambers (Law Part IA), Ajay Ratan (Law Part IB, Deepti Lobo (Medical and Veterinary Sciences Part II), Justin Morgan (Modern and Medieval Languages, Part IB), and Tim Harrison (Natural Sciences Part II). Although the number of 1sts received overall was slightly below the average achieved across the University, the number of 2:1s was higher.

A new category of scholar called a Foundation Scholar was introduced this year. The title is given to those students who achieve 1sts in the first three years of their course. This year, 9 graduands were elected as Foundation Scholars.

Cultural Events

While students are admitted to College solely on the basis of their academic achievements and potential, Downing students continue to excel in the many extra-curricular activities that flourish in both the College and the University. The Howard Theatre has given Downing a presence in arts in Cambridge that before had only been achieved through individual successes. This year, under the directorship of Alex Lass, the Downing Dramatic Society put on a production of *Donkeys' Years* and facilitated the use of the Theatre by other Colleges. The Theatre was also the venue for The Leavis Society's meeting, which featured the 2010 Man Booker Prize Winner and Downing alumnus, Harold Jacobson as guest speaker. His talk on being taught English by F R Leavis was subsequently published in *The Daily Telegraph*¹.

In March 2011, the inaugural Catalysis Conference, entitled "The Mind and the Brain", took place. Donors and friends of the College and the University attended talks on neuroscience and neuropsychiatry given by three Downing Fellows (The Master, who is Professor of Behavioural Neuroscience, Professor Trevor Robbins, who is Professor of Cognitive Neuroscience and the Head of the Department of Experimental Psychology, and Dr Amy Milton, a University Lecturer in Neuroscience) and three colleagues in the University's Behavioural and Cognitive Neuroscience Institute (Professor Barbara Sahakian, Dr Luke Clark, and Dr Molly Crockett). The talks covered addiction, gambling, schizophrenia, obsessive compulsive disorder, ADHD, memory and its disorders, moral judgement, and neuroethics. The Catalysis Conference is due to be held again in March 2012 and will be on "The Problem with Justice".

A collection of five drawings by the early seventeenth-century artist, Ottavio Leoni, was lent to the Fitzwilliam Museum for its exhibition of Leoni's portraits. The drawings, known as The Cardinals, are a series of black and red chalk portraits of four cardinals and Pope Urban VIII. They came into the possession of the College through a bequest by Sydney Wynn Graystone, a former Fellow Commoner.²

¹ <http://www.telegraph.co.uk/culture/books/8466388/Howard-Jacobson-on-being-taught-by-FRLeavis.html>

² An online version of the Fitzwilliam Museum's exhibition can be found at <http://www.fitzmuseum.cam.ac.uk/gallery/leoni/cardinals/index.html>

Sports

For the first time, the 1st Women's VIII gained the headship of both the Lent and the May Bumps. The 1st Men's VIII rowed at the head of the Lents for two days, but ended in second place, which they also achieved in the Mays. This level of success is in part due to the training that took place at Banyoles in January, which is subsidised by contributions from Old Members. There were team and individual successes in several other sports, with eight students being awarded blues, 10 half-blues, and 12 colours. Two of our alumni, Anthony Crutchett (Fencing) and Annie Vernon (Rowing), are due to compete in the 2012 Olympics.

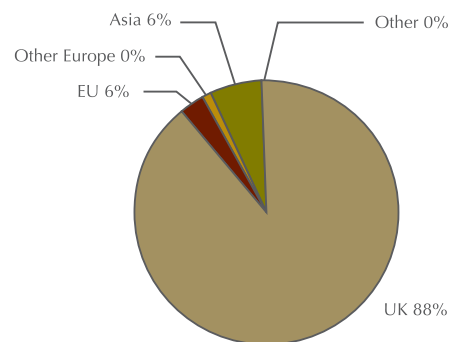
PUBLIC BENEFIT

The College's purpose is to provide a world-class education to the students with the most potential in each subject, whatever their means or social background. It is the aim of the College to attract the best applicants from the widest range of schools and colleges. By encouraging applications, the College aims to help achieve the Government's aspiration for a greater number of places being taken up by students from the maintained sector. To this end, the College undertakes an extensive programme of school visits -18 in 2010-11 - and hosted seven Open Days. The College participates enthusiastically in the *Widening Participation and Aspiration-Raising* programmes. Since 2000, by agreement with the University and its Colleges, Downing has targeted non-selective state maintained 11-16 and 11-18 schools, and Further Education and Sixth Form Colleges in Cornwall, Devon, and Dorset. Each of the College's full-time School and College Liaison Officers to date has been a recent Cambridge graduate. Since January 2010, the role has been undertaken by Carl Griffiths. He visits schools and organises mentoring, aspiration-raising visits to Cambridge for 14-18 year olds, video-conferencing, and residential open days with an extensive programme of activities. This year, he also visited four career fairs, including the AimHigher Higher Education Fayre in Camborne, and four UCAS Conventions, in addition to Oxbridge Information Days. Additionally the College hosted three school visits and three residential visits from South West students. These events have been instrumental in encouraging applications from students at schools without traditional links to Cambridge. Through the Cambridge Special Access Scheme, the College ensures that prospective students from schools or colleges which have had little previous experience of Cambridge are inspired to participate in higher education generally and at Cambridge in particular. Students are eligible if their school or college has a low level of entry into higher education, their family has little or no tradition of entry into higher education, or their education has been severely disrupted or disadvantaged through health or personal problems, disability or difficulties in schooling. For admission in 2011, there were 37 Special Access applicants, of whom three were admitted, compared with 32 such applicants for admission in 2010 of whom four were admitted.

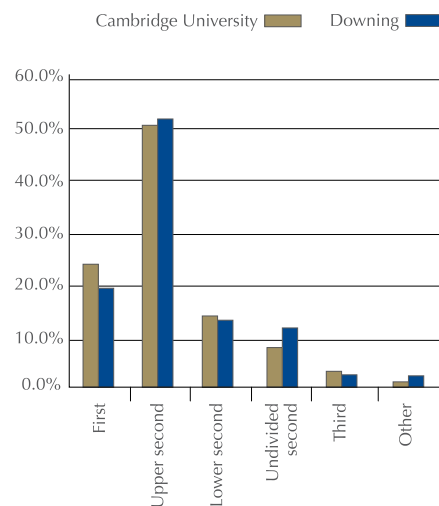
As the aim of this programme is to encourage students who would not otherwise do so to apply to University, it is impossible for the College accurately to judge its success. However, in October 2010, 38 students from 16 different state-maintained non-selective schools in Cornwall, Dorset, and Devon applied for admission, of whom six (2009-10: 10) were offered and accepted places at Downing. Of those, four are now undergraduates at Downing; two applicants did not meet the required standard in the 'A' Level examinations. The remaining 32 were not offered places, although five were placed in the "pool", the intercollegiate clearing system, but none were offered a place at another College. Since 1999 when the programme began, 48 people from the South West have taken up their places. In 2011, the number of target-school applicants is 35.

Once here, students have access to several sources of financial aid. In 2010-11, an average of £2,435 was received by 105 home undergraduates out of a Home/EU undergraduate population of 402 through the Cambridge Bursary Scheme, which is a scheme operated in common with the University, other Colleges, and the Isaac Newton Trust. The Scheme forms part of the University's agreement with the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement. Students whose household income is below £25,000 receive a maximum grant of £3,400 per year in addition to any government means-tested grants. Those with incomes of up to £50,020 receive amounts that taper to £50. 50 students received the maximum award of £3,400 under this Scheme. This year in total, the College paid out £349,828 in grants (to support the purchase of books and equipment, attendance at conferences, and travel); studentships, and bursaries in cases of financial hardship. For students who will matriculate in October 2012, the Cambridge Bursary Scheme will provide grants of up to £3,500 for students with household incomes of less than £25,000, tapering to £50 for students with household incomes of £42,600.

UNDERGRADUATES BY REGION



UNDERGRADUATE DEGREE CLASSIFICATIONS



UNDERGRADUATE NUMBERS 2010-11 as of 1 October 2010

Subject

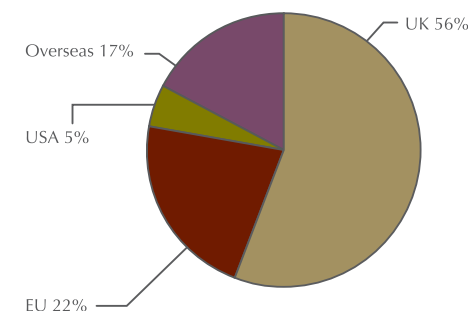
	Year 1	Year 2	Year 3	Year 4	Years 5-7	Total 2010-11	Total 2009-10
Anglo-Saxon	0	0	0	0	0	0	0
Archaeology & Anthropology	2	1	0	0	0	3	3
Architecture	2	1	1	0	0	4	3
Asian & Middle Eastern Studies	2	2	0	0	0	4	3
Chemical Engineering	0	2	0	2	0	4	4
Chemical Engineering via Engineering	0	1	0	0	0	1	2
Chemical Engineering via Natural Science	0	0	0	0	0	0	1
Classics	4	4	3	0	0	11	11
Classics – 4yr	1	1	2	1	0	5	5
Computer Science	0	2	1	0	0	3	3
Economics	6	6	5	0	0	17	19
Education	0	0	0	1	0	1	1
Engineering	12	11	13	8	0	44	41
English	8	6	6	0	0	20	18
Geography	5	5	7	0	0	17	16
History	6	6	5	0	0	17	18
History of Art	2	0	4	0	0	6	3
Land Economy	2	0	2	0	0	4	6
Law	18	18	19	1	0	56	58
Linguistics	1	1	1	0	0	3	1
Management Studies	0	0	0	1	0	1	5
Mathematics	4	4	4	1	0	13	18
Medical Sciences	16	15	15	4	15	65	70
Modern Languages	8	5	6	4	0	23	24
Music	1	2	0	0	0	3	2
Natural Sciences (Biological)	13	12	13	6	0	44	39
Natural Sciences (Physical)	16	12	11	6	0	45	40
Oriental Studies	0	0	0	0	0	0	1
Philosophy	2	2	0	0	0	4	4
Politics, Psychology & Sociology	4	4	5	0	0	13	10
Social & Political Science	0	0	0	0	0	0	4
Theology	2	2	2	0	0	6	4
Theology BTh	2	3	0	0	0	5	5
Veterinary Medicine	1	2	2	2	4	11	10
Total	140	130	127	37	19	453	452

PHD THESES SUCCESSFULLY DEFENDED BY DOWNING GRADUATE STUDENTS 2010-11

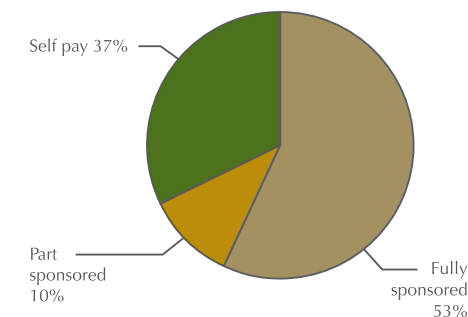
Arning	J K	PhD	Engineering (Experimental studies of combustion control in a gasoline HCCI engine)
Arwert	E N	PhD	Genetics (The contribution of the inflammatory microenvironment to wound-induced epidermal tumour formation)
Au Yeung	H Y	PhD	Physics & Chemistry (Donor-acceptor dynamic combinatorial catenanes in water)
Aveling	E-L	PhD	Social & Developmental Psychology (Partnership in whose interests? The impact of partnership-working in a Cambodian HIV prevention program)
Bond	N	PhD	Biochemistry (Development and validation of proteomic technologies towards absolute quantitation of Pseudomonas aeruginosa membrane proteins)
Borgia	M B W	PhD	Chemistry (Studies of the aggregation and misfolding of titin Ig-like domains)
Boss	E	PhD	International Studies (Aligning with the unipole: alliance policies of Estonia, Latvia and Lithuania, 1988-1998)
Cho	C	PhD	Pharmacology (Development of novel endothelial cell culture systems and their applications in studying angiogenesis modulators from medicinal plants)
Comu	A E	PhD	History (The transition of the Ottoman Empire to the Turkish Republic and the exchange of populations: The cases of Ayvalik, Mersin and Trabzon)
Cresswell	L	PhD	Mathematics (Statistical modelling in rheumatology: applications to psoriatic arthritis and systemic lupus erythematosus)
Cumming	R E	PhD	Linguistics (Speech rhythm: the language-specific integration of pitch and duration)
Deakin	J B	PhD	Psychiatry (The neuropsychology of decision-making)
Dechant	P P	PhD	Physics (Models of the early universe)
Dhillon	P	PhD	Pathology (Recognition and discrimination of substrates in flagellar type III secretion pathway)
Doolan	J C	PhD	Anglo/Saxon, Norse & Celtic ('Geysi morg heiti hafi per gefit honum': The mutability of Odinn as a literary device in the old Norse texts of the thirteenth and fourteenth centuries)
Fang	D	PhD	Physics (Current-induced Torque driven ferromagnetic resonance in magnetic microstructures)
Gkargkas	K	PhD	Biochemistry (Top-down analyses of the genetic control of yeast growth under a range of physiological conditions)
Hampshire	D J	PhD	Biology (Positive and negative regulation of natural killer cell signalling pathways in function and development)
Hejczyk	K E	PhD	Chemistry (Application of crystal structure prediction to salts and cocrystals)
Hirawatari	K	PhD	History (British and European Monetary Co-operation, 1964-1979)
Horton	D L	PhD	Clinical Veterinary Medicine (Quantifying antigenic and genetic relationships among a global panel of lyssaviruses)
Hung	W	PhD	Chemistry (Application of fragment-based approaches to the discovery of novel inhibitors against mycobacterium tuberculosis pantothenate synthetase)
Iddawela	M	PhD	Oncology (Genome wide copy number and gene expression profiling using archived tissue for molecular marker studies in breast cancer)
Kumar	C	PhD	Geography (The political ecology of deforestation in Meghalaya, India)
Laane	K	PhD	Experimental Psychology (The ins and outs of pleasure: roles and importance of Hedonic value)
Liu	B	PhD	Clinical Medicine (Iron mediated amyloid beta toxicity and oxidative stress in a drosophila melanogaster model of alzheimer's disease)
Livesey	T	PhD	Engineering (A value chain approach to assessing the multinationality-performance relationship)
Malone	C M P	PhD	Oncology (The function of Hes6 in myogenesis, rhabdomyosarcoma and neurogenesis)
McManus	E	PhD	Biochemistry (Structural insights into lipote protein ligases)
Motskin	M	PhD	Physiology, Development & Neuroscience (Hydroxyapatite nano and microparticles: correlation of particle properties with cytotoxicity, uptake and bio-persistence)
Motuzaitė Matuzeviciute	G	PhD	Archaeology & Anthropology (An archaeobotanical approach to the earliest appearance of domesticated plant species in Ukraine)
Newton	J C S	PhD	Economics (Essays on coalitional behaviour, social learning & strategic information transmission)
Palmer	C A	PhD	Experimental Psychology (Investigation into the visual strategies adopted for face versus object processing by typical adults and adults with development conditions)
Shibuya	K	PhD	Education (The development of L2 motivation of Japanese learners of English as a foreign language)
Silver	A	PhD	Physics (Pairing phenomena in bose-hubbard mixtures)
Smith	B T L	PhD	English ('It is written': representations of determinism in contemporary popular science writing and contemporary British fiction)
Stecher	T	PhD	Chemistry (Benchmark studies of ring polymer molecular dynamics rate theory)
Taviani	V	PhD	Engineering (Assessment of arterial elasticity by magnetic resonance imaging)
Tuerk	T	PhD	Computer Science (A separation logic framework for HOL)
Wood	M A	PhD	Experimental Psychology (A psychological analysis of the effects of memory retrieval prior to extinction on the reacquisition of a conditioned fear association)
Zhang	T	PhD	Management Studies (Agent based simulation of energy trends: A study of smart metering technology diffusion in the electricity market via a complexity science approach)
Zhou	C	PhD	Engineering (Aero-thermal performance of tip leakage flow in high pressure turbine cascades)

STFC Science and Technology Facilities Council; BBSRC Biotechnology and Biological Sciences Research Council; MRC Medical Research Council; EPSRC Engineering and Physical Sciences Research Council; ESRC Economic and Social Research Council; AHRC Arts and Humanities Research Council; NERC National Environment Research Council

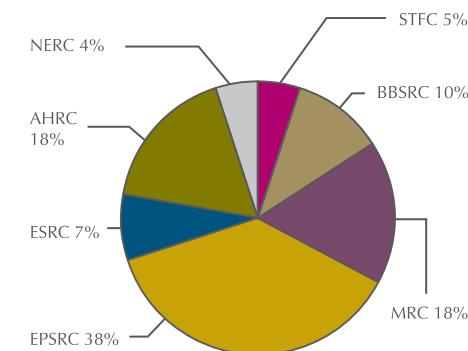
GRADUATES BY REGION



GRADUATES BY FEE TYPE



GRADUATES BY PUBLICLY- FUNDED BODY
(Cambridge University 2010)



SELECTED PUBLICATIONS BY DOWNING FELLOWS 2010-11

Adams, Professor William

Rands, Michael R W, Adams, William M, Bennum, Leon, Butchart, Stuart H M, Clements, Andrew, Coomes, David, Entwistle, Abigail, Hodge, Ian, Kapos, Valerie, Scharlemann, Jörn PW, Sutherland, William J and Vira, Bhaskar, 'Biodiversity Conservation: Challenges Beyond 2010', *Science* 329 no 5997, pp 1298-1303 (DOI: 10.1126/science.1189138) (2010)

Alcock, Dr Jamie

Alcock, J, Mollee, T and Woods, J, 'Volatile earnings growth, the price of earnings and the value premium', *Quantitative Finance*, 11(6), 805—815 (2011)

Barber, Dr Zoe

Senapati, K, Fix, T, Vickers, M E, Blamire, M G and Barber, Z H, 'Structural evolution and competing orders in polycrystalline GdN films', *Physical Review B*, 83, Article No.: 014403 (2011)

Berni, Dr Jimena

Berni, J, Muldal, A M and Pulver, S R, 'Using Neurogenetics and the Warmth-Gates Ion Channel TRPA1 to Study the Neural Basis of Behaviour in *Drosophila*', *The Journal of Undergraduate Neuroscience Education*, 9(1):A5-A14 (2010)

Bravo, Dr Michael

Bravo, M T and Triscott, N (eds), *Arctic Geopolitics and Autonomy*, Ostfildern, 2011

Bray, Professor Sarah

Dijiane, A, Shimizu, H, Wilkin, M, Mazleyrat, S, Jennings, M D, Avis, J, Bray, S* and Baron, M*, 'Su(dx) E3 ubiquitin ligase-dependent and independent functions of Polychaetoid, the *Drosophila* ZO – homologue', *The Journal of Cell Biology*, 192:189-100 (2011); *joint corresponding authors

Burton, Dr Timothy J

Burton, T J, Azizan, E A and Brown, M J, 'Investigating the function of an aldosterone response pathway in primary human adrenocortical cells obtained from Conn's and pheochromocytoma patients', *European Journal of Pharmacology*, Vol 657, pp 184-9 (2011)

Clyne, Professor William

Dean, J, Aldrich-Smith, G and Clyne, T W, 'Use of Nanoindentation to Measure Residual Stresses in Surface Layers', *Acta Materialia*, 59, pp 2749-2761 (2011)

Coleman, Dr Nicholas

Muralidhar, B, Winder, D, Murray, M, Palmer, R, Barbosa-Morais, N, Saini, H, Roberts, I, Pett, M and Coleman, N, 'Functional evidence that Drosha overexpression in cervical squamous cell carcinoma affects cell phenotype and microRNA profiles', *The Journal of Pathology*, Aug, 224(4): 496-507. doi: (2011)

Correia, Dr Marta Morgado

Correia, M M, Newcombe, V F and Williams, G B, 'Contrast-to-noise ratios for indices of anisotropy obtained from diffusion MRI: A study with standard clinical b-values at 3T', *Neuroimage*, 1;57(3):1103-15 (2011)

Demoulini, Dr Sophia

Demoulini, S, Stuart, D and Tzavaras, A, 'Weak-strong uniqueness of dissipative measured-valued solutions for polyconvex elastodynamics', <http://arxiv.org/abs/1109.6686> (2011)

Duffett-Smith, Dr Peter

Duffett-Smith, P J and Zward J, *Practical Astronomy with your Calculator or Spreadsheet*, Cambridge, 2011

Evans, Dr Peter

Burman, C and Evans, P D, 'Amphioxus expresses both vertebrate-type and invertebrate-type dopamine D1 receptors', *Invert. Neurosci* 10:93-105 (2010)

Everitt, Professor Barry

Economidou, D, Dalley, J W and Everitt, B J, 'Selective norepinephrine reuptake inhibition by atomoxetine prevents cue-induced cocaine and heroin seeking', *Biological Psychiatry* 69: 266-274 (2011)

Feldman, Professor David

Feldman, Professor D, 'Extending the Role of the Courts: the Human Rights Act 1998', in Norton, P (ed), 'Special Issue: A Century of Constitutional Reform', 30(1) *Parliamentary History* 65-84 (2011)

Goymour, Ms Amy

Goymour, A, 'Conversion of Contractual Rights', *Lloyd's Maritime and Commercial Law Quarterly*, 67 (2011)

Haniff, Professor Chris

Fisher, M, Boysen, R C , Buscher, D F, Haniff, C A, Senata, E B, Sun, X, Wilson, D M A and Young, J S, 'Design of the MROI delay line optical path compensator', *Proceedings of the SPIE*, 7734, 773449-773449-19 (2010)

Harle, Dr Robert

Harle, R, et al, 'Towards Real-time Profiling of Sprints using Wearable Pressure Sensors', to appear in *Computer Communications*, doi:10.1016/j.comcom.2011.03.019 (2011)

Harrington, Dr Sophie

Harrington, S et al, 'Thick lead-free ferroelectric films with high Curie temperatures through nanocomposite-induced strain', *Nature Nanotechnology* 6,491-495 (2011)

Hinarejos, Dr Alicia

Hinarejos, A, 'Integration in Criminal Matters and the Role of the Court of Justice', 36 *European Law Review* 420-430. Selected for reprint as 'Focus Article in 9 *European Current Law* xi-xx (2011)

James, Dr Ian

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Ledgeway, Dr Adam

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Linden, Professor Paul

Thomas, P J. and Linden, P F, '2010 Laboratory modelling of the effects of temporal changes of estuarine-fresh-water discharge rates on the propagation speed of oceanographic coastal currents', *The Journal of Fluid Mechanics*, 664, 337-347 (2010)

McCombie, Dr John

Felipe, J, McCombie, J S L and Naqvi, K, 'Is Pakistan's Growth Rate Balance-of-Payments Constrained? Policies and Implications for Development and Growth', *Oxford Review of Development Studies*, vol 38, pp 477-496 (2011)

McNamara, Dr Kenneth

McNamara, Dr K J, *The Star-Crossed Stone: The Secret Life, Myths and History of a Fascinating Fossil*, Chicago, 2010

Millett, Dr Paul

Millett, P, 'The World of Aesop' in Millett, P, Oakley, S and Thompson, R (eds), *Ratio et Res Ipsa. Essays Presented to Professor James Diggle on His Retirement by His Pupils*, Cambridge, 2011

Milton, Dr Amy

Theberge, F R, Milton, A L, Belin, D, Lee, J L C and Everitt, B J, 'The basolateral amygdala and nucleus accumbens core mediate dissociable aspects of drug memory reconsolidation', *Learning & Memory* 17(9): 444-453 (2010)

Mora-Sitja, Dr Natalia

Mora-Sitja, Natalia, 'Spain', in Quentin Skinner (ed), *Families and States in Western Europe*, Cambridge, 2011

Mukherji, Dr Subha

Mukherji, Subha, edited, introduced and contributed to *Thinking on Thresholds: the Poetics of Transitive Spaces*, 2011. Includes article entitled "Invasion from Outer Space": the threshold of annunciations'

O'Neill, Dr William

Lupoi, R and O'Neill, W, 'Deposition of metallic coatings on polymer surfaces using cold spray', *Surface and Coatings Technology*, 205 (7), pp 2167-2173 (2010)

Packham, Dr Kendra

Packham,, K, 'Praising Catholics of "Mean Degree": Literary Exemplarity, Popular Royalism, and Pro-Catholic Representations, c.1660-1725', *The Review of English Studies* (in Press)

Pesci, Dr Adriana

Cousins, T R, Goldstein, R E, Jaworski, J W and Pesci, A I, 'A Ratchet Trap for Leidenfrost Drops' sub judice (2011)

Phillips, Dr Catherine

Phillips, Dr C, 'The Public Intimacy of the Poetry of Sorrow' in Gtafé, A and Merriman, E T (eds), *Intimate Exposure: Essays on the Public/Private Divide in British Poetry since 1950*, Jefferson, NC, 2010

Ramadan, Dr Adam

Ramadan, A, 'Hospitality and postnational peace', *Political Geography* 30(4) 195-196 (2011)

Robbins, Professor Trevor

Crockett, M J, Clark, L, Hauser, M D and Robbins, T W, 'Serotonin selectively influences moral judgement and behaviour through effects on harm aversion', *Proceedings of the National Academy of Sciences, USA*, 107, 17433-17438 (2010)

Roberts, Professor Ian

Roberts, Ian, *Agreement and Head Movement: Clitics and Defective Goals*, Cambridge, Mass, 2010

Steger, Dr Brigitte

Gingrich, A and Steger, B: 'Kulturkreis', in Kreff, B, Knoll, E-M and Gingrich, A (eds), *Lexikon der Globalisierung*, Bielefeld (2011)

Stock, Dr Jay

Pinhasi, R and Stock, J T (eds), *Human Bioarchaeology of the Transition to Agriculture*, Chichester, 2011.

Tomalin, Dr Marcus

Tomalin, M, "And He Knew Our Language": *Missionary Linguistics on the Pacific Northwest Coast*, Amsterdam, 2011

Trevor, Dr Jonathan

Trevor, J, *Can pay be strategic? A critical exploration of strategic pay in practice*, London, 2011

Virgo, Professor Graham

Virgo, Professor G, 'The Law of Unjust Enrichment in the House of Lords' in Lee, J (ed), *From House of Lords to Supreme Court: Judges, Jurists and the Process of Judging*, Oxford, 2011

Wales, Professor David

Chakrabarti, D and Wales, D J, 'Soft Matter', 7, 2325-2328 (2011). Hot Article: Coupled linear and rotary motion in supramolecular helix handedness inversion

Williams, Dr Guy

Diaz-de-Grenu, L Z, Acosta-Cabronero, J, Pereira, J M, Pengas, G, Williams, G B and Nestor, P J, 'MRI detection of tissue pathology beyond atrophy in Alzheimer's disease: introducing T2-VBM', *Neuroimage*, 15;56(4):1946-53 (2011)

Withington, Professor Stafford

Withington, S, Goldie, D J and Velichko, A V, 'Low-temperature thermal conductances of amorphous dielectric microbridges in the diffusive to ballistic transition', *Physical Review B*, vol. 83, 195418 (2011)

Xu, Dr Liping

Giacché, D, Xu, L, Coupland, J and Wilson, A, 'Comparison between Postprocessing Methods Applied to Rotor-Stator-Interaction Tone-Noise Problems', *American Institute of Aeronautics and Astronautics Journal*, vol 49, no 6 (2011)

COLLEGE GOVERNANCE

The College is a lay eleemosynary corporation established by Royal Charter. The Governing Body has all the powers of an ordinary person subject to the College's statutes and general law and is bound to act in a faithful and proper way in accordance with its purposes. Acting on the powers in the Charities Act 2006, the Secretary of State removed the exempt status of the Colleges of Oxford and Cambridge on 1 June 2010. The College was then registered with the Charity Commission on 12 August 2010 (Registered Number: 1137455). The Cambridge Colleges are classed as a special case for purposes of accounting and continue to publish accounts in the form of accounts stipulated by Statute G III 2(i) of the University, *The Recommended Cambridge Colleges Accounts* ("RCCA"), which is based on Financial Reporting Standards and is compliant with the *Statement of Recommended Practice: Accounting for Further and Higher Education*. The Intercollegiate Colleges Accounts Committee advises on interpretation. The College is a charity within the meaning of the Taxes Act 1988, s 506 (1).

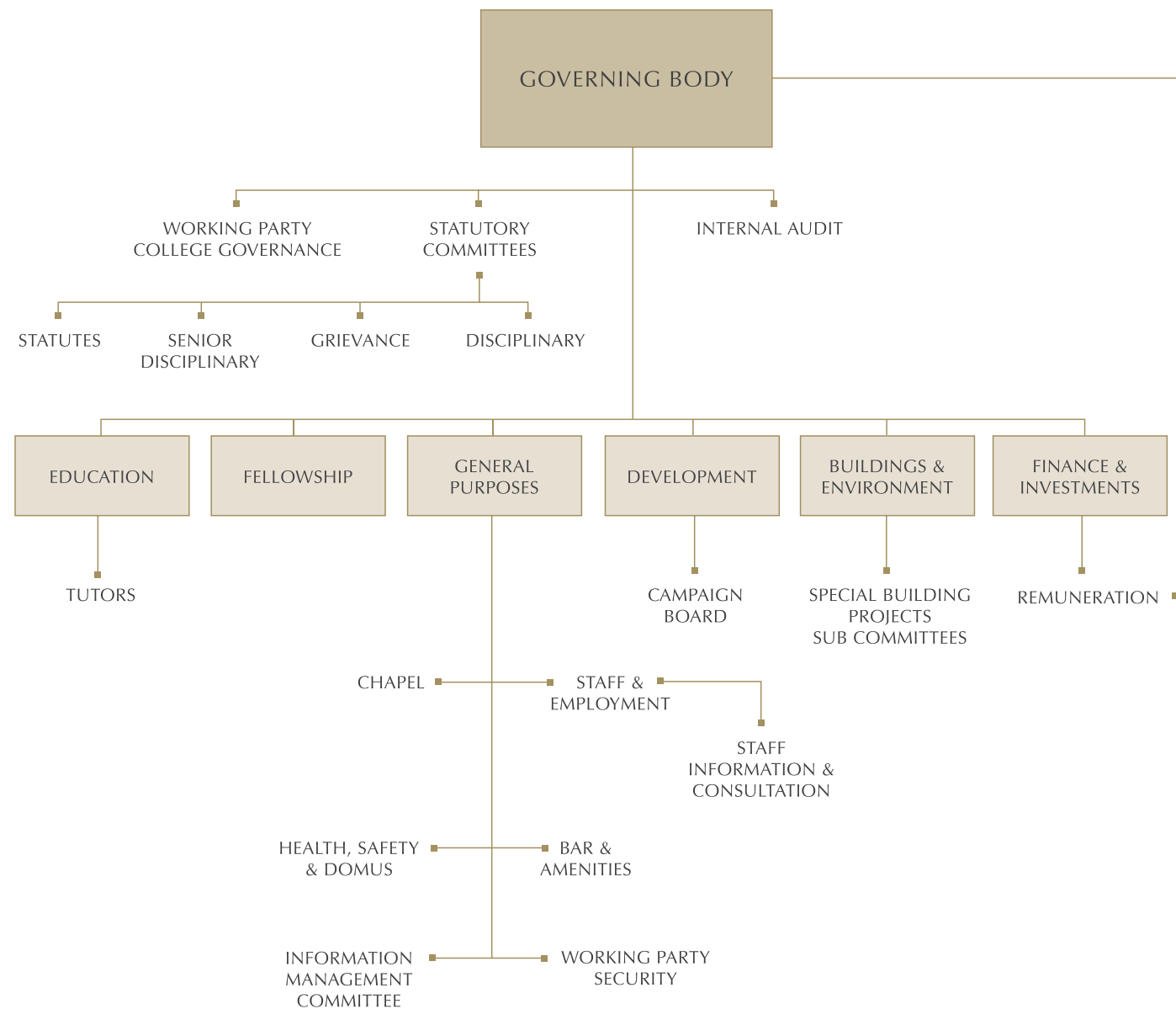
The Statutes that set out the arrangements for governance of the College were last completely revised during 2005 and approved by Her Majesty, with the advice of Her Privy Council on 9 May 2006, with approval given to amendments on 18 March 2009. The Master is Chairman of the Governing Body; the Senior Tutor has overall responsibility for the admission, education, and welfare of undergraduates and graduates; and the Senior Bursar has overall responsibility for the finances and administration of the College. Both the Senior Tutor and the Senior Bursar are accountable to the Governing Body. Members of the Governing Body serve until the earlier of retirement or the end of the academic year in which they reach 67 years of age. Members of the Governing Body in office during the period and at the date of this Report are listed on page 6. With few exceptions, Fellows are chosen after interview on the basis of excellence in teaching and research and their commitment to providing direction of studies and supervisions across the principal subjects offered by the University. New members of the Governing Body are trained in the fulfilment of their responsibility for governance through a system of mentoring. Members of the Governing Body have received training in their duties as trustees.

The Governing Body, which meets seven times a year, discharges its responsibilities through the structure of committees shown in the following table. Representatives of the JCR and the MCR attend Governing Body meetings, each of the secondary Committees (with the exception of the Fellowship Committee), and most of the tertiary Committees. External advisers serve on the Investments meetings of the Finance Committee (4), the Development Committee (2), the Health, Safety, and Domus Committee (1), and the Remuneration Committee, which consists only of external members (5), with the Senior Bursar in attendance. Its remit is to review the recommendations of the Governing Body, taken on the advice of its Finance Committee, on the remuneration of its members. In essence, the Committee can either accept or reduce (but not increase) the recommended level of remuneration. In addition, the Master's Consultative Council and the Campaign Board offer advice on elements of College strategy.

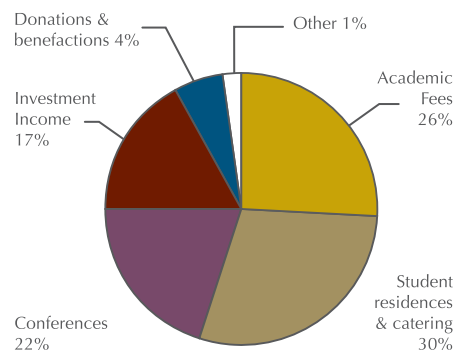
Members of the Governing Body are required to act with integrity, act in the College's interests without regard to their own private interests, and manage the affairs of the College prudently, balancing long-term and short-term considerations. The direct cost of governance for 2010-11 was £29,083 (2009-10: £26,971).

The College is a legally-autonomous body; however, it exists within the federal structure of the University. Matters of concern to all colleges and the University are discussed and acted on through a system of University-wide committees, such as the Colleges' Committee, of which all Heads of Houses are members, the Senior Tutors' Committee, which is chaired by the Vice Chancellor, and the Bursars' Committee. Representatives of the Senior Tutors and Bursars sit on each other's committees and on the Colleges' Committee. These committees work through the building of consensus as their decisions are not constitutionally binding.

THE COMMITTEE STRUCTURE



BREAKDOWN OF INCOME 2010/11



3 See Note 1, “Academic Fees and Charges”, excluding Research/Teaching Grants and Other Fees and note 4 “Education Expenditure”.

4 In December 1998, the Secretary of State for Education and Employment, the University, and the Colleges agreed to a total cut of 21.8% in the College Fee over the ten years beginning in the academic year 1999-2000 and for the payment of that fee via the University from the HEFCE grant. Prior to 1999-2000, the Local Education Authority had paid the College Fee directly to each College on behalf of each student. As part of the new arrangements, the Colleges agreed to equalise the fees charged. For Downing, which was at the top of the fee scale, the equalisation process resulted in an additional reduction of 0.5% p.a. The cumulative loss to the College was just under £1.2 million (assuming increases would otherwise have been in line with inflation measured by HEPPI).

COLLEGE FUNDING

The College funds its activities from academic fees, charges for student residences and catering, income from its conference and functions business, its investments, and from donations and bequests.

Academic Fees

Academic fees consist of the college fee and grants to support teaching and research. Of these, the most significant source of funding is the fee payable on behalf of the students by the University from its HEFCE grant towards the cost of admitting and supervising publicly-funded undergraduates and providing tutorial support and social and recreational facilities. In 2010-11, this payment, which accounted for 18.3% of total income, amounted to £1,571,016 (2009-10: £1,456,289) for 407 students, including publicly-funded undergraduates, PGCE, Clinical Medical, and Veterinary Students. In 2010-11, the College received £3,861 per publicly-funded undergraduate and set a fee of £5,304 for privately-funded undergraduates. The fee payable by all graduate students was £2,229. Cost containment resulted in a further decrease of 10.3% in the shortfall from £2,503 to £2,245 per student (on a fully-allocated basis³). Using a methodology that allocated costs between undergraduates and graduates, the College recently calculated the cost for 2010-11 as £6,850 (2009-10: £6,693) per undergraduate and £2,831 (2009-10: £3,729) per graduate. Because of the high level of fixed costs, the financial position would not be helped by reducing the number of students. The costs are highly sensitive to the cost of providing space, which is affected by energy and labour costs.

Since 1 October 2006, the University has been able to charge top-up fees. The Higher Education Act, which received Royal Assent on 1 July 2004 (“the 2004 Act”), permits the charging of variable fees provided that an Access Agreement has been entered into with the Office of Fair Access (“OFFA”). The University received approval from OFFA to charge the maximum amount, initially set at £3,000 per annum and which in 2010-11 was £3,290, reflecting the increases in line with rates announced by the Secretary of State. The University made a series of commitments, including the establishment of a needs-based Bursary Scheme, which is an extension of the grant system offered by the Isaac Newton Trust. Students from families whose income is less than £50,000 receive support calculated on a sliding scale.

The Bursary Scheme absorbed approximately a third of the extra income generated by the “top-up fee”. As a result of negotiations between the University and the Colleges, some of the extra funding has been used to enhance the amount that the University transfers to the Colleges from its HEFCE grant. The effect has been to restore the value of the fee to that received before the Government cuts (21.8% between 1999 and 2008)⁴ if adjusted by the GDP Deflator but not to the value required to compensate for inflation measured by the UK Higher Education Pay and Prices Index (HEPPI) or by the actual inflation, with its higher weighting to Tender Price Inflation, experienced by the College.

On 14 December 2010, Parliament approved the Government proposals, made under the 2004 Act, to increase from 1 September 2012 the basic and higher amounts of University fees from their current levels of £1,310 and £3,375 respectively to £6,000 and £9,000 respectively. The rise in fees is necessary to compensate for the 80% reduction in Government funding of the HEFCE Teaching Grant that was announced in the Comprehensive Spending Review. In July 2011, the Office for Fair Access approved the University’s proposed fee of £9,000 for students matriculating in October 2012 subject to agreed targets on the admission of students from the maintained sector and Low Participation Neighbourhoods and commitments on bursaries, the National Scholarship Scheme, and widening participation and outreach schemes.

The Colleges Fund

As part of the 1998 settlement, the Colleges agreed to enhance the system of intercollegiate support and to raise £30 million for The Colleges Fund. The Colleges Fund, which is funded through the intercollegiate taxation system, makes grants to Colleges with insufficient endowments⁵. In order to achieve this level of funds, the top taxation rate for the University contribution was increased in 1999-2000 to 19% of assessable income, declining to 10% by 2008-09. Grants to Downing from the Colleges Fund since the beginning of this arrangement have totalled £1,443,383. The College received a grant of £139,000 in 2010-11 (2009-10: £143,700) on the basis of the return submitted for 2009-10. It did not receive a grant in respect of the year 2005-06 when the College's endowment, taken together with an assumed level of profit from the conference business was deemed to be adequate for its size (measured by the numbers of undergraduates, graduates, college teaching officers, and Fellows). The College, nevertheless, considers that the burden of buildings maintenance requires a more substantial endowment and has launched a major endowment fundraising campaign. The College, which had not been in a position to make any contributions since 1997, contributed £1,355 in respect of 2005-06 but has not had to make any further contributions.

Stipends

Under the Cambridge system, the majority of the Fellows of a College are paid their principal stipends by the University. Remuneration systems among the Colleges differ. In Downing, Fellows who hold positions in the University – the majority – are paid for the supervisions that they undertake for Downing students (or for students of other Colleges in order to obtain exchange teaching) at an enhanced intercollegiate hourly rate and are provided with rooms and other benefits. The intercollegiate rate for 2010-11 for an hour's supervision of two students was £32.88. The College Statutes permit Official Fellows to reside within the College: at present seven Fellows are resident in College. All of these costs, including the cost of maintaining premises, are included within the costs of *Education* in the *Income and Expenditure Account*. Direct staff costs are shown in Note 9. In 2010-11, the cost per square metre of providing space was £193.93, compared with £202.85 in 2009-10 (2008-09: £204.77), a decrease of 4.4%. From time to time, Downing appoints College Teaching Officers (who are Official Fellows) in those subjects in which either there is a substantial need for undergraduate teaching but for which the College has been unable to secure University Teaching Officers as Fellows or for which it has received special funding that enables the College to support an additional Fellow in subjects in which it has a particular strength. In addition to the three full (English, History and Mathematics) and one half-time (Social and Political Science) College Teaching Officers funded by the College, in 2010-11 Downing employed a College Teaching Officer (Geography) supported from a grant. Approximately £3.7 million out of the College's £29 million total endowment is required to support the College Teaching Officer posts.

The cost of providing education is considerably greater than the money that the College receives from academic fees. Since 2001-02, the cumulative shortfall has been £12.8 million.

Development

In order to boost the charitable funds necessary to support its educational mission, the College has launched various appeals. The funds so obtained have enabled the College to commemorate the work of its most outstanding Fellows and Masters and certain of its successful alumni through the establishment of named scholarships and Fellowships. The Professor Sir Lionel Whitby Memorial Fund and the Oon Fund provide scholarships in Medicine, and the Harris Fund provides prizes and scholarships in Law. The Glynn Jones Fund provides support for Downing men and women who wish to take courses in management studies. The Darley Fellowship Fund helps support a

⁵ In 2010, the size of the endowment (net of loans) placed Downing at 21st out of 31 (2009: 22nd) in terms of this measure of wealth. Colleges of a similar sized student body (+/-50) have endowments ranging between £18.2 million and £107.9 million. The median of all Colleges was £41.7 million (2009: £38.6 million).

Fellowship in Mathematics, and the Lord Butterfield Fund makes it possible for Downing students to spend a period of study at Harvard. The Octavius Augustus Glasier Collins Fellowship Fund helps support a Fellow in Classics. The Verjee Fellowship Fund supports a Fellowship in Medicine, the Hopkins Parry Fellowship funds a Fellowship in Law, and the Mays Wild Fellowship funds a Fellowship in Natural Sciences. Dr Janet Owens generously supplemented the fund that supports the R J Owens Fellowship in English. Members of the College have also contributed generously to the estate – for example, towards the Sir Mortimer Singer Graduate Building with its Frischmann and Heilmann Wings, Howard Court and the Howard Building, the Maitland Robinson Library, and the Lieutenant Colonel Anderson Fitness Room.

In 1996 the College established a Development Office in order to maintain links with members of the College out of residence. It sponsors events such as alumni days, reunions, and meetings; it also focuses giving through appeals. A major campaign, launched in 1997 with the aim of raising £12,000,000 closed on 31 July 2004, having raised funds of £12,325,432. An appeal was then launched for the restoration of the Dining Hall. Funds of £1,137,219 have been received to date, out of the £1.22 million that has been pledged. A major fundraising campaign for endowment, “Catalysis”, was launched at the London Event on 2 November 2009. At the end of the financial year, £6.8 million had been pledged. Because of the Trusts and Restricted Funds it holds, the College is able to support its students with grants, bursaries, and hardship funds. In addition, it is able to reward excellence through scholarships and prizes. This year, the College made awards of £163,619 of which £138,427 was provided by Restricted Funds including Trust Funds and £25,192 was met from general funds.

Conferences

Through its subsidiary Downing Cambridge Conferences Limited, the College continues to focus on building its commercial business, which consists of conferences and functions. Income from commercial activities is intended to cover the out-of-term portion of the year-round costs of the estate and the staff. Profits from this, together with fundraising efforts, rigorous cost control, and more economically appropriate charging policies are key contributors to the strategy needed to address the unfavourable business environment within which Oxbridge colleges operate.

Trinity College

The College has benefitted from the generosity of Trinity College. In 2010-11, £40,000 was given to support teaching, and the College continues to benefit from the discounted rent payable on the sports ground lease. The Isaac Newton Trust, established by Trinity in 1988 to promote education, learning, and research in the University of Cambridge, donated a total of £150,000 on a matching basis to create an endowment for supporting students experiencing financial hardship. The Trust continues to provide bursaries of up to £1,000, including a 6.25% contribution from the College, for students from less affluent backgrounds who matriculated before 2006. Since 2006, it has operated and contributes to the Cambridge University Bursaries Scheme, whereby a third of the top-up fee is set aside to fund bursaries of up to £3,400. It has also paid the College for the release of College Teaching Officers’ time for teaching for the University and continues to provide support for Fellows with postdoctoral research posts. In 2010-11, direct financial support from Trinity amounted to £40,000. In addition, the College and its members received £239,771 (2009-10: £171,489) from the Isaac Newton Trust.

SIGNIFICANT POLICIES

1. RESERVES

1. Total Funds stood at £134.4 million at 30 June 2011. Of this amount, £77.1 million is designated as operational assets, representing the net book value of the buildings that are not supported by the Revaluation Reserve or Deferred Capital Grants that arise from donations. These funds are designated because they represent functional fixed assets that cannot be spent as income.
2. In formulating the reserves policy, the Governing Body has considered the factors which cause variations in income. These are: student numbers, changes in the apportionment of the College Fee and in the funds awarded by HEFCE to the University, the susceptibility of the conference business to corporate cutbacks and geopolitical events, and the volatility of the investment portfolio caused by movements in world markets and unanticipated rental voids. The Governing Body has also considered examples of historical unanticipated expenditure, in particular those that have arisen from problems in the fabric of the building, e.g. dry rot. The Reserves also support any liability arising from the final salary pension scheme for staff under FRS 17 (2011: £765.312; 2010: £1,157,624).
3. The Governing Body therefore considers that free reserves should represent one year's worth of expenditure and a £1 million unanticipated expenditure on repairs. To that end, it believes that the free reserves should be no less than £10 million. However, the programme of conversion of investment properties for operational use has the effect of diminishing the free reserves, which the Governing Body accepts may lead to a lower level of reserves than is desirable.
4. The level of reserves is reviewed routinely by the Finance Committee and in response to any relevant, specific interim requests for expenditure.
5. At 30 June 2011, free reserves (General Reserve less pension liability) stood at £12.5 million (2009-10: £9.8 million).

2. INVESTMENT PRINCIPLES (The "SIP")

1. The College may invest in securities and in real or personal property. (See Statute XLVII, approved by Her Majesty in Council on 19 July 2005, and superseded by the full set of statutes approved on 9 May 2006).
2. The College manages its investments in securities and property to produce the highest return consistent with the preservation of capital value in real terms for the long term, net of costs and approved withdrawals. A subsidiary aim is to enhance the value of the capital for future beneficiaries. The goal implies a time-weighted net return target of inflation (approximated by a long-term inflation rate of 4%) plus 4% measured over five-year periods.
3. The Investment Committee sets the overall asset allocation and appoints advisors and managers. On 1 August 2009, the College appointed Partners Capital to advise on and manage the securities portfolio. Such appointments are reviewed at three-yearly intervals or in response to specific problems or opportunities. The review considers the risk return parameters that have been given to the managers, whether these parameters still accord with the College's investment objectives, the performance benchmark resulting from these parameters, and the long-term investment objective. The portfolio advised on by Partners Capital is designed to generate a nominal, unlevered return of 9.3% (5.3% real plus 4% cost of inflation) after all management charges, leaving a margin of 1.3% (9.3%-8%) to build a cushion against the risk of downturns.

4. For the financial year 2010-11, for performance measurement purposes the benchmark consisted of Equities: 30%; MSCI All Country World Index (in local currency); Fixed Income: 14%; FTSE A British Government All Stocks; Hedged Equities: 14%; HFR Fund of Funds Index; Cash: 5%; UK three-month LIBOR Index; Absolute Return Hedge Fund: 14%; three-month treasury bill +0.5%; Inflation Linked Bonds: 6%; IPD All UK Property Monthly; Commodities: 3%; S&P Goldman Sachs Commodity Index; and Private Equity: 14%; Cambridge Associates Private Equity Index. Tactical Allocation ranges were cash: 0-5%; Fixed Income: 5-18%; Equities: 30-50%; Private Equity: 8-15%; and Commodities and Inflation Linked Bonds: 4-18%.
5. From August 2009, the custodian for the majority of the securities was BNP Paribas Securities Services S.A.
6. Since 1 August 1957, the College has operated an Amalgamated Fund made under the Universities and Colleges (Trusts) Act 1943, in which permanent capital, expendable capital, restricted funds (including trusts), and unrestricted funds hold units. The Fund is invested to optimise total return and the College adopted a spending rule that was designed to smooth spending and reduce the effect on income of fluctuations in market performance. The amount of return recognised in the Income and Expenditure Account is equal to the weighted average of prior year's spending adjusted for inflation measured by RPI + 1% (70% weight) plus the amount that would have been spent using 4.5% of the prior year's closing value of the investments (30% weight). In formulating this rule, the College had regard to the unapplied total return on funds invested. Until 2008-09, an amount equal to interest expense on loans taken out in place of withdrawals from the portfolio was also included in the drawdown. From 2009-10, interest expense has not been covered.
7. Since 1 July 2010, the units of the Amalgamated Fund have also been invested in the College's commercial property portfolio. The College only invests directly in property held for strategic purposes. In the case of commercial property, the investment analysis must demonstrate an acceptable commercial yield. For any investment in residential property for use by the College's students, the net yield must be positive, with the prospect of an appropriate capital gain. No such purchases are contemplated in the near term. Such purchases must also take account of the College's overall liquidity and income requirements. In 2008, the College, acting on advice from Carter Jonas, undertook an analysis of its Regent Street properties to establish which properties could be converted to student accommodation and which would be held as long-term investments. Following this analysis, the Spending Rule outlined in paragraph 6 was adjusted to incorporate the total return from the investments in property.
8. The unapplied total return stands at £5,780,514 for the securities portfolio and includes returns from commercial property since 1 July 2007.
9. The College's property portfolio is presently managed by Carter Jonas LLP. Routine decisions are taken by the Senior Bursar acting on advice from Carter Jonas and the law firm Hewitsons.
10. All investments, including the parameters for the investment of cash, are overseen by the Investments Committee, with day-to-day management delegated to the Senior Bursar. Membership of the Investment Committee consists of 8 members of the Finance Committee but augmented by four external members with professional expertise. The Investment Committee reports to the Governing Body, which is responsible for authorising major changes of strategy, the appointment of fund managers, and all direct holdings of property.
11. The Investment Committee is required to meet three times a year in order to review investment performance; in practice, however, it tends to meet more frequently in order to consider specific investment opportunities or unusual events. The Committee receives quarterly performance reports from its core securities portfolio manager, representatives of which also attend the principal meetings.
12. This Statement has been reviewed in November 2011 and will be reviewed at least every three years.

3. RISK

Because of the relatively small size of its investment portfolio, the College has adopted a cautious strategy towards its investments. The College has commissioned a series of reviews of its securities holdings in order to quantify the risk/return profile of the portfolio and to recommend an appropriate strategic asset allocation to reduce the volatility of returns. Although the portfolio is well-diversified and takes into account the risk-adjusted returns of each asset class and its role within the portfolio (e.g. volatility reduction, provision of income, return enhancement, deflation hedge, or inflation hedge), the turmoil in the financial markets towards the end of 2008 resulted in most asset classes being affected negatively with assets with long historical trends of low correlation to each other moving in tandem. The College responded by conducting a detailed and careful analysis and concluded that its strategy is sound but that implementation should be on the basis of advice from a third party rather than through discretionary fund management. During the most recent financial problems, the portfolio appears to be behaving according to the modelling which informed its construction.

The portfolio has substantial exposure to currency movements, which is limited through foreign exchange forward contracts to target hedging 70% of the US dollar, Euro, and Japanese Yen exposure. Only currencies with potential exposure of greater than 5% of the portfolio are subject to currency management.

4. ETHICAL INVESTMENT

The College keeps its duty in regard to the ethical investment of its funds under review. In line with the findings of the Harries case (Bishop of Oxford v. Church Commissioners, 1992), the overriding principle guiding the College's investments is the financial return of the portfolio, unless such investments are contrary to the charity's aims. Categories of exclusion that may fall within this definition are companies whose activities violate human rights, the environment, and best practice in social and stakeholder matters. After a period of assessment of methods of managing investments, the College decided to change its system of investing, and with effect from the financial year beginning on 1 August 2009, the College withdrew its portfolio from its discretionary manager and appointed a firm of advisors which provide a range of pooled funds in which to invest. The Investment Committee is responsible for decisions on asset allocation but does not select individual stocks.

5. RISK MANAGEMENT

The Governing Body's Risk Management Register is kept under review. The relevant Committees have considered the risks inherent in their areas of responsibility and have advised the Governing Body on the probability of occurrence and the likely impact, together with the steps taken in mitigation. Although risks can be identified and plans to deal with such risks formulated, the College is nevertheless exposed to a variety of risks, some of which cannot be addressed through insurance. The age of the estate, parts of which are 200 years old, means that problems inevitably occur, sometimes without warning and often at great expense. Annual results can be affected by large swings in student numbers, principally in the graduate community and mainly because of multiple applications and the uncertainty of funding. A wide range of the College's operations are affected by volatility in the financial markets and by recession in the real economy, the effects of which are hard to mitigate. All operations would be impacted by a pandemic. The College has made an appropriate plan to minimize problems. The consequences of the changes to the funding of higher education beginning in 2012 are as yet unknown.



6. THE ENVIRONMENT

Green Policy

The College will comply fully with environmental legislation and relevant officially approved codes of practice, in order to:

- promote sound environmental management policies and practices in all areas of its activities
- minimise the consumption of carbon-rich energy and of water
- minimise waste and pollution and operate effective waste management and recycling procedures
- increase awareness of environmental responsibilities among Fellows, students, staff, and guests
- encourage modes of transport which minimise the environmental impact

Management Policy

The College aims to be at the forefront in environmental planning and implementation among Cambridge Colleges.

It will achieve this by:

- researching techniques to achieve energy and waste reduction
- implementing stringent intra-College policies, with pre-determined targets for energy and waste reduction over time
- applying environmentally sustainable purchasing policies, including total supply chain and whole-life-costing techniques
- communicating targets, monitoring achievement, and feeding back results to participants

Scope

The Environmental Policy covers the following areas:

- reducing the carbon footprint by consuming less energy and converting to more environmentally-friendly sources of energy where practicable
- promoting recycling, aided by minimising and responsibly disposing of non-recyclable waste (eg under the WEEE regulations)
- reducing the per capita consumption of water
- promoting a Green Travel policy for Fellows, staff, students, and guests
- monitoring consumption of energy and water, investigating anomalies, and feeding information back to consumers
- using environmentally-sound building and refurbishment methods

Reducing Consumption

The College aims to meet or exceed all national and sector targets for carbon reduction. These targets include those under the Carbon Reduction Commitment (CRC), the Higher Education Funding Council for England (HEFCE), and those defined by the Cambridge Colleges.

Current targets include:

- requalification of the Carbon Trust Standard (originally awarded 2009); Downing is the only Oxbridge College to have achieved certification.
- the “11/11” Commitment. The College will aim to use 11% less energy in 2011 compared with that used in 2009
- reducing per capita water consumption by 10% by 2012 (baseline 2009)
- reducing carbon consumption by between 34% and 50% by 2020 (baseline 2005)
- reducing carbon consumption between 80% and 100% by 2050 (baseline 2005)

Recycling and Waste Management

The College undertakes to reduce the absolute quantity of waste generated and, specifically, the volume sent to landfill, year-on-year.

This reduction will be achieved by:

- purchasing items with reduced packaging
- reducing waste arising from food preparation by means of better stock control and portion management
- involving staff and students in correctly segregating waste streams to maximise recycling
- working with the City Council and other waste disposal agencies to recycle more effectively
- creating new recycling channels where possible

Greater Environmental Awareness

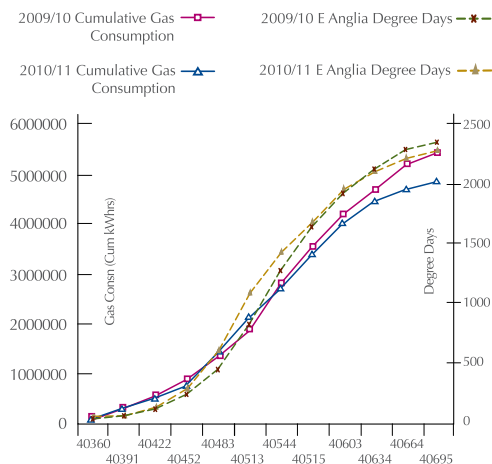
The College will actively promote environmental awareness among Fellows, students, staff and – where appropriate – conference guests.

Increased awareness will be achieved by:

- actively publicising national and local environmental initiatives
- managing College initiatives through the Carbon Reduction Committee, the Health, Safety, and Domus Committee, and the Buildings & Environment Committee
- involving JCR and MCR Green Officers in all initiatives
- including environmentally-based incentives in staff performance targets and in student rents
- monitoring and publicising energy-saving and environmental targets and performance, including to conference guests
- improving Green Tourism conformance

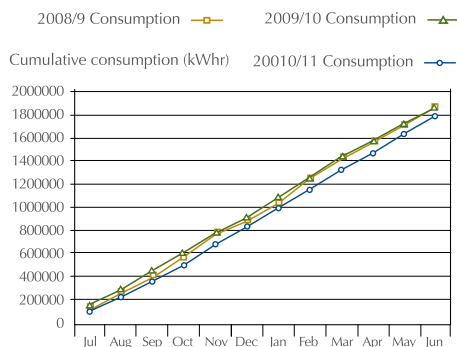


HEATING vs DEGREE DAYS 2010/11



A Degree Day is any day in which the outside temperature falls below 15.5°C multiplied by the number of degrees below 15.5°C

ELECTRICITY CONSUMPTION COMPARISONS (by FY)



Green Transport Policy

The College encourages responsible travel arrangements:

- generally, students may not bring motor vehicles to Cambridge
- additional storage facilities will be provided to reduce the need for parental transport during Christmas and Easter vacations
- Fellows, students, and staff will be encouraged to walk or bicycle to work more frequently
- conference and non-conference guests will be encouraged to come to the College by public transport (train/coach)
- the College will provide incentives to staff to use the train or Park and Ride
- work patterns will be adjusted to facilitate use of public transport

Actions and Targets

The College will:

- aim to reduce gross energy consumption by 11% in 2011, compared with a 2009 baseline
- install additional voluntary metering and provide monthly data to residents on their energy consumption
- maintain Carbon Trust Standard Certification
- reduce volumes of waste by 5% in 2011 and increase the proportion recycled by a further 5% against the 2009 baseline
- assess buildings for energy efficiency and undertake a programme of remedial action to improve their performance (insulation etc)
- achieve 20% renewable content in electricity procurement by 2015

Progress

- 19 February 2008, Downing was the first College to sign the Cambridge Climate Change Charter and has remained in the forefront of environmental improvement
- 1 July 2009, the College became the first College to gain Carbon Trust Accreditation and remains the only College with this Standard
- On 1 April 2010, the Climate Change Act 2008 came into force, which imposed a mandatory carbon trading scheme. Downing took the lead in defining the processes for the Cambridge Colleges to participate jointly
- In May 2010, the College came top in the overall league of the Colleges' Environmental League Table. However, because of increased competition only managed 6th place overall in 2011
- 2010, Quentin Blake (1953-56: English), an Honorary Fellow and the first Children's Laureate, donated the drawing of a "Green Griffin" to the College. The Green Griffin is the figurehead for the environmental awareness strategy
- During FY 2010/11, while Degree Days reduced by 2.7% compared with 2009/10, the College achieved an overall 10.3% reduction in gas consumption. The majority of heating is provided by gas.

RESULTS IN THE FORMAT REPORTED TO THE CHARITY COMMISSION

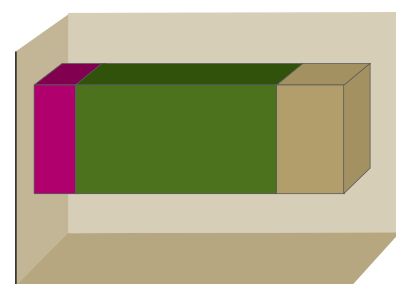
The *Summary Information Return* ("SIR") that is made annually to The Charity Commission is based on The Charities Statement of Recommended Practice, which has a different emphasis from that of the standard profit and loss model of accounts that informs *The Statement of Recommended Practice: Accounting for Further and Higher Education* and the *Recommended Cambridge Colleges Accounts* ("RCCA"). Whereas the RCCA inevitably focuses users' attention on the efficiency and viability of an entity as measured by the surplus or deficit of the period's operations, the SIR incorporates in its definition of income all the funds flowing into the entity, including capital donations to endowment.

By highlighting the costs of governance, investment management, and trading to raise funds, the SIR frames an entity's efficiency in terms of its success in keeping administration costs to a minimum. When published on the Charity Commission's website, information is presented pictorially. The pie charts illustrate the College's dependence on current and past donations (27% Income) to support its £7.36 million spending on its charitable activities. The charts also provide a measure of profitability on trading to raise funds. That contribution, however, should not be taken at face value; the commercial conference business absorbs overhead costs that would otherwise fall on charitable activities.

A further chart shows the extent to which funds have been used to support the current year's activities and the extent to which they have been retained for future use, although in many cases that division reflects the terms of the donations.

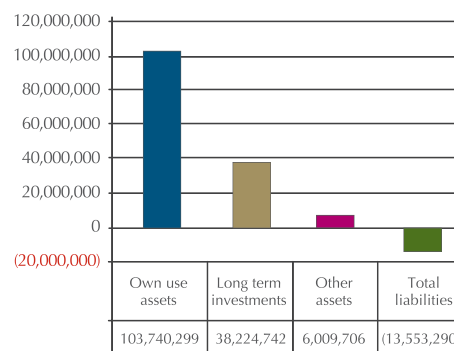
Compared with 2009-10, Income has grown by 5.0% to £11.19 million, principally as a result of donations to endowment. Income from charitable activities increased by 6.8%, with the most significant rise being in College Fees. Income from commercial conferences reached £1.29 million, up 19.8% from last year's £1.07 million. Spending on charitable activities decreased by 3.0% to £7.36 million. Of the £3.01 million in donations received during 2010-11, £2.22 million were retained for future use.

CHARITABLE SPENDING



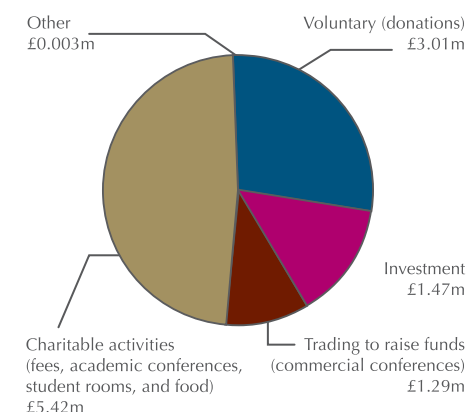
Income generation and governance	£1.61m
Charitable spending	£7.36m
Retained for future use	£2.22m

ASSETS, LIABILITIES & PEOPLE

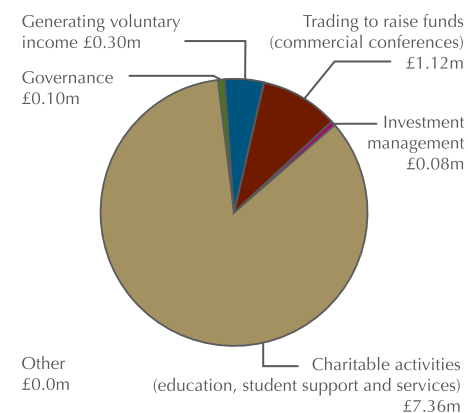


Employees 161

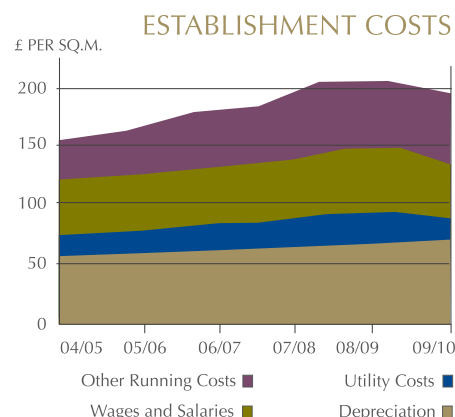
INCOME £11,191,179



SPENDING £8,969,272



FINANCIAL REVIEW



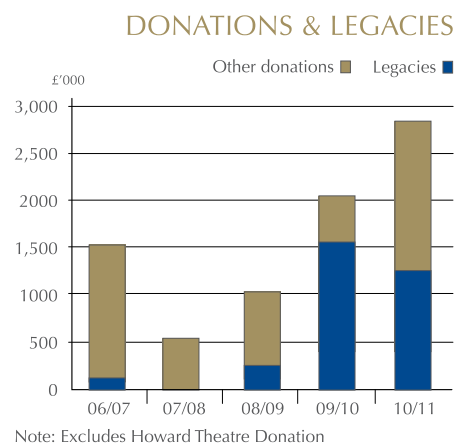
Income and expenditure

- Deficit cut by 52.6%
- Income up by 6%
- Expenditure up by 0.8%

The reduction in the deficit by 52.6% demonstrates that the strategic plan that the Governing Body adopted in May 2009 is taking effect. Taking the broadest measures from the *Income and Expenditure Account*, income in all operating categories has risen in excess of associated costs: Academic Fees have risen by 6.2%, whereas Education costs have increased by only 0.3%. Similarly, income from Residences, Catering, and Conferences has grown by just under 10%, but costs have only increased by 1%. The gap between operating income and operating costs has, therefore, narrowed from £2.6 million to £2.2 million. That amount must be met from investment returns and donations.

For 2010-11, the investment income brought into the *Income and Expenditure Account* was £1.4 million. Donations and Benefactions of £0.4 million (consisting of in-year donations and prior year gifts matching the depreciation of the buildings that those gifts support) were recognised within the year, as against £1.8 million in new endowments that were put to capital. Taking into account the annual contributions from investments and donations, the deficit for the year was £0.4 million.

In order to eliminate that deficit, further growth in income from Conference Services, continued emphasis on better purchasing, the elimination of waste, and maintaining the gross profit margin on catering, as well as success in fundraising will be essential. Undercapitalised from its founding in 1800, the College is 21st in terms of the absolute size of its endowment and 23rd if ranked by the size of the endowment per student. The median size of endowment for 2009-10 was £41.7 million (net of loans).



DEVELOPMENT: ALUMNI RELATIONS AND FUNDRAISING

2010-11 was the most successful year in general fundraising on record. In the past, the College has received specific gifts for buildings, most notably from the Howard Foundation; but in this financial year, over £4 million in cash was received in donations and bequests, including £1 million in unrestricted funds for the endowment. Gratifyingly, £1.12 million was pledged as a direct result of the Catalysis Conference, which aimed to showcase the academic work of the College as well as to explain its financial situation. The Catalysis Campaign was launched with the aim of raising £20 million by 2015 to support a range of activities (Teaching and Learning; Research and Discovery; Heritage and Environment; Support and Services; Culture and Community); however, that need was calculated before the crash of 2008, in which the College's securities portfolio lost 21.7% in value. By the end of this financial year, that loss had narrowed to 4.3%, but the recent turbulence in the market will have affected the value. However, the College is not running to stand still: the commitment of our alumni and other donors has facilitated new projects, such as the possible conversion of Parker's House, the establishment of funding for a Fellow in neuroscience, and the Catalysis Conference itself. In addition, the Howard Foundation continues to support the College's conference business, not only by bringing its own conferences to the College but by providing funds for the somewhat unglamorous repair and rationalisation of the car park.

At 17%, the participation rate of the alumni in contributing to the College is among the highest of the Cambridge Colleges, and considerably in excess of the 1.2% participation rate of alumni of higher education institutions across the UK.



www.twitter.com/downingcollege

Followers: 747

Tweets: 733



www.facebook.com/downingcollege

Fans: 1,264

Development Office website www.downingcambridge.com

Data for 1 July 2010 – 30 June 2011

Visits: 16,671

Page views: 48,654

Average time on site: 00:02:06

New visits: 58.82% (i.e. 41.18% are returning visitors)



www.flickr.com/photos/downingcollege

Photos: 200

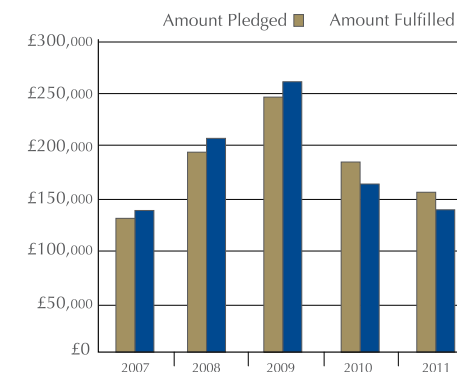
Views: 5,320



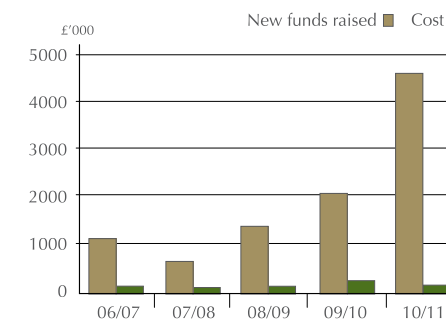
Downing College LinkedIn Group

Members: 338

TELEPHONE FUNDRAISING DONATIONS 2005-2010



FUNDRAISING COSTS AND INCOME



Note: Excludes Howard Theatre Donation

The tables below show the total funds recognised for the years 2010-11, 2009-10, and 2008-09 and the Status of Members out of Residence and Donors in 2010-11, compared with those in 2009-10, and 2008-09.

Actual funds recognised during the year

	2010-11 £	2009-10 £	2008-09 £
Unrestricted			
Endowment	382,846	746,898	139,901
Annual Fund	97,111	108,170	93,428
	479,957	855,068	233,329
Restricted			
Student Accommodation	4,296	5,477	6,460
Hall Restoration	28,713	66,183	113,400
Howard Theatre	1,885	695,267	781,224
Parker's House	812,500	—	—
Teaching Support	253,046	60,306	53,725
Student Support	1,137,872	718,974	352,027
Sports & Cultural (incl. Boat Club)	59,711	27,218	44,285
Downing Enterprise Scheme	20,000	10,000	50,925
Other	44,741	273,461	150,031
	2,362,764	1,856,886	1,552,077
TOTAL	2,842,721	2,711,954	1,785,406

In addition, The Segreants Trust (formerly the Boathouse Centenary Trust) received donations of £14,177 during the year, bringing the total it has raised to £1,144,138. Alumni clubs, such as The Segreants, The Griffins, and the Downing Association, also raise funds to support members in residence.

Event Attendance by Financial Year (1 July – 30 June)

	2011-12		2010-11		2009-10		2008-09	
	Total	Alumni	Total	Alumni	Total	Alumni	Total	Alumni
1749 Reception: July	52	27	76	59	62	31	80	31
Alumni Day: September	171	94	155	110	110	65	105	71
Association Dinner: September	162	96	145	104	157	98	86	80
London Event: October/November	107	85	131	120	150	140	168	151
Griffins' Dinner: January			43	23	31	16	28	23
Year Reps Meeting: January/February/March			34	27	32	26	34	27
Reunion Dinner: March/April			130	125	147	140	168	165
Segreants Dinner: April			115	66	136	46		
Donors Garden Party: June			221	114	199	85	209	73
Graduands Reception: June			300	119	288	93	217	83
Other events			540	348	416	259	255	78
TOTAL			1,890	1,215	1,728	999	1,350	782

Status of Members out of Residence and Donors

MEMBERSHIP DATABASE

	2010-11	2009-10	2008-09
Number of Alumni (living and deceased)	10,424	10,248	10,058
Of which are ex-undergraduates	9,015	8,902	8,791
Of which are ex-graduates	1,408	1,346	1,267
Deceased	1,768	1,720	1,679
Living Members	8,656	8,528	8,379
Address known (Members in Contact)	6,770	6,609	6,495
Of which are ex-undergraduates	5,839	5,709	5,259
Of which are ex-graduates	930	900	1,236
% Address known	78%	78%	78%
Email address known	5,077	4,694	4,538
% Email address known	74%	71%	70%
Address unknown	1,886	1,909	1,884
Request not to be mailed	283	254	221

PARTICIPATION RATES

Living donors this financial year	1,147	1,173	1,189
Of which are ex-undergraduates	1,033	1,065	1,075
Of which are ex-graduates	84	81	76
Of which others	30	27	38
Members who have ever contributed to the College	3,778	3,511	3,487
Living members in contact who have contributed	2,934	2,904	2,898
As % of total living members	34%	34%	35%
As % of members in contact	43%	44%	45%
Participation Rate this financial year of living members	13%	14%	14%
Participation Rate this financial year of living members in contact	17%	18%	18%
% ex-undergraduates	18%	19%	20%
% ex-graduates	9%	9%	6%

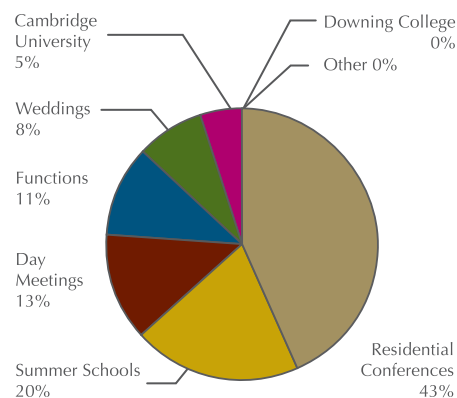
CONFERENCE SERVICES

- Total Conference Income: £1.9 million, up by 16.7%
- Charitable conferences: £0.6million
- Ensuite occupancy rate increased to 39.2% (2010: 33.2%)

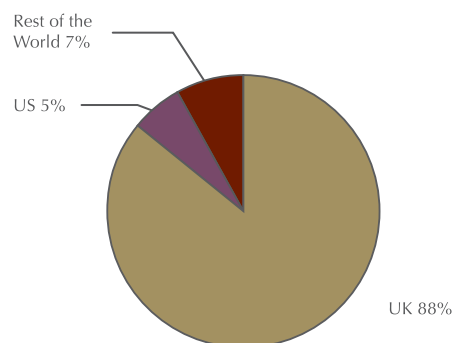
The combination of the Howard Theatre, the Hall, and 100 superior en-suite rooms has created one of the most popular conference centres in Cambridge, which has finally come into its own. Despite difficult trading conditions, the ensuite occupancy rate (the key measure of high-value usage) rose from 33.2% to 39.2%. The overall rate achieved on all rooms, however, fell from £49.57 to £46.08, reflecting additional use of standard rooms for summer school business. In addition to its use as a venue for corporate and academic conferences, pleasingly The Howard Theatre has been used for theatrical productions (see page 31) by other Colleges and organisations.

Conference Services is a key component of the strategy to achieve financial stability. It is subject to the vagaries of the economy but unlike the core activity of the College, it is a sector where the College and its staff can influence pricing and profitability. The strategy calls for continued expansion, which in a highly competitive market is increasingly challenging. The calculation of profitability required by the Charity Commission format illustrates the contribution to cash; however, it masks the contribution to costs on a fully allocated business and that contribution underwrites many of the improvements to student accommodation and facilities.

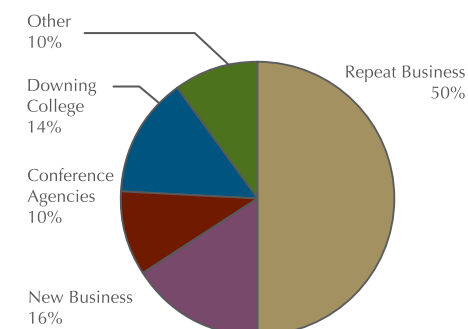
INCOME BY BUSINESS SECTOR



INCOME BY REGION



SOURCE OF BUSINESS



REPRESENTATIVE CULTURAL EVENTS IN THE HOWARD THEATRE – 1 JULY 2010 TO 30 JUNE 2011

2010	Group	Title
7 July	Historic Houses Association & The Georgian Group	Heritage Day
20 July	The Garage (Arts Group)	Music Leader East of England
30 July	Cambridge Summer Music Festival	Cambridge Summer Recital – Instant Sunshine
24 September	RIBA East	RIBA East Awards Ceremony and Dinner (Award for Hall)
5-9 October	Pembroke Players	Much Ado About Nothing
28 October	Footlights	The Virgin Smoker
6 November	Downing Dramatic Society	Pickpocket Filmscreening
16-20 November	Downing Dramatic Society	Donkeys' Years
24 November	Blake Society	Blake Society Talk : Simon Tisdale
2011		
29 January	Downing Dramatic Society	Downing Rag Smoker
3 February	Downing Dramatic Society	Totally Tom
10 February	Centre for Gender Studies	The Diane Middlebrook & Carl Djerassi Visiting Professor Lecture
19 February	Dr Ben Douglas	An Introduction to Space Medicine
22 February	Downing College	The Bedder's Film
24-27 February	Mighty Players	The Duchess of Malfi
4-5 March	Homerton Dramatic Society	Six Characters in Search of an Author
9 March	Maitland Historical Society	Marriage and the Monarchy (dedicated to Kate and Wills) by Dr David Starkey
14 March	Downing College	Cambridge University Environmental Consulting Society Presentation
17 March	Downing College	Leavis Society Dinner
18-19 March	Menagerie	Cambridge Science Festival – Let Newton Be
25-27 March	Downing College	Catalysis Conference: The Mind and the Brain
10 May	Howard Foundation Group	Conference on Climate Change
19 May	Cambridge Summer Music Festival	Cambridge Summer Recital - The Hummel Ensemble

These are just a few of the many events for which the Howard Theatre is used.

CAPITAL AND RESERVES

- £134.4 million in capital and reserves - up 7.2%
- £29.2 million in investment assets – up 13.8 %
- £102.1 million in buildings
- £2.8 million in benefactions and donations
- £12.5 million in general reserves – up 27.8%

The capital base grew by 7.2%, reflecting the recognition of £2.8 million in benefactions and donations, further recovery in the securities portfolio, a gain in the property portfolio, and investment in the College's operational buildings, offset by a loss of £0.4 million on the year's operations. That loss represents a 52.6% reduction, reflecting the positive impact of the implementation of the strategic plan.

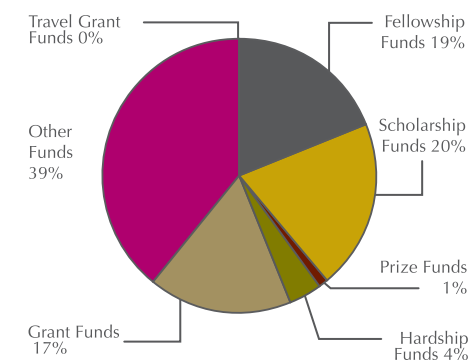
Although accounting standards require the College's buildings to be included within Reserves (for an amount of £84.6 million), those buildings on the main Domus give the College its identity and are unlikely to be sold; *in extremis* £15.6 million could be considered assets which could be sold while leaving the core of the College intact, although significantly reduced in size. The financial reserves that the College can draw on are represented by General Reserves (£12.5 million). The College is usually a recipient of grants from The Colleges Fund, receiving £139,000 in this financial year. The Colleges Fund receives payments from Colleges according to Assessable Net Assets and redistributes these amounts in order to support parity of provision across the Colleges. However, the formula does not take account of the age of a College's operational estate and does not allow for the liability that Grade I Listed Buildings from an era of generously proportioned rooms imposes.

INVESTMENTS

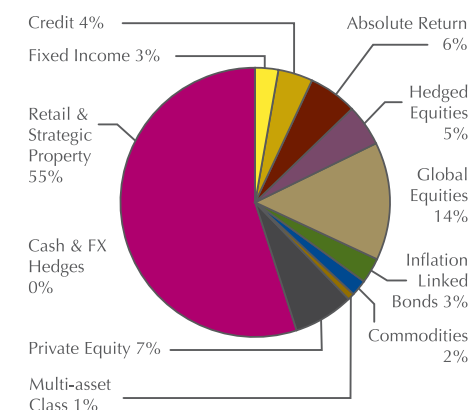
- Total Return: 15.6%
- £13.2 million in securities: 14% total return
- £16.1 million in property: 17.4% total return
- Endowment Drawdown: £1.5 million (Securities: £0.8 million; Properties: £0.7 million)
- Buyback of Parker's House Head Lease

For strategic reasons, the College took advantage of an opportunity to repurchase the remaining 99 years of its head lease on Parker's House. Although the liquidation of £3 million of the securities portfolio to part fund the purchase resulted in a rebalancing of the portfolio towards property, the creation of "the marriage value" justified the increase in concentration of the endowment assets in property. All of the property investments are located on the Regent Street boundary of the College. The 17.4% total return would have been higher had it not been for the effect on valuation of two tenants (Oddbins and Roemark) going into administration. Although there has been a drop in the rate of vacancies, retail trading on Regent Street remains difficult, reflecting both economic conditions and the problematic location.

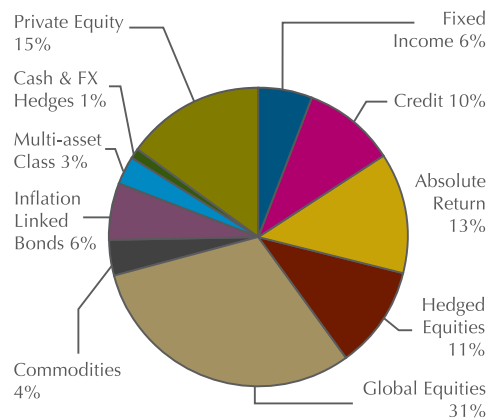
ENDOWMENT RESERVES



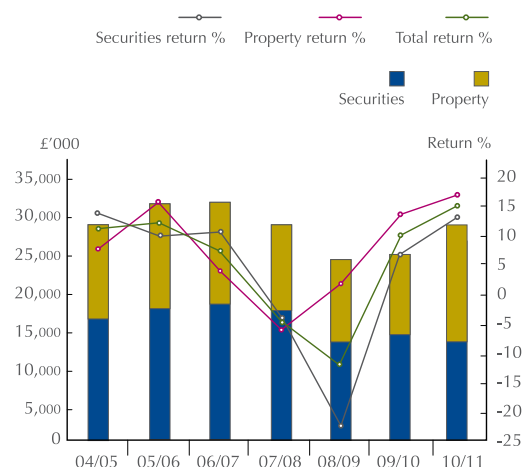
ASSET ALLOCATION AT 30 JUNE 2011 (Inc. property)



ASSET ALLOCATION AT 30 JUNE 2011 (Exc. property)



ENDOWMENT & TOTAL RETURN



Securities

2004-05 to 2008-09: Discretionary Fund Manager
From 2009-10: Advised by Partners Capital

Last financial year, the securities portfolio was transferred to Partners Capital, which advises the Investment Committee on asset allocation and choice of funds. Since inception, the return, net of fees, expenses, and currency effects, has been 15.4% versus a 15.1% return in the 70/30 Index (70% MSCI World AC NR LC Index; 30% FTSE A British Government All Stocks Total Return) but with substantially less risk and a Sharpe Ratio of 0.84 for the portfolio vs. 0.61 in the 70/30 Index. In the last quarter of the financial year, the portfolio's return of 1.9% outperformed the Partners Capital Charitable Endowment Peer Group's return of 1.1%. Because of its small size, the portfolio is invested to minimise risk: it participated in 85% of the market upside in calendar year 2010 and avoided 85% of the downside in 2011.

Composition of Investment Portfolio

	30 June 2011 £	30 June 2010 £	30 June 2009 £
1. Securities			
Core Portfolio* Cash	143,808	241,114	844,899
Forward Foreign Exchange Hedges	(34,448)	48,157	753,493
Fixed Income	2,134,348	2,304,770	2,694,162
Hedge Funds	3,614,725	4,047,980	1,837,513
Global Equities	4,096,841	5,060,537	5,718,761
Private Equity	1,898,207	1,523,004	620,601
Commodity Fund	1,303,602	1,158,049	386,933
Gold	—	—	322,505
Total	13,157,083	14,383,611	13,178,866
Private Equity**	15,878	23,570	129,085
TOTAL SECURITIES	13,172,961	14,407,181	13,307,951
2. Property			
Office	9,707,776	8,100,660	7,860,660
Retail	6,371,484	2,703,599	2,993,600
TOTAL PROPERTY***	16,079,260	10,804,259	10,854,260
TOTAL PORTFOLIO	29,252,221	25,211,440	24,162,211

* Includes donated cash and shares of nil (2010-11), nil (2009-10) and nil (2008-09).

** Includes donated shares in three new ventures, held at nil value.

*** This excludes the residential properties: 25 Parkside, 96A Regent Street, 76 Regent Street, 70 Regent Street and 65 Devonshire Road. These have a combined value of £4,445,000 but are treated as the College's operational property in the accounts. Because the costs of a formal valuation would outweigh the likely benefits, the values given are provided by Carter Jonas on the basis of an informal assessment.

CASH FLOW

- Cash Flow from Earnings Before Depreciation and Interest: £1,529,968
- Capital Expenditure excluding Howard Theatre: £1,061,564

Positive cash flow resulted from improvements in operating activities, both in income growth and cost-control, constraints on capital expenditure, and the deferral of expenditure due to the shut-down of the major building project during the examination period. Nevertheless, cash flow would still have been in balance had capital expenditure on buildings reached the RICS recommended level of 1.5% of insured value (ie £1.6 million).

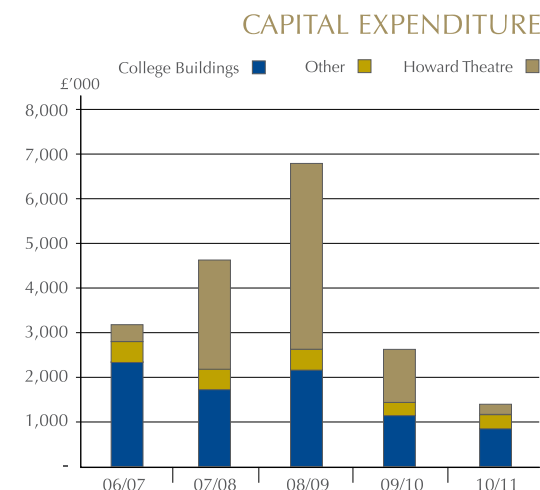
The receipt of the Seton and Ingram legacies during the year and the donations from attendees at the Catalysis Conference resulted in £4 million of donations. After the contribution from cash to the purchase of the Parker's House head lease, the year's activities increased cash holdings by £2.5 million to £5.1 million at year end. This unusually high level of cash includes £2.3 million in part funding of the completion of the conversion of 14 Regent Street to student accommodation. Cash held at year end also includes the inaugural gifts to the fund for the conversion of Parker's House of £0.8 million.

INVESTMENT FOR THE FUTURE

Rising energy costs and the introduction of taxation on the use of carbon mean that reducing energy consumption must be a priority for the College. Projects include the installation of building management systems (BMS), the double glazing of the large sash windows that are a feature of the Georgian buildings, insulating the roofs, monitoring energy and water use, and the installation of PV cells to take advantage of the Government sponsored feed-in tariffs. With an estate of 27,595 square metres, that work will take several years to complete.

Participation in the College community is easier for students who live on site. To that end, the College is engaged in a programme of converting offices on Regent Street to student accommodation. The decision to convert is finely balanced between the uses to which rental income can be put and the benefits of proximity. On advice from the College's property agents on the long-term prospects as an investment, the College took the decision to convert 14 Regent Street into 22 ensuite rooms and to sell 65 Lensfield Road.

Perhaps the most significant transaction of the year was the repurchase of Royal London's head lease of Parker's House. If the College can raise the funds to compensate for the difference in yield between student accommodation and office rent, then that office space could be converted to 77 (mainly) ensuite rooms.



TEN YEAR CAPITAL PROGRAMME

At 1 October 2011

Net current rooms refurbished or acquired in last ten years (2002 – 2011): 196 (39%)

Total Student Rooms: 505

Restoration and Major Refurbishment

Year	Building	Number of Student Rooms if Applicable
2002	I Staircase	23
	34 Lensfield Road (3 flats)	
	Kenny A	25
2003	Kenny B	26
2004	N Staircase	18
	24 Lensfield Road	16
2005	28 Lensfield Road	8
	Kitchen Refurbishment	
2006	54 Lensfield Road	7
	Parlour Extension and Offices	
2007	50 Lensfield Road	7
	Hall	
	U Staircase	
2008	Howard Lodge	32
2009	V Staircase	
2010	Howard Theatre	
	Boathouse Flood prevention	6
	Master's Lodge Flat	
	H Stair Bathrooms/Kitchen	
2011	Master's Lodge Roof	
	Parker's House Top Floor (Conf)	
	K & L Staircase Bathrooms (12)	12
Total		168

New and Acquired Buildings, Land, and Leases

Year	Location	Number of Student Rooms (if Applicable)
2002	Barton Road 19.8 Acres	
	Trinity New Sports Ground	
2003	New Pavilion	
	91 Mawson Road (sold)	(5)
2004	65 (a-d) Devonshire Road	
	(Collins Court)	20
2005	96a Regent Street (Flats)	3
2006	76 Regent Street	4
2009	70 Regent Street	6
	Howard Theatre	
	Groundsman's Store (Barton Road)	
2010	14 Regent Street	
	(conversion to 22 student rooms)	
2011	Parker's House	
	(top floor change of use)	
Total (excluding sold houses)		28

Sale of Operational Property and Termination of Leases

Year	Property	Number of Student Rooms (if Applicable)
2002	Long Road Sports Ground	
2004	114 Tenison Road	5
2005	91 Mawson Road	5
2007	55 Warkworth Terrace	7
Total		17

FINANCIAL OUTLOOK

Following the financial crisis at the end of 2008, the College agreed a Strategic Plan to compensate for the losses in investments and to underpin future financial stability. The effect of the losses in the investment portfolio was particularly acute because the five-year building programme had compromised the Conference Services business during a time when other Colleges were putting increased emphasis on this stream of revenue and investing in facilities. In addition to cost-cutting, better purchasing, and a reduction in benefits for Fellows, students, and staff, the Plan focussed on five areas. These were: increasing the revenue and profitability of Conference Services, improving the catering margin, working towards student rents that would cover the associated costs, a reduction in energy use, and a campaign to raise funds for the endowment. Adjusting for a deferral in marketing the new Theatre, all parts of the programme are ahead of target. However, the continuing difficult economic conditions, rising energy prices, and a decrease in direct funding to universities pose a threat to the Plan.

In the first quarter of the new financial year (July to September), the value of the securities portfolio fell by 6.1%. In comparison, the MSCI World Equity Index fell 14% for the same period, demonstrating that the asset allocation model is performing in line with its designing principles.

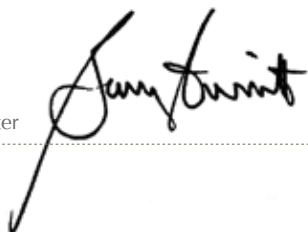
PLANS FOR THE FUTURE

Surprisingly, the introduction of the £9,000 tuition fee has not resulted in a reduction in applications to either the College or the University. Applications received this year for future admission are up by 6.4% to 818. The College is determined to meet the OFFA Agreement's target mix of students from state and independent schools and low participation neighbourhoods without distorting its admissions process or engaging in social engineering of any sort. That goal can best be met by encouraging suitable applicants from all social sectors but ensuring that qualified students from families without experience of higher education are not daunted by the University's reputation and feel able to apply. To that end, we continue to invest in outreach activities, especially in the south-west, and were more funding available would increase those activities.

Changes over time to the Government funding of home undergraduates have also put financial pressure on students. The Cambridge Bursary Scheme, in which the College participates, ensures that students with household incomes of less than £25,000 can participate fully in University life. It also provides grants on a sliding scale to those with household incomes of up to £42,600. However, the funding available from Government through student loans assumes a level of parental contribution which is becoming increasingly impractical for middle-income households. A priority for the College, therefore, is to augment the funds available for student hardship in order to fulfil our commitment that no student need leave Cambridge for financial reasons.

On behalf of the Governing Body:

Prof B J Everitt, Master



Dr Susan Lintott, Senior Bursar



Date: 16 December 2011

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2011	2010	2009	2008	2007
1. Education					
Tompkins Tables*	17	15	15	12	3
Undergraduate classification of degrees					
1st	76	81	82	89	96
2:1	217	209	202	194	213
2	45	41	31	34	30
2:2	50	47	61	51	52
3	8	14	11	10	9
Pass	15	16	17	16	12
DDH (Deemed to have deserved honours)	8	9	6	3	2
Ordinary	1	0	0	2	0
Fail	1	0	3	1	1
Nos. of Special Prizes ⁶	9	6	17	20	13
Graduate degrees awarded:					
PhD (including MB PhD)	42	38	33	38	39
MPhil, LLM, MBA et al	54	38	35	37	45
MB BChir [*CLIN Medics Graduating as a group in Nov 09]	12(inc 2x Vet MB)	2*	9	1*	12
Number of Open Days					
College Open Days	4	4	4	5	5
University Open Days	2	2	2	2	2
South West Open Days	1	1	1	1	1
Numbers visiting Open Days	1041	1125	945	1041	731
% subsequently applying to Downing (in October following)	19%	21%	22%	23%	20%
Applicants from South-West initiative (October following)	45	45	44	33	40
Special Access Scheme Applicants	34	37	32	32	27
Applicants from South-West non-selective schools	35	38	31	23	24
Cambridge Special Access Scheme Admissions		3	4	5	6
Total Number of Applicants for Undergraduate Courses including Open Applications (in October following)	818 (0)	769 (0)	719 (0)	653 (0)	544 (36)
Offers by other Colleges		29	43	46	36

*The table ranks the results of the undergraduates in 24 of the Colleges, expressing the results as a % of the score that would be achieved if everyone were to get a First. Five points are awarded for a First, three for a 2:1, two for a 2:2, and one for a Third.

⁶ Special Prizes are awarded to those in the top 2.5% of their University Class List

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2011	2010	2009	2008	2007
1. Education continued					
All Admissions (Including Summer Pool)	125	131	128	130	122
% Women: % Men	45:55	42:58	38:62	47:53	48:52
Applicants from Maintained Schools	381	358	-	364	350
Acceptances from Maintained Schools	68	84	69	72	52
Applications by subject					
Asian & Middle Eastern Studies	6	4	1		
ASN&C	2	2	0	1	1
Archaeology & Anthropology	4	3	4	3	5
Architecture	24	18	29	20	24
Chemical Engineering via Engineering	11	11	8		
Chemical Engineering via Natural Sciences	18	-	-	-	-
Classics	13	9	13	6	8
Computer Science	15	10	4	4	3
Economics	70	77	37	49	49
Education	1	-	-	-	-
Engineering	105	80	72	67	55
English	27	20	26	31	30
Geography	26	31	38	42	18
History	19	13	33	25	15
History of Art	4	3	2	2	2
Land Economy	13	19	12	17	9
Law	77	70	74	82	75
Mathematics	38	30	26	33	21
Medicine	102	125	113	92	71
Modern & Medieval Languages	25	19	26	14	19
Music	3	2	2	3	2
Natural Sciences (Biological)	75	74	60	63	90
Natural Sciences (Physical)	88	87	70	67	
Oriental Studies (now Asian & Middle Eastern Studies)	-	4	-	3	3
Philosophy	6	5	7	3	6
Politics, Psychology & Sociology	30	34	19	18	19
Theology	5	5	5	1	2
Veterinary Medicine	8	13	5	7	11

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2011	2010	2009	2008	2007
1. Education continued					
Total University Full-Time Undergraduates ⁷	11,945	12,192	12,006	11,826	11,824
% Female: % Male	47:53	48:52	49:51	49:51	49:51
Total Full-Time Downing Undergraduates	446	445	442	439	440
% Female: % Male	43:57	44:56	47:53	47:53	48:52
Numbers of Undergraduates "Dropping-Out"		0	1	2	2
Total University Full-Time Postgraduates ⁷	6,346	5,795	5,521	5,836	6,001
% Female: % Male	45:55	46:54	45:55	46:54	45:55
Total Downing Full-Time Postgraduates ⁷	163	165	183	180	183
% Female: % Male	36:64	39:61	34:66	32:68	38:62
Total University numbers entering course for the first time which attract undergraduate fees ⁷	3,630	3,951	3,999	3,906	3,829
% Female: % Male	48:52	47:53	47:53	48:52	49:51
Downing numbers entering courses for the first time which attract undergraduate fees ⁷	141	148	145	144	131
% Female: % Male	44:56	39:61	46:54	47:53	47:53
Total University numbers entering full-time postgraduate courses for the first time ⁷	3,962	3,346	3,101	3,037	3,003
% Female: % Male	47:53	49:51	48:52	49:51	49:51
Downing numbers entering full-time postgraduate courses for the first time ⁷	80	72	91	82	81
% Female: % Male	38:62	40:60	35:65	30:70	38:62
Financial Support for Students: Number of Students Receiving Grants					
Cambridge Bursary Scheme (formerly Isaac Newton Grants)	105	92	79	57	66
Cambridge Commonwealth Trust	8	12	9	6	5
Cambridge European Trust	8	12	12	7	7
Cambridge Overseas Trust	21	9	20	13	5
Gates Cambridge Trust	5	4	6	7	7
Average value of Cambridge Bursary Scheme Grants	£2,435	£2,099	£1,809	£1,813	-

⁷ Cambridge Student Statistics Office figures.

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2011	2010	2009	2008	2007
2. Accommodation					
Average Weekly Rent Undergraduate Study Bedroom	£103.33	£96.46	£90.41	£84.21	£80.06
Average Weekly Rent Graduate Study Bedroom	£106.62	£99.69	£94.57	£91.13	£85.44
Fee Paying Undergraduates Housed in College Accommodation	389	379	373	385	389
Fee Paying Graduates Housed in College Accommodation	101	106	117	109	103
Total Fee Paying Students in College Accommodation ⁸	490	485	490	494	492
3. Student Catering Income					
Lunch	£102,142	£90,991	£71,700	£60,944	£48,795
Dinner	£92,525	£94,625	£83,495	£84,388	£76,206
Café	£56,201	£65,367	£71,449	£63,090	£58,301
Formal Hall	£49,590	£42,459	£35,278	£28,678	£29,936
4. Conference & Functions					
Conference & Function Income	£1,886,940	£1,616,911	£1,214,086	£1,271,939	£1,329,437
Total Bed nights	16,695	13,666	15,144	13,694	13,375
Room nights: Academic Conferences	2,719	2,136	1,479	2,465	2,441
Room nights: Corporate Conferences	4,435	4,323	4,306	4,033	4,862
Room nights: Summer Schools	7,589	4,951	8,142	7,045	5,711
Capacity Utilisation Total Conference Rooms	55%	46%	49%	47%	47%
En-suite Rooms	39.2%	33.2%	28.7%	31.7%	32.1%
Average Price Achieved per Room Used	£46.08	£49.57	£39.82	£43.64	£40.14
5. Development and Fundraising					
Development Campaign Cash Recognised (including by The Segreants Trust)	£2,856,898	£2,721,334	£1,794,462	£7,305,612	£1,721,148
Living donors as a % of members in contact	43.3%	43.9%	44.6%	41.8%	42.0%
Participation Rate this Financial Year of Living Members in Contact	17%	18%	19%	15%	16%
Direct Fundraising Costs:					
Donations Raised excluding Legacies and the Howard Gift	1:7	1:1	1:2	1:2	1:5
Donations Raised including Legacies but ex the Howard Gift	1:11	1:6	1:3	1:2	1:5
Donations Raised including Legacies but ex the Howard Gift (5 year average)	1:6	1:4	1:4	1:4	1:7

⁸ There are 505 student rooms available. Non-fee paying graduates are also housed in College accommodation

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2011	2010	2009	2008	2007
6. Income and Expenditure					
% Deficit/Turnover	(4.51%)	(10.03%)	(16.24%)	(4.32%)	(5.79%)
% Deficit/Free Reserves ⁹	(3.1%)	(53.72%)	(53.68%)	(7.93%)	(7.1%)
Staff costs as a % of Turnover	46.3%	48.7%	51.3%	48.5%	48.2%
£ per sq.metre cost of upkeep of Buildings	£193.93	£202.85	£204.77	£184.41	£179.35

7. Charitable Funds

Charitable Funds Invested (including Works of Art, etc.) ⁹	£38,218,533	£30,408,247	£28,740,332	£33,006,125	£35,543,000
Endowment Assets less loans per Full-Time Students ⁹	£53,735	£40,844	£37,197	£44,451	£48,525
Spending Rule Amount ¹⁰	£1,467,740	£1,497,688	£1,830,995	£1,774,218	£1,700,381
Spending Rule Amount as % Income	17.1%	18.1%	23.2%	22.8%	22.9%
Spending Rule Amount as % Income (Five Year Average)	20.7%	21.6%	22.1%	—	—
Spending Rule Amount as % Investment Portfolio	5.0%	5.9%	7.6%	6.1%	5.3%
Total Actual Endowment Withdrawal ¹¹	2,704,863	1,637,621	3,732,923	2,722,206	4,212,520
Total Actual Endowment Withdrawal as % of Charitable Funds	7.1%	5.4%	13.0%	8.3%	11.9%
Performance of Core Securities Portfolio (net of fees)	14.0%	7.2%	(21.71%)	(3.32%)	9.91%
Annual Three—year Cumulative	(1.46%)	(6.73%)	(5.95%)	5.10%	11.11%
Annual Five—year Cumulative	0.33%	(0.52%)	0.75%	7.85%	9.38%
Capital Value per Unit	£21.02	£19.37	£19.16	£25.36	£27.16
Income Value	£831,829	£831,589	£900,628	£841,592	£771,393

8. Inflation Measurements

RPI	5.0%	5.0%	1.6%	4.6%	3.8%
RPIX	5.0%	5.0%	1.0%	4.8%	2.7%
HEPPI – now discontinued	—	2.2%	4.9%	8.8%	4.5%
Tender Price Inflation (October – October) Davis Langdon Tender Price Index	(0.5%)	(2.0%)	(10.4%)	(5.0%)	6.6%

9. Pensions

Pension Fund Assets (CCFPS) at Triennial Valuation Assets	£3,551,000	—	—	£3,077,300	—
Past Service Funding Level Deficit	(£274,000)	—	—	(£471,544)	—
Funding Level %	93%	—	—	87%	—

10. Staff

Fellowship	53	52	52	50	49
University Principal Employer	39	37	39	42	40

9 Definitions changed in 2010-11

10 The Spending Rule is the amount determined that can be spent and still preserve the purchasing power of the endowment for the long-term. It also constitutes the amount of the total return recognised in the income and expenditure account (note 3a).

11 The Total Actual Endowment Withdrawal is: (a) the amount actually withdrawn from the portfolio, plus (b) the donations and bequests that have been invested in units of the Amalgamated Fund at year-end that are netted against withdrawals for the Spending Rule Amount rather than disturb the portfolio, plus (c) EBITDA less interest and less capital expenditure (ex. Howard Theatre).

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2011	2010	2009	2008	2007
10. Staff continued					
Professors	13	12	13	13	11
Readers	4	4	3	3	6
Senior Lecturers	6	6	5	7	5
Lecturers	12	12	13	11	10
Other	4	3	5	8	8
College Teaching Officers	4	4	4	4	5
Research Fellowships	2	3	3		
Stipendiary	2	3	2	2	2
Non-stipendiary	—	—	1	1	1
Administrative + Chaplain	4	3	3	1	1
Female	16	16	16	16	15
Male	37	36	36	34	34
Resident	8	8	7	7	9
Non-Resident	45	44	45	43	37
Support Staff Headcount	133	135	137	136	135
Female	78	81	81	82	85
Male	55	54	56	54	50
Turnover					
Retirements	2	2	3	3	3
Resignations	21	18	21	17	19
Deceased	—	—	—	—	1
Dismissal/Redundancy	4	1	—	3	6
Days Sickness	1,123	1,508	1,264	1,095	917
Reports under RIDDOR	1	—	2	3	4
Members in the USS Pension Scheme	86	93	60	59	49
Members in the CCFPS Pension Scheme					
At the Triennial Actuarial Valuation 31 March	4	4	38	42	43
Pensioners	27	—	—	23	—
Male	12	—	—	9	—
Female	15	—	—	14	—
Deferred	59	—	—	29	—
Male	31	—	—	15	—
Female	28	—	—	14	—
Active Members	4	—	—	42	—
Average Age	51.7	—	—	50.9	—
Male	2	—	—	21	—

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2011	2010	2009	2008	2007
10. Staff continued					
Average Age	59.5	—	—	52.2	—
Female	2	—	—	21	—
Average Age	43.8	—	—	49.6	—
Members of Previous College Staff Scheme	6	7	7	8	8
11. Environmental Measures					
Colleges Environmental League Table	6	1	5	4	3
Management Rank	6	2	4		
Management Score	71%	73.6%	61.4%		
Energy Rank	4	7	10		
Energy Score	57.0kWh/p/day	60.0kWh/p/day	72.0kWh/p/day		
Water Rank	5	6	5		
Water Score	279 litres/p/day	275 litres/p/day	297 litres/p/day		
Recycling Rank	12	1	15		
Recycling Score	65%	97.6%	56.5%		
Water Use	£62,460	£76,630	£71,989	£68,100	£62,177
Gas Use	£140,637	£128,415	£233,969	£114,138	£152,196
Electricity Use (*includes Howard Theatre)	£163,981*	£201,318*	£178,971	£153,802	£136,440
Gas unit price (p/kWh)	2.826p	2.826p	3.402p	1.700p	1.700p
Electricity unit price (p/kWh)	7.905p	10.533p	10.533p	7.334p	7.334p
Scope 1 Carbon Emissions					
Gas (Tonne/CO2e)	903	1,006	1,175		
Fuel (Tonne/CO2e)	<1	<1	<1		
Scope 2 Carbon Emissions					
Electricity (Tonne/CO2e) ** (adjusted for inclusion of Howard Theatre)	979	1,002	1,008	1,059	

ACCOUNTING

1. Donations and Benefactions

The College increasingly relies on donations and benefactions, these being received principally from members out of residence. 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.

2. Legacies

Because of its historical experience, the College treats legacies as having been received only when they have been paid, or when it becomes indisputably certain that they will be paid.

3. Taxation

On 1 June 2010, the College ceased to be an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and became a registered charity, number 1137455, on 12 August 2010.

The College is 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. The College is a partially exempt organisation for VAT purposes. With the approval of H M Revenue and Customs, it has adopted a methodology that enables it to recover part of the VAT on its expenses. Though recovered VAT significantly exceeds the VAT previously recoverable under the old CVCP Guidelines, input tax on purchases is, nevertheless, largely irrecoverable. In 2010-11, the College received £111,532 in refunds on purchases of £4.6 million.

The College's subsidiary companies, Downing College Developments Limited, Downing Cambridge Conferences Limited and The May Ball Company Limited are not subject to these exemptions and are liable for Corporation Tax. However, all taxable profits of the subsidiaries are gift aided to the College, thereby extinguishing any corporation tax that may be assessable.

4. Funds

i) Deferred Capital:

Deferred Capital represents donations towards the cost of purchase or construction of a tangible fixed asset other than land.

ii) Endowment:

Endowment funds are held on trust to be retained for the benefit of the College. They can be either permanent funds (of either a restricted or unrestricted nature) which must be invested permanently to generate an income stream, or expendable funds, which may be converted to income and are restricted only. Restricted funds are subject to specific trusts, which may be declared by the donor(s) or with their authority, or created through a legal process. The restriction may apply to income or capital, or both.

iii) Reserves:

Unrestricted funds are available to the College for general purposes and are expendable at the College's discretion. The College has designated part of the fund for a particular purpose, the Designated Building Reserve. This reserve, together with the Revaluation Reserve and Deferred Capital, represents the net book value of the fixed assets used for operational purposes.

5. Depreciation

The earliest buildings, designed by William Wilkins, form a significant part of the Domus and are listed as Grade I¹². All other buildings on the Domus come within the curtilage of those buildings and are therefore subject to some of the same restrictions. The Listing imposes an obligation to repair and restore. A full quinquennial asset valuation of the operational estate for accounting purposes was prepared by Gerald Eve LLP, Chartered Surveyors, as at 30 June 2011. The resulting value of the buildings of £102.1 million is included in Fixed Assets on the Balance Sheet. All repairs that restore value are capitalised, as are improvements. Other repairs are charged against income. For insurance purposes, the replacement cost of the buildings has been valued at £107.4 million.

6. Pensions

FRS 17 has been adopted in full, enabling the estimated cost of providing the pension benefits earned during the year to be included as a staff cost within expenditure. The deficit on the scheme is shown as a liability of the College and deducted from reserves

12 Certain of the College buildings were first listed as buildings of "special architectural or historic interest" on 26 April 1950. The buildings that are classified as Grade 1 ("buildings of exceptional interest", comprising about 2% of the 1989 resurvey) are: east and west Ranges, including the Hall, the Master's Lodge and the east and west lodges. Those classified as Grade 2 ("particularly important buildings of more than special interest", comprising about 4% of the list) are: The Gate lodge [with 36 Regent Street], and gates to Regent Street; the West Gate onto Tennis Court Road, including shortscreen walls on either side; North-west Gate onto Tennis Court Road opposite Fitzwilliam Street; Boundary Wall fronting Tennis Court Road.

Financial Statements



RESPONSIBILITIES OF THE GOVERNING BODY

The Governing Body is responsible for the administration and management of the College's affairs.

The Governing Body presents audited financial statements for each financial year. These are prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom Accounting Standards, including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by the University of Cambridge in their Recommended Cambridge College Accounts.

With reference to the above provisions, the Governing Body is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept.

It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University.

In causing the financial statements to be prepared, the Governing Body has sought to ensure that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF DOWNING COLLEGE

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

This report is made solely to the College's 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 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE GOVERNING BODY AND AUDITORS

As explained more fully in the Governing Body's Responsibilities Statement set out on page 54, the Governing Body is responsible for the preparation of financial statements which give a true and fair view.

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

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements. In addition, we read all the financial information in the Operating and Financial Review 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 College's affairs as at 30th June 2011 and of its 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.

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 Annual 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
Salisbury House
Station Road
CAMBRIDGE CB1 2LA

A handwritten signature in black ink, appearing to read 'Peter', followed by a long, horizontal, slightly wavy line that extends across the width of the signature area.

CAMBRIDGE Date: 23 December 2011

Statement of Principal Accounting Policies



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 Accounting Standards. In addition, the financial statements comply with the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions' (the SORP).

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

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain land and buildings.

BASIS OF CONSOLIDATION

The consolidated financial statements consolidate the financial statements of the College and its subsidiary undertakings for the year ended 30 June 2011. The results of subsidiary undertakings acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. The activities of student societies have not been consolidated.

A separate balance sheet and related notes for the College are not included in the accounts because the College's subsidiary companies are a design and build company, a conference trading company and a company operating the biennial May Ball and therefore the balance sheet would not be materially different from the one included in the accounts.

RECOGNITION OF INCOME

a) Academic fees

College fee income is recognised in the period for which it is received and includes all fees chargeable to students or their sponsors.

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

All investment income is credited to the income and expenditure account in the period in which it is earned. 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.

f) Total return

The College operates a total return policy with regard to its endowment assets (including property). The endowment spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the endowment portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the endowment market value. The actual rate of spending for 2011 when measured against the previous year's market value was 5.6%.

Foreign currencies

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

TANGIBLE FIXED ASSETS

a) Freehold Land and Buildings

Buildings are stated at valuation, the aggregate surplus or deficit is transferred to a revaluation reserve included within Reserves.

Existing land is not capitalised unless it is held for investment purposes. Purchased land is capitalised in the balance sheet.

Where buildings have been revalued, they are valued on the basis of their depreciated replacement cost. A full asset valuation of the operational estate for accounts purposes was carried out by Gerald Eve LLP, Surveyors, as at 30 June 2011. Freehold buildings are depreciated on a straight line basis over their expected useful economic lives of 100, 50, or 20 years.

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.

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 and depreciated over their expected useful life as follows:

Catering equipment	5 years
Furniture and equipment	10 years
Information Technology	3 years
Library books	30 years

INVESTMENTS

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 and silver are included at their market value as assessed by Sotheby's on 9 April 2002 and this value has been reviewed as at 31 July 2007 and is considered to still be accurate.

c) Estate Properties

Investment properties are included at valuation and the aggregate surplus or deficit is transferred to a revaluation reserve included within Reserves. A formal valuation was carried out by Carter Jonas, Property Consultants, at 30 June 2011.

STOCKS

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

PROVISIONS

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, and 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.

RESERVES

Within the detailed notes to the financial statements the split of General Reserves, between free reserves and those designated for the repair and maintenance of the historic buildings, has been included to highlight the extent of the College commitment.

TAXATION

The College is a registered charity (number 1137455) 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 received grants of £139,000 (2010: £143,700) which is credited to permanent endowment.

PENSION SCHEMES

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

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

The College also contributes to the personal pension schemes of employees. These funds are held separately from the assets and liabilities of the College. The contributions are charged to the Income and Expenditure Account as incurred and represent the amounts payable by the College to the fund for the year.

Principal Accounting Statements



CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

	Note	2011 £000	(Restated) 2011 £000
Income			
Academic Fees and Charges	1	2,251	2,120
Residences, Catering and Conferences	2	4,478	4,073
Endowment and Investment Income	3	1,445	1,443
Donations	4	378	367
Other Income		48	145
Total Income		8,600	8,148
Expenditure			
Education	5	3,488	3,478
Residences, Catering and Conferences	6	5,357	5,302
Other (Investment and Property Management)		123	120
Total Expenditure	8	8,968	8,900
(Deficit) on Continuing Operations before Contribution under Statute G, II		(368)	(752)
Contribution under Statute G,II	7	—	4
(Deficit) on Continuing Operations after Contribution under Statute G, II		(368)	(748)
(Deficit) for the year transferred to Accumulated Income in Endowment Funds		(20)	(70)
(Deficit) for the year suffered within General Reserves		(388)	(818)

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

Note of Historical Cost Surpluses and Deficits

The difference between the results as disclosed in the Income and Expenditure Account and the result on an unmodified cost basis is not material.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

				Total Funds	(Restated) Total Funds
	Note	Restricted Funds	Unrestricted Funds	2011	2010
		£000	£000	£000	£000
(Deficit) on income and expenditure account		—	(388)	(388)	(818)
Unspent endowment fund income		20	—	20	70
Total Return not recognised in the Income & Expenditure Account	3b	679	1,559	2,238	1,033
Increase in market value of fixed asset investments excluded from Total Return		—	80	80	—
Unrealised surplus on revaluation of fixed assets		—	4,161	4,161	—
Capital grant from Colleges Fund	19	—	139	139	144
New endowments	19	1,407	383	1,790	1,782
Transfers		(229)	229	—	—
Actuarial gain/(loss) in respect of pension schemes		—	376	376	(194)
Total recognised gains relating to the year		1,877	6,539	8,416	2,017
Reconciliation					
Opening reserves and endowments (as restated)	26	9,227	99,200	108,427	106,410
Total recognised gains for the year		1,877	6,539	8,416	2,017
Closing reserves and endowments		11,104	105,739	116,843	108,427

CONSOLIDATED BALANCE SHEET

	Note	2011 £000	(Restated) 2010 £000
Fixed Assets			
Tangible Assets	10	103,741	100,134
Investments	11	20,765	19,211
		124,506	119,344
Endowment Assets	12	17,459	15,114
Current Assets			
Stock		164	181
Debtors	13	747	2,094
Cash	14	5,098	2,616
		6,009	4,891
Creditors: amounts falling due within one year	15	(7,286)	(7,344)
Net Current (Liabilities)		(1,277)	(2,453)
Provisions for Liabilities and Charges		—	—
Creditors: amounts falling due after more than one year	16	(5,500)	(5,500)
Net Assets excluding Pension (Liability)		135,188	126,505
Pension (Liability)	17	(764)	(1,158)
Net Assets including Pension (Liability)		134,424	125,347

CONSOLIDATED BALANCE SHEET CONTINUED

					(Restated)
	Note	Restricted Funds	Unrestricted Funds	Total	Total
		£000	£000	2011	2010
				£000	£000
Capital and Reserves					
Deferred Capital Grants	18	17,581	—	17,581	16,920
Endowments					
Expendable endowments	19	1,105	—	1,105	1,242
Permanent endowments	19	9,999	6,355	16,354	13,872
		11,104	6,355	17,459	15,114
Reserves					
General reserves excluding pension reserve	20	—	90,389	90,389	88,881
Pension reserve	20	—	(764)	(764)	(1,158)
Operational property revaluation reserve	20	—	7,464	7,464	3,375
Fixed asset revaluation reserve	20	—	2,295	2,295	2,215
		—	99,384	99,384	93,313
Subtotal of Endowment & Reserves		11,104	105,739	116,843	108,427
Total		28,685	105,739	134,424	125,347

These accounts were approved by the trustees on 25 November 2011 and are signed on their behalf by:

Prof. Barry Everitt, Master



CONSOLIDATED CASH FLOW STATEMENT

	2011 £000	(Restated) 2010 £000
A. Operating Activities		
Operating (Deficit) Before Tax	(368)	(748)
Profit on disposal	(3)	—
Depreciation	1,812	1,750
Less: Investment Income	(1,476)	(1,505)
Movement in Pension Deficit	(17)	6
Interest payable	268	268
Donation Income expended in year	(183)	(178)
Decrease in Stocks	17	10
Decrease/(Increase) in Debtors	139	(522)
(Decrease) in Creditors	(15)	(77)
Net Cash Inflow/(Outflow) from Operating Activities	174	(996)
B. Returns on Investments and Servicing of Finance		
Income from Endowments	788	798
Other interest received	8	8
Interest paid	(268)	(268)
Net Cash Inflow from Returns on Investments and Servicing of Finance	528	538
C. Contribution to Colleges Fund	—	—
D. Capital Expenditure and Financial Investment		
Purchase of tangible fixed assets	(1,258)	(2,560)
Donations for buildings and other deferred capital grants received	3,979	1,481
Net purchase of long term investments	(941)	(24)
Net Cash Inflow/(Outflow) from Capital Transactions	1,780	(1,103)
Net Cash Inflow before Financing	2,482	1,561

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	2011 £000	(Restated) 2010 £000	
E. Increase in Cash			
Increase in Cash in the Period	2,482	1,561	
Net Funds brought forward at 1 July 2010	(2,884)	(1,323)	
Net Funds carried forward at 30 June 2011	(402)	(2,884)	
F. Analysis of Changes in Net Debt			
	At 1 July 2010 £000	Cashflows £000	At 30 June 2011 £000
Cash at bank and in hand	2,616	2,482	5,098
Bank loan	(5,500)	—	(5,500)
	(2,884)	2,482	(402)



Notes to the Accounts



NOTES TO THE ACCOUNTS

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) (2010: £3,744)	1,571	1,456
Privately-funded Undergraduate fee income (per capita fee £5,304) (2010: £5,028)	174	192
Fee income received at the Graduate fee rate (per capita fee £2,229) (2010: £2,184)	376	351
	2,121	1,999
Research/Teaching Grants	121	110
Other Income	9	11
Total	2,251	2,120

2. Residences, Catering and Conferences Income

	2011 £000	2010 £000
Residential Accommodation		
College Members	1,957	1,834
Conferences	910	738
International programmes	90	84
Catering		
College Members	634	622
Conferences	835	746
International programmes	52	49
Total	4,478	4,073

3. Endowment and Investment Income

	Total 2011 £000	Total 2010 £000
3a. Analysis		
Total return contribution (see note 3b)	1,468	1,497
Cash	(23)	(54)
	1,445	1,443

NOTES TO THE ACCOUNTS CONTINUED

3b. Summary of Total Return

	2011 £000	2010 £000
Income from:		
Investment portfolio and investment properties	1,079	857
Gains/(losses) on endowment assets:		
Investment portfolio and investment properties	2,711	1,722
Investment management costs (see note 3c)	(84)	(49)
Total return for year	3,706	2,530
Total return transferred to income and expenditure account (see note 3a)	(1,468)	(1,497)
Total return for year included within statement of total recognised gains and losses	2,238	1,033
Total Return recognised within statement of total recognised gains and losses at beginning of year	3,543	2,510
Total Return recognised within statement of total recognised gains and losses at end of year	5,781	3,543

These amounts do not include any total return relating to the College properties from financial years earlier than 30 June 2007.

3c. Investment Management Costs

	2011 £000	2010 £000
Freehold land and buildings	18	18
Quoted and other securities and cash	66	31
Total	84	49

4. Donations

	2011 £000	(Restated) 2010 £000
Unrestricted donations	136	178
Restricted donations	59	38
	195	216
Released from deferred capital grants (see Note 18)	183	151
Total	378	367

NOTES TO THE ACCOUNTS CONTINUED

5. Education Expenditure

	2011 £000	2010 £000
Teaching	2,022	2,057
Tutorial	470	483
Admissions	390	387
Research	155	120
Scholarships and Awards	164	169
Other Educational Facilities	287	262
Total (Note 8)	3,488	3,478

6. Residences, Catering and Conferences Expenditure

	2011 £000	2010 £000
Residential Accommodation		
College Members	2,164	2,264
Conferences	1,574	1,426
Catering		
College Members	743	758
Conferences	876	854
Total (Note 8)	5,357	5,302

7. Contribution under Statute G, II

	2011 £000	2010 £000
University Contribution relating to 2010/11	—	—
University Contribution relating to 2008/09	—	(4)
	—	(4)

NOTES TO THE ACCOUNTS CONTINUED

8. Analysis of Expenditure by Activity

8a) Analysis of 2010/11 Expenditure by Activity

	Staff Costs (Note 9) £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education (Note 5)	1,699	1,360	429	3,488
Residences, Catering and Conferences (Note 6)	2,219	1,758	1,380	5,357
Other	63	58	2	123
	3,981	3,176	1,811	8,968

The above expenditure includes £251,569 as the direct cost of fundraising (2010: £325,835).
This expenditure includes the costs of alumni relations.

8b) Analysis of 2009/10 Expenditure by Activity

	Staff Costs (Note 9) £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education (Note 5)	1,729	1,373	376	3,478
Residences, Catering and Conferences (Note 6)	2,237	1,695	1,370	5,302
Other	67	49	4	120
	4,033	3,117	1,750	8,900

8c) Auditors' remuneration

	2011 £000	2010 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	16	15
Other fees payable to the College's external auditors	4	4
	20	19

NOTES TO THE ACCOUNTS CONTINUED

9. Staff Costs

	College Fellows £000	Other Academics £000	Non-Academics £000	Total 2011 £000	Total 2010 £000
Staff Costs					
Emoluments	888	—	2,597	3,485	3,504
Social Security Costs	50	—	156	206	208
Other Pension Costs	79	—	211	290	321
	1,017	—	2,964	3,981	4,033

Average Staff Numbers (Full-time Staff Equivalents)

Academic	49	49
Non-Academic	112	110
Total	161	159

Of the 52 Fellows disclosed above, 49 Fellows are stipendiary.

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

The trustees receive no emoluments in their capacity as trustees of the College.

NOTES TO THE ACCOUNTS CONTINUED

10. Tangible Fixed Assets

Group and College	Library Books £000	College Buildings & Site £000	Information Technology £000	Furniture & Equipment £000	Catering Equipment £000	Total £000
<i>Cost or valuation</i>						
At beginning of year	668	102,929	675	3,701	214	108,187
Additions	28	1,038	94	95	5	1,260
Disposals	—	—	—	—	—	—
Revaluation	—	(1,815)	—	—	—	(1,815)
At end of year	696	102,152	769	3,796	219	107,632
<i>Depreciation</i>						
At beginning of year	155	4,710	586	2,401	201	8,053
Charge for the Year	65	1,270	93	379	4	1,811
Disposals	-	-	-	-	-	-
Revaluation	-	(5,973)	-	-	-	(5,973)
At end of year	220	7	679	2,780	205	3,891
<i>Net Book value</i>						
At end of year	476	102,145	90	1,016	14	103,741
At beginning of year	513	98,219	89	1,300	13	100,134

The insured value of freehold Land and Buildings at 30 June 2011 was £126,471,841 (2010: £114,817,001).

NOTES TO THE ACCOUNTS CONTINUED

11. Investments

Group and College

	2011 £000	(Restated) 2010 £000
Balance at beginning of year	19,211	19,076
Additions	5	—
Disposals	(1)	(1)
Change in market value	1,470	136
Revaluation	80	—
Balance at end of year	20,765	19,211

Represented by:

	2011 £000	(Restated) 2010 £000
Works of art / silver	3,334	3,329
Capital Expendable Investments (Note 12)	17,095	15,625
Loan to Joint College's Nursery Scheme	6	7
Land	330	250
Total	20,765	19,211

Investments held by the College also include an additional £3 (2010: £2) investment in the subsidiary undertakings at cost (see Note 24)

NOTES TO THE ACCOUNTS CONTINUED

12. Endowment Assets

Group and College

	2011 £000	(Restated) 2010 £000
Long term investments:		
Balance at beginning of year	15,114	13,283
Additions	5,967	19,034
Disposals	(4,160)	(18,303)
Movement in over distribution of Market Value to Funds	314	(487)
Movement in due from Expendable Capital	(540)	1,405
Movement in amount included in Investment Assets	(1,470)	(136)
Change in market value	2,418	743
Change in cash held by fund managers	(184)	(425)
Total Long term investments	17,459	15,114

Represented by:

	2011 £000	(Restated) 2010 £000
Property	16,079	10,804
Securities – Equities / Hedge Funds	10,803	11,683
Securities – Fixed Interest	2,134	2,305
Cash with Agents	237	419
Over distribution of Market Value to Funds	1,510	1,196
Due from Expendable Capital	3,791	4,332
Total	34,554	30,739
Less amounts included as Investment assets (Note 11)	(17,095)	(15,625)
Total	17,459	15,114

NOTES TO THE ACCOUNTS CONTINUED

13. Debtors

	Group 2011 £000	College 2011 £000	Group 2010 £000	College 2010 £000
Members of the College	101	101	79	79
Rents	316	316	330	330
Conferences	111	35	191	30
Fees	25	25	40	40
Other debtors	194	193	1,454	1,454
Total	747	670	2,094	1,933

14. Cash and bank balances

	Group 2011 £000	College 2011 £000	Group 2010 £000	College 2010 £000
Short-term money market investments	3,100	3,100	1,600	1,600
Bank deposits	858	858	558	558
Current accounts	1,139	603	457	155
Cash in hand	1	1	1	1
Total	5,098	4,562	2,616	2,314

15. Creditors: amounts falling due within one year

	Group 2011 £000	College 2011 £000	Group 2010 £000	College 2010 £000
Due to tradesmen & others	738	738	787	787
Members of the College	168	168	162	162
University Fees	22	22	27	27
Other creditors	2,567	2,511	2,036	1,992
Due to permanent capital	3,791	3,791	4,332	4,332
Total	7,286	7,230	7,344	7,300

NOTES TO THE ACCOUNTS CONTINUED

16. Creditors: amount falling due after one year

Group and College	2011 £000	2010 £000
Bank loan due between 2 - 5 years	—	—
Bank loan due more than 5 years	5,500	5,500
Total	5,500	5,500

17. Pension liabilities

Group and College	2011 £000	2010 £000
Balance at beginning of year	1,158	959
Movement in year:		
Current service cost including life assurance	13	32
Contributions	(62)	(89)
Other finance (income)/cost	31	62
Actuarial loss/(gain) recognised in statement of total recognised gains and losses	(376)	194
Balance at end of year	764	1,158

NOTES TO THE ACCOUNTS CONTINUED

18. Deferred capital grants

	2011 £000	(Restated) 2010 £000
<i>Balance at beginning of year</i>		
Buildings	16,915	16,332
Equipment	5	5
<i>Donations received</i>		
Buildings	843	761
Equipment	1	1
<i>Released to income and expenditure account</i>		
Buildings	(182)	(178)
Equipment	(1)	(1)
<i>Balances at end of year</i>		
Buildings	17,576	16,915
Equipment	5	5
Total balance at end of year	17,581	16,920

Deferred capital grants represent donations received towards major building projects which are released to the Income and Expenditure Account according to the accounting policy stated in these accounts.

NOTES TO THE ACCOUNTS CONTINUED

19. Endowments

Group and College

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Total 2011 £000	(Restated) Total 2010 £000
Balance at beginning of year						
Capital	5,888	7,243	13,131	770	13,901	12,728
Unspent Income	—	741	741	472	1,213	554
At end of year	5,888	7,984	13,872	1,242	15,114	13,282
Income receivable from endowment asset investments	396	378	774	40	814	852
Expenditure	(396)	(336)	(732)	(62)	(794)	(782)
Net transfer (to)/from income and expenditure account	—	42	42	(22)	20	70
New endowments received	523	1,361	1,884	45	1,929	1,926
Increase/(decrease) in market value of investments	(54)	614	560	65	625	114
Transfer from/(to) General Reserves (see note 20)	—	(4)	(4)	(225)	(229)	(278)
Balance at end of year	6,355	9,999	16,354	1,105	17,459	15,114
Comprising:						
Capital	6,355	9,966	16,321	987	17,308	13,901
Unspent Income	—	33	33	118	151	1,213
Balance at end of year	6,355	9,999	16,354	1,105	17,459	15,114

NOTES TO THE ACCOUNTS CONTINUED

19. Endowments continued

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Total 2011 £000	(Restated) Total 2010 £000
Representing:						
Fellowship Funds	—	3,295	3,295	—	3,295	2,802
Scholarship Funds	407	2,872	3,279	143	3,422	3,139
Prize Funds	17	234	251	—	251	214
Hardship Funds	—	773	773	—	773	681
Bursary Funds	—	—	—	—	—	—
Travel Grant Funds	—	32	32	—	32	30
Grant Funds	7	2,261	2,268	617	2,885	1,723
Other Funds	5,924	532	6,456	345	6,801	6,525
	6,355	9,999	16,354	1,105	17,459	15,114

NOTES TO THE ACCOUNTS CONTINUED

20. Reserves

Group and College	General Reserves £000	Designated Buildings Reserve £000	Operational Property Revaluation Reserve £000	Fixed Asset Investment Revaluation Reserve £000	Pension Reserves £000	Total 2011 £000	(Restated) Total 2010 £000
Balance at beginning of year	10,948	77,933	3,375	2,215	(1,158)	93,313	93,129
Surplus/(deficit) retained for the year	(406)	—	—	—	18	(388)	(818)
Actuarial gain/(loss)	—	—	—	—	376	376	(194)
Transfer of depreciation on revalued operational properties	69	—	(69)	—	—	—	—
Revaluation of land and buildings	—	—	4,158	—	—	4,158	801
Increase in market value of investments	1,616	—	—	80	—	1,696	117
Transfer to /(from) endowment	1,057	(828)	—	—	—	229	278
Balance at end of year	13,284	77,105	7,464	2,295	(764)	99,384	93,313

21. Capital Commitments

	2011 £000	2010 £000
Capital commitments at 30 June 2011 are as follows -		
Authorised and contracted	1,178	376
Authorised but not yet contracted for	1,749	—

NOTES TO THE ACCOUNTS CONTINUED

22. Financial Commitments

At 30 June 2011, the College had annual commitments under non-cancellable operating leases as follows

	2011 £000	2010 £000
Land & Buildings		
Expiring within one year		
Expiring between two and five years	—	—
Expiring in over five years	—	68
	77	7
Other		
Expiring within one year	2	—
Expiring between two and five years	5	7
Expiring in over five years	—	—

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions

The College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pensions Scheme (CCFPS). The assets of the schemes are held in separate trustee administered funds. The total pension cost for the year was £290,443 (2010: £320,958).

23a Universities Superannuation Scheme

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

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.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions 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 new scheme specific funding regime had fallen from 103% to 98% (a deficit of circa £7,000 million). Over the past 12 months, the funding level has improved from 91% (as at 31 March 2010) to 98%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the three years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). The next formal valuation is at 31 March 2011 and this will incorporate assumptions agreed by the trustee company.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

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

On the FRS17 basis, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 54%.

Surpluses or deficits which arise at future valuations may impact on the 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 86 active members participating in the scheme.

The total pension cost for the College was £286,808 (2010: £279,544). The contribution rate payable by the College was 16% of pensionable salaries.

Cambridge Colleges' Federated Pension Scheme

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

A full valuation was undertaken as at 31 March 2008 and updated to 30 June 2011 by a qualified Actuary.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

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

	2011	2010
Discount rate	5.5%	5.3%
Expected long-term rate of return on Scheme assets	6.2%	6.3%
Rate of increase in salaries	3.2%*	4.4%
Retail Price Index (RPI) assumption	3.4%	3.4%
Consumer Price Index assumption	2.7%	n/a
Rate of increase in pensions (RPI linked)	3.4%	3.4%

*2% in 2011

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%. This results in the following life expectancies:

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

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2011 (with comparative figures as at 30 June 2010) are as follows:

	2011	2010
	£000	£000
Present values of Scheme liabilities	(4,375)	(4,360)
Market value of Scheme assets	3,611	3,203
(Deficit) in the Scheme	(764)	(1,158)

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

The amounts to be recognised in the profit and loss account for the year ended 30 June 2011 (with comparative figures for the year ended 30 June 2010) are as follows:

	2011 £000	2010 £000
Current service cost	13	32
Interest on Scheme liabilities	229	230
Expected return on Scheme assets	(198)	(168)
Total	44	94
Actual return on Scheme assets	438	374

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

	2011 £000	2010 £000
Present value of Scheme liabilities at the beginning of the period	4,361	3,782
Service cost (including Employee contributions)	17	49
Interest cost	229	230
Actuarial losses/(gains)	(135)	401
Benefits paid	(98)	(101)
Present value of Scheme liabilities at the end of the period	4,374	4,361

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Changes in the present value of the Scheme assets for the year ending 30 June 2011 (with comparative figures for the year ending 30 June 2010) are as follows:

	2011 £000	2010 £000
Present value of Scheme assets at the beginning of the period	3,203	2,824
Expected return	198	168
Actuarial gains	241	206
Contributions paid by the College	62	89
Employee contributions	4	17
Benefits paid	(98)	(101)
Market value of Scheme assets at the end of the period	3,610	3,203

The agreed contributions to be paid by the College for the forthcoming year are 12.83% of Contribution Pay plus £55,000 in the year commencing 1 July 2011, subject to review at future actuarial valuations. These rates exclude PHI.

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

	2011 £000	2010 £000
Equities and Hedge Funds	56%	60%
Property	36%	31%
Bonds and cash	8%	9%
Total	100%	100%

The expected long-term rate of return on the Scheme assets has been calculated based upon the major asset categories in the above table and an expected rate of return on equities and hedge funds of 7.1% (2010: 7.1%), property 6.1% (2010: 6.1%) and an expected rate of return on bonds and cash of 4.8% (2010: 4.7%).

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Analysis of amount recognisable in the Statement of Total Recognised Gains and Losses (STRGL) for the year ending 30 June 2011 (with comparable figures for the year ending 30 June 2010) are as follows:

	2011 £000	2010 £000
Actual return less expected return on Scheme assets	241	206
Experience gains and losses arising on Scheme liabilities	8	191
Changes in assumptions underlying the present value of Scheme liabilities	127	(591)
Actuarial gain/(loss) recognised in STRGL	376	(194)

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

	2011 £000	2010 £000
Cumulative actuarial gain/(loss) at beginning of period	(1,171)	(977)
Recognised during the period	375	(194)
Cumulative actuarial (loss) at end of period	(796)	(1,171)

Movement in surplus/(deficit) during the period ending 30 June 2011 (with comparative figures for the year ending 30 June 2010) are as follows:

	2011 £000	2010 £000
(Deficit) in Scheme at beginning of year	(1,158)	(959)
Service cost (Employer Only)	(13)	(32)
Contributions paid by the College	62	89
Finance cost	31	(62)
Actuarial gain/(loss)	376	(194)
(Deficit) in Scheme at the end of the year	(764)	(1,158)

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

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

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Present value of Scheme liabilities	(4,375)	(4,361)	(3,782)	(3,675)	(3,353)
Market value of Scheme assets	3,610	3,203	2,823	3,032	3,103
Surplus/(deficit) in the Scheme	(764)	(1,158)	(959)	(643)	(250)
Actual return less expected return on Scheme assets	241	206	(441)	(369)	60
Experience gain/(loss) arising on Scheme liabilities	8	192	(18)	1	(88)
Change in assumptions underlying present value of Scheme liabilities	127	(591)	181	(67)	138

24. Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Downing College Developments Ltd	United Kingdom	1	Ordinary	100%
Downing Cambridge Conferences Ltd	United Kingdom	1	Ordinary	100%
The May Ball Company Ltd	United Kingdom	1	Ordinary	100%

Downing College Developments Ltd was incorporated on 29 September 2005. The principal activity of the company is development of student accommodation and other facilities. This company is included in these consolidated financial statements.

Downing Cambridge Conferences Ltd was incorporated on 2 April 2007. The principal activity of the company is the provision of non educational conference facilities. This company is included in these consolidated financial statements.

The May Ball Company Ltd was incorporated on 28 July 2010. The principal activity of the company is to administer the operation of the biennial College May Ball. This company is included in these consolidated financial statements.

NOTES TO THE ACCOUNTS CONTINUED

25. Related Party Transactions

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

26. Revised Accounting Policies

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) Designated funds are not permitted and therefore have been transferred to General Reserves.
- c) A detailed review of the treatment of donations made to the College has resulted in a reclassification of donations to Endowment.
- d) A review of the investments included as Endowment Assets has been undertaken, and based upon this review the treatment of some investments has been reclassified.

The effect of these changes on reserves is as follows:

	Restricted Permanent £000	Restricted Expendable £000	Unrestricted Permanent £000	Sub-total 2011 £000
Opening Reserves under previous accounting policies	7,853	18,294	14,155	40,302
Deferred capital grants	—	(16,920)	—	(16,920)
Donations classification	139	—	—	139
Endowment classification	(8)	(132)	(8,267)	(8,407)
Opening Reserves as restated	7,984	1,242	5,888	15,114

NOTES TO THE ACCOUNTS CONTINUED

26. Revised Accounting Policies continued

	Sub-total 2011 £000	General Reserves £000	Pension Reserves £000	Total 2011 £000	Total 2010 £000
Opening Reserves under previous accounting policies	40,302	86,203	(1,158)	125,347	122,748
Deferred capital grants	(16,920)	—	—	(16,920)	(16,336)
Donations classification	139	(139)	—	—	—
Endowment classification	(8,407)	8,407	—	—	—
Restated	15,114	94,471	(1,158)	108,427	106,412

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

	2010 £000
Operating deficit for the year under previous accounting policies	(679)
Donations reclassified as endowments	(139)
Operating deficit for the year restated (Per Income and Expenditure Account)	(818)

27. Sir Mortimer Singer Fund

Other Unrestricted Funds includes the Sir Mortimer Singer Fund which was funded from a bequest of Sir Mortimer Singer a Fellow Commoner of the College. The money was appointed to the College by Lady Singer upon the trusts declared by a deed dated 25 March 1952. The Pension Trust Fund was also set up from this bequest. Below are the movements on these Funds in the year.

	Singer Fund £000	Pension Trust £000
Opening Balance at 1 July 2010	4,206	180
Income	156	9
Expenditure	—	(9)
Change in Market Value of Investments	254	15
Closing Balance at 30 June 2011	4,616	195

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Permanent Funds</i>					
Alcan Prize Fund	8	—	—	1	9
Alwyn W Heong Fund	206	—	—	17	223
Batley Fund	7	—	—	1	8
Benian Lu Fund	2	—	—	—	2
Bill Willetts Fund	18	—	—	(18)	—
Blankenship Book Fund	10	—	—	1	11
Blankenship Law Fund	17	—	—	2	19
Bradbrook Fund	10	—	—	1	11
Buchanan Fund	199	—	—	17	216
Charles Campbell Book Fund	3	—	—	—	3
Cockerell Fund	19	—	—	2	21
Collins Fund	156	—	—	14	170
Darley Fund	245	—	—	21	266
Downing Association Fund	32	—	—	2	34
Edward Collins Fund	93	—	—	8	101
Ernest William Denham Fund	22	—	—	2	24
Everitt Fund	1	—	—	—	1
Fahrenwaldt Fund	10	—	—	1	11
Ferreras Willetts Science Fund	—	—	—	244	244
Fritsch Fund	326	—	—	24	350
Fu Fund	2	—	2	—	4
Gamlingay Fund	63	—	—	5	68
Graystone Fund	141	—	—	12	153
Gulbenkian Fund	1	—	—	—	1
Carried forward	1,591	—	2	357	1,950

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Permanent Funds continued</i>					
Brought Forward	1,591	—	2	357	1,950
Hall Fund	9	—	—	1	10
Harris Fund	358	—	—	30	388
Harrison Fund	6	—	(6)	—	—
Harrison Prize Fund	2	—	—	—	2
Hopkins Parry Fund	853	—	—	75	928
Hugh Brammer fund	17	—	—	1	18
Ivor Evans Fund	17	—	—	2	19
Jan Hruska Fund	—	—	—	100	100
Jean Ruhman Fund	8	—	—	1	9
John Hawkins May Wild Fund	6	—	—	1	7
Johnston Fund	1	—	—	—	1
Judy Petty Book Prize & Scholarship	—	—	—	19	19
Lander Fund	174	—	—	22	196
Landrum & Brown Scholarship Fund	—	—	—	3	3
Lord Butterfield	125	—	—	10	135
Mays Wild Fund	363	—	—	36	399
Moullin Fund	2	—	—	—	2
Oon Khye Beng Ch'hia Tsio Memorial Fund	245	—	—	27	272
Oon Khye Beng Ch'hia Tsio Memorial Prize Fund	84	—	—	11	95
Osler Fund	80	—	—	7	87
Owens Fund	303	—	—	26	329
Pask Prize	1	—	—	—	1
Perry Fund	2	—	—	—	2
Carried forward	4,247	—	(4)	729	4,972

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Permanent Funds continued</i>					
Brought Forward	4,247	—	(4)	729	4,972
Peter Mathias Economics Prize Fund	—	—	—	5	5
Pilley Fund	287	—	—	24	311
Platt Fund	23	—	—	2	25
Purcell Fund	2	—	—	—	2
Richards Fund	42	—	—	4	46
Robertson Research Fellowship Fund	488	—	—	37	525
Saint Fund	34	—	—	3	37
Saunders Fund	34	—	—	3	37
Savile Fund	106	—	—	9	115
Schreiner Fund	51	—	—	4	55
Seton Fund	60	—	—	5	65
Seton Cavendish Fund	637	—	—	949	1,586
Shallard Fund	2	—	—	—	2
Sir Arthur Watts Choral Awards	10	—	—	1	11
Stevens Fund	3	—	—	—	3
TG Jones Fund	588	—	—	50	638
Thomas Fund	15	—	—	2	17
Thrower Fund	2	—	—	—	2
Treherne Fund	66	—	—	9	75
Treherne Prize Fund	6	—	—	(4)	2
Unwin Fund	47	—	—	4	51
Verjee Fund	217	—	—	18	235
Verney Fund	1	—	—	—	1
Carried forward	6,968	—	(4)	1,854	8,818

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Permanent Funds continued</i>					
Brought Forward	6,968	—	(4)	1,854	8,818
Warner-Lambert Fund	151	—	—	21	172
Whitby Memorial Fund	305	—	—	24	329
White Fund	6	—	—	—	6
Whitelegg Fund	45	—	—	4	49
Wicks Travel Fund	11	—	—	1	12
Wyatt Fund	1	—	—	—	1
Fundraising – Sport	34	—	—	6	40
Fundraising – Student Support	249	—	—	20	269
Fundraising – Teaching	136	—	—	15	151
Catalysis – Teaching & Learning	9	—	—	12	21
Catalysis – Research & Discovery	2	—	—	1	3
Catalysis – Heritage & Environment	—	—	—	1	1
Catalysis – Support & Services	12	—	—	37	49
Catalysis – Culture & Community	1	—	—	—	1
Other	55	—	—	22	77
	7,985	—	(4)	2,018	9,999
<i>Restricted Expendable Funds</i>					
Bartram Fund	101	—	—	9	110
Colin Hill Fund	1	—	—	—	1
Colonel Anderson Trust Fund	82	—	—	7	89
Goodey Fund	—	—	143	—	143
Richens Fund	426	—	(2)	83	507
Catalysis Conference Fund	40	—	—	(16)	24
Carried forward	650	—	141	83	874

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>Restricted Expendable Funds continued</i>					
Brought Forward	650	—	141	83	874
Catalysis Research Fund	94	—	—	3	97
Fundraising – Buildings	397	—	(363)	7	41
Other	101	—	(3)	(5)	93
	1,242	—	(225)	88	1,105
Total Restricted Funds	9,230	—	(229)	2,106	11,104
<i>Unrestricted Permanent Funds</i>					
Clark Fund	2	—	—	—	2
French Fund	26	—	—	2	28
Goodey Fund	132	—	—	(132)	—
Jarvis Fund	32	—	—	3	35
Library Endowment Fund	892	—	—	76	968
Richmond Fund	167	—	—	14	181
Stenning Fund	45	—	—	4	49
Stevenson Fund	1	—	—	—	1
Whalley-Tooker Fund	13	—	—	1	14
Yates Fund	7	—	—	1	8
Young Fund	150	—	—	13	163
Singer Fund (Pension Trust)	180	—	—	15	195
Smyth Bequest	401	—	—	34	435
Fleet Bequest	43	—	—	4	47
Corporate Capital Fund	838	—	—	(110)	728
General Capital	2,959	—	—	542	3,501
	5,888	—	—	468	6,355
Total Endowment funds	15,118	—	(229)	2,574	17,459

NOTES TO THE ACCOUNTS CONTINUED

28. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
<i>General Reserve Funds</i>					
Designated Buildings	77,920	—	(820)	—	77,100
Corporate Capital Fund	11,342	44	—	1,075	12,461
Singer Fund (Will Trust)	4,206	156	—	254	4,616
General Capital and Other	(4,591)	(606)	1,118	291	(3,788)
Revaluation Reserves	5,590	—	(69)	4,238	9,759
Pension Reserves	(1,158)	18	—	376	(764)
Total General Reserves	93,309	(388)	229	6,234	99,384
Deferred Capital Funds	16,920	—	—	661	17,581
Total Reserves	125,347	(388)	—	9,465	134,424



