



DOWNING COLLEGE CAMBRIDGE

ANNUAL REPORT AND ACCOUNTS

for the financial year ending 30 June 2012





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FINANCIAL HIGHLIGHTS

	2012	2011	2010
	£	£	£
Income			
Income	9,239,544	8,835,521	8,148,968
Donations and Benefactions Received	2,304,365	2,842,721	2,711,954
Conference Services Income	1,875,620	1,886,940	1,616,911
Operating Surplus/(Deficit)	306,969	(367,715)	(751,444)
Cost of Space (£ per m2)	£177.01	£193.93	£202.85
College Fees:			
Publicly Funded Undergraduates	£3,951	£3,861	£3,744
Privately Funded Undergraduates	£6,000	£5,304	£4,791
Graduates	£2,289	£2,229	£2,184
Loss on College Fee per Student	£2,450	£2,635	£2,503
Capital Expenditure			
Investment in Historical Buildings	446,851	298,346	503,853
Investment in Student Accommodation	2,784,000	634,063	478,339
Assets			
Free Reserves	11,499,498	14,309,872	9,790,543
Investment Portfolio	31,785,279	29,252,221	25,211,440
Spending Rule Amount	1,505,631	1,467,740	1,497,688
Total Return	6.2%	15.6%	10.2%
Total Return: 3 year average	10.6%	3.8%	-2.7%
Return on Property	11.4%	17.4%	14.1%
Return on Property: 3 year average	14.3%	10.6%	2.4%
Return on Securities	0.0%	14.0%	7.2%
Return on Securities: 3 year average	6.9%	-1.5%	-6.7%
Net Assets	137,605,725	134,421,462	125,348,459

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 2012

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, 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 (Queen's), MA (Toronto), PhD, R J Owens Fellow in English (1988)
Graham John Virgo, BCL (Oxon), MA, *Senior Tutor*, Professor of English Private Law (1989)
John Stuart Landreth McCombie, MA, MA (McMaster), PhD, *Tutor*, Professor in Regional and Applied Economics (1989)
David John Wales, MA, PhD, ScD, FRSC, Professor of Chemical Physics (1989)
Trevor William Robbins, CBE, MA, PhD, FRS, Professor of Cognitive Neuroscience (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, Professor of Pathology (1994)
Adam Noel Ledgeway, BA (Salford), MA (Manchester), PhD (Manchester), *Tutor*, University Senior Lecturer in Linguistics (1996)
Ian Richard James, MA, 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*, *Senior Treasurer of the Boat Club* (1997)
Zoe Helen Barber, MA, PhD, Reader 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, FRHistS, *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, *Admissions Tutor (Science)*, Assistant Director of Information Processing, Wolfson Brain Imaging Centre (2004)
Marcus Tomalin, MA, MPhil, PhD, *Fellow Librarian*, *Admissions Tutor (Arts)*, *Tutor*, Fellow in English, University Research Associate in Engineering (2004)
Jay Theodore Stock, BA (Trent), MSc (Guelph), PhD (Toronto), *Graduate Tutor*, University Senior 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)

William O'Neill, BSc (Essex), MSc (Essex), PhD (Imperial), Professor of Laser Engineering (2006)
 Amy Catherine Goymour, MA, BCL (Oxon), Hopkins Parry Lecturer in Law, *Tutor*, University Lecturer in Law (2006)
 Adriana Irma Pesci, MS, PhD (Nacional de la Plata), Darley Fellow in Mathematics, *Senior Treasurer of the Amalgamation Club*, (2006)
 Amy Louise Milton, BA, MSc, PhD, Ferreras-Willetts Fellow in Neuroscience, University Lecturer in Experimental Psychology (2007)
 Brigitte Steger, MPhil (Vienna), 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 Senior Lecturer in Earth Sciences (2008)
 Richard Keith Taplin, MBE, BSc (LSE), MA, *Junior Bursar* (2009)
 Jie Li, BS (Wuhun), MS (Paris), MS (Paris), PhD (Paris), University Lecturer in Fluid Dynamics (2009)
 Subha Mukherji, MA (Calcutta), MA (Oxon), MPhil, PhD, University Senior Lecturer in English (2009)
 Keith James Eyeons, MA, MA (Nottingham), PhD, *Chaplain*, *Fellow Information Officer* (2010)
 Robert Keith Harle, MA, PhD, Fellow in Computer Science (2010)
 Timothy James Burton, MA, MB, BChir, 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, GI Taylor Professor of Fluid Mechanics (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), PhD (Edinburgh), Isaac Newton-Graham Robertson Research Fellow (2011)
 Michael Housden, MSci, MA, PhD, Mays-Wild Research Fellow in Chemistry (2012)
 Kamran Yunus, PhD, Fellow in Chemical Engineering (2012)

Retirements and Resignations 1 July 2011 – 30 September 2012

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)
 Kathleen Liddell, LLB (Melbourne), BSc (Melbourne), MBioeth (Monash), DPhil (Oxon) University Lecturer in Intellectual Property Law (2005) (resigned April 2012)
 Sarah Jane Bray, BA, MPhil, PhD, Professor of Developmental Biology (1991) (resigned 30 September 2012)
 Adam Fouad Ramadan, BA, MSc (UCL), D.Phil (Oxon), Fellow in Geography (2009) (resigned 30 September 2012)

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
 Professor John Lawrence Cardy PhD, FRS
 Howard Eric Jacobson, MA
 The Rt Hon Lord Justice Lewison Kt, MA
 Air Chief Marshal Sir Stuart Peach, KCB, CBE
 The Rt Hon Lord Justice Lloyd-Jones, Kt, MA
 The Rt Hon Lord Justice McCombe, Kt, MA

The Emeritus Fellows

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 (LSE)
 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

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
 Maria Willetts, MA (Oxon)
 Humphrey Battcock, MA, MBA

The Fellows Commoner

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

The Fellows Commoner Emeritus

John Hicks, MA, FEng

Bye-Fellows

Nigel Allington, BSc (Hull)
 Richard Berengarten, MA
 James Brown, MA, PhD
 Ian Bucklow, PhD
 Aswin Chari, MA, PhD
 Neda Farahi, PhD
 Elizabeth Hook, MB, MA
 Vicky Jones, MA, MB, BChir
 Peter Kitson, MA, PhD
 Kathleen Liddell, LLB, (Melbourne), BSc,
 (Melbourne), MBioeth, (Monash),
 DPhil, (Oxon)
 Kerry Maunder, PhD
 Shane McCorristine, MA, PhD, FRHistS
 Alex Morris, PhD
 Steven Nottley, BSc (Sussex)
 Jill Pearson, BA, VETMC, MRCVS
 Ian Sabir, MA, PhD
 William Schafer, PhD
 Jane Sterling, MB, BChir, MA, PhD, FRCP
 Gareth Taylor, BA, PhD
 Natasha Theodosiou, Medical Sciences
 Michael Wakelam, BSc (Birmingham),
 PhD (Birmingham)

OFFICERS AND PRINCIPAL PROFESSIONAL ADVISERS

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

Senior Tutor: Professor G J Virgo, MA, BCL

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

Senior Bursar: Dr S E Lintott, MA, PhD

Actuaries

Cartwright Group Ltd
The Hub-IQ Farnborough
Farnborough
Hants GU14 7JP

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
9-11 St Andrews Street
Cambridge CB2 3AA

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

Penningtons LLP
Clarendon House
Clarendon Road
Cambridge CB2 8FH

Marks & Clerk LLP
62-68 Hills Road
Cambridge CB2 1LA



Report of the Governing Body



REPORT OF THE GOVERNING BODY

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.

Life in College for the academic year 2011-12 was the typical admixture of speculative debate, as the College grappled with the implications of the near tripling of tuition fees for Home and EU students, and cuts in the Government funding of higher education, and of logistics as ways were found to minimise the disruption caused by renewing the car park and incorporating a building on Regent Street into the Domus.

The first test of the impact of raising tuition fees came in the Admissions Round. Downing, as has the Collegiate University in general, made extensive efforts to encourage applications from qualified students from families and schools without a history of attending university and to reassure those from financially disadvantaged backgrounds that generous support is available. Each year, the College aims to admit c.125 undergraduates. Overall, there were 818 applications, an increase of 6.4% from the previous year. Applications from overseas students increased by 16.3%. The number of applications from Home students, as defined by OFFA, increased by 2.6% from 538 (2010) to 552 (2011). Home applications, as defined by OFFA, at the University level, however, remained roughly unchanged from 9,130 in 2010 to 9,142 in 2011¹, representing a small increase from the prior year but a 4.3% drop from 2009 when 9,548 students applied². Further, the increased number of Home applicants to Downing was in sharp contrast to the total number of Home applications made through UCAS. The College continues to place great emphasis on Open Days, including one aimed at applicants from the South-West, for which the College has responsibility in the Widening Participation and Access initiative. The College's popularity in terms of applications is, of course, to be welcomed; however, interviewing 85% of those applicants in 1,213 sessions, amounting to 996 person hours of which 80% were taken by College Fellows, places pressure on the Fellowship, which is one of the smaller among Cambridge Colleges.

For the academic year 2011-12, the College consisted of 52 Fellows, 712 junior members, 8,859 members out of residence, and 138 permanent staff (Full-Time Equivalent: 118.6). The College is one of 31 autonomous, self-governing Colleges within the University of Cambridge. Founded with a bequest from Sir George Downing, the College was originally intended mainly for the encouragement of the study 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. The University routinely appears at or near the top of both UK and global ranking tables. For example, Cambridge was recently ranked top of The Guardian's University League Table³, top of The Sunday Times University League Table⁴, and second in the QS World Rankings⁵.

Granted its charter in 1800, the College is known as "the last of the old and the first of the new". Its architecture is as distinctive as its position: its original Greek revival buildings, designed by William Wilkins, the architect responsible for the National Gallery, have listed status and are an exemplar of the "order, symmetry, elegance and grandeur"⁶ of the time. Over the years, as College membership has expanded and the expectations of students have increased, buildings in the central area of the Domus have been added by successive architects: first by Barry, then Baker, and finally, continuing the neoclassical tradition, by Quinlan Terry. In addition to the usual facilities - a Library, Dining Hall, and Combination Rooms - the College has a remarkable neo-Georgian Theatre, which both supports the cultural life of the College and contributes to income. A major project to extend and modernise social space for students will be completed during the Michaelmas Term.

¹ http://www.admin.cam.ac.uk/reporter/2010-11/special/14/undergrad_stats.pdf, Table 1.2 and <http://www.study.cam.ac.uk/undergraduate/publications/docs/admissionsstatistics2011.pdf>, Table 1.1

² http://www.admin.cam.ac.uk/reporter/2009-10/special/15/table1_2.pdf

³ <http://www.guardian.co.uk/education/table/2012/may/21/university-league-table-2013>

⁴ *The Sunday Times, University Guide 2013*, September 30, 2012

⁵ <http://www.topuniversities.com/university-rankings/world-university-rankings/2012>

⁶ Cinzia Maria Sicca, *Committed to Classicism The Building of Downing College Cambridge* p. 31

Junior Members

In October 2011, 128 new undergraduates and 106 full-time graduates (including eight Veterinary and Clinical medical students and five incoming exchange students) were admitted, bringing the total number of fee-paying students to 647 (453 undergraduates, 191 graduates). In addition, there were 65 registered graduate students who were in the writing-up phase of their research, bringing the total number of students to 712.

The 2012 Tripos results included some remarkable achievements, especially in Law and Economics. The Law results were the best for many years, with 18 students out of 65 (including LLM students) obtaining first class results and six of the first years gaining one third of the first class results awarded throughout the University. In Economics, four of the six first years were awarded 1sts. Prizes for individual successes were awarded to the following 13 students, who were ranked in the top 2.5% of their class: Alice Monaghan (Part IIA, Biological Anthropology); Benjamin Carr (Part IB, Engineering); James Wedlake (Part IIA, History of Art); Jessica Pham, Gretel Scott, and Joshua Stevens (Part IA, Law); William Day and Ajay Ratan (Part II, Law); Yang Li (Part IA, Mathematics); Andrew Kwok (Part IA, Medical and Veterinary Sciences); Flora Lee and Hugh Wilson (Part IA, Natural Sciences), and Zara Goozee (Part II, Psychology). Of these, six students were ranked top of their respective Triposes: Alice Monaghan, James Wedlake, Joshua Stevens, Ajay Ratan, Yang Li, and Zara Goozee. Although the number of 1sts received overall was slightly below the average achieved across the University, the number of 2:1s was higher. 12 students (2011: 9) achieved three consecutive 1sts in the first three years of their course and were elected as Foundation Scholars.

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 2011, following the admission to the Fellowship of Joseph Webster MA Hons (Edinburgh), MScR (Edinburgh), PhD (Edinburgh) as the Isaac Newton-Graham Robertson Research Fellow in Social Anthropology and Sociology. In addition to their responsibilities as tutors, directors of studies, and supervisors, the academic Fellowship is engaged in research. A selection of their publications during the year is given on pages 14-15. Trevor Robbins, Professor of Cognitive Neuroscience and Head of the Department of Psychology was awarded a CBE in the 2012 New Year Honours for services to Medical Research.

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 John McLaren (Virginia), an economist, and Professor Arash Kazeni (Pomona), an historian. Dr Brigitte Steger, the College's Fellow in Modern Japanese Studies, visited Keio University, and Dr Paul Barker, the College's Fellow in Chemistry, visited Pomona College.

Cultural Events

The Howard Theatre has given Downing a presence in arts in Cambridge that before had only been achieved through individual successes. The Theatre was not only used by other Colleges and by University Societies but also by the local community. Performances included a piano concert arranged by The Cambridge Summer Music Festival and *South! Music from Early 17th Century Europe*. For the second year, the Pembroke Players brought to Downing a Shakespeare production (*Twelfth Night*) from their annual tour of Japan, and Footlights held its Virgin Smoker. The John Lewis Cambridge Players staged *Melons at the Parsonage* and *The Droitwich Discovery*, two comedies by Nick Warburton, who attended the productions.

In November 2011, the biennial Oon Lecture took place. Charles L Sawyers, MD, an Investigator at the Howard Hughes Medical Institute and Chair of the Human Oncology and Pathogenesis program at the Memorial Sloan-Kettering Cancer Center, gave a lecture on "Overcoming Cancer Drug Resistance." In March 2012, the second Catalysis Conference, entitled "The Problem with Justice", took place. Donors and friends of the College and the University attended talks on justice and injustice in ancient Athens (Dr Paul Millett), the impact of human rights on property law (Amy Goymour), justice and free markets (Professor Sarah Worthington, the Downing Professor of the Laws of England and Fellow of Trinity College), the search for justice in the Middle East (Dr Adam Ramadan), justice for workers (Professor Catherine Barnard, Fellow of Trinity College), and criminal injustice and joint enterprise liability (Professor Graham Virgo).

The next Conference in the series will focus on "Space and Time" and will be held on 23 March 2013.

Sports

While students are admitted to the 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 1st Women's VIII retained the headship of both the Lent and the May Bumps, and the 1st Men's VIII also retained their second place in both Bumps races. This level of success is in part due to the January training camp that this year took place at Banyoles, Spain. The camp is subsidised by contributions from former members (known as Segreants). Five Downing members also rowed in the University boats. There were team and individual successes in many other sports, with 12 students being awarded blues, 22 half-blues, and six colours. Two of the alumni, Rod Chisholm (1992) (Rowing: Australia) and Annie Vernon (2002) (Rowing: Great Britain), competed in the London 2012 Olympics, bringing the total of known Downing Olympians to 10⁷. There were notable successes in football, where the Men's 1st XI won the Division One title; rugby, where the Men's 1st rugby XV finished second in the League; and the Men's Tennis Team won Tennis Cuppers. Following the Ultimate Frisbee Club's successes in the intercollegiate tournaments, for the first time the Club was given Griffin's status.

The Downing Daffodil

The College was honoured to have a newly developed variety of daffodil named after it. Professor Trevor Walker (Natural Sciences: 1956) an alumnus and expert in the field of Biotechnology named the daffodil *Narcissus "Downing College"*. The plant, grown in the Black Mountains of Wales, produces particularly high levels of the plant alkaloid galanthamine, which has proved effective in the treatment of some symptoms of slow to mid-onset Alzheimer's disease. The daffodil also contains narciclasine, which is used as a treatment for brain tumours⁸.

⁷ Dr Rex Salisbury Woods, shotput (1911) Peter Hildreth, hurdles (1949) Peter Head, swimming (1954), Kate Panter, rowing (1981) ; Barry Parkin, sailing (1982), Stephen Peel, rowing (1984), Ian Walker, sailing (1988); Dr Tom Middleton, rowing (1995);

⁸ <http://alzheimersweekly.com/content/welsh-daffodils-provide-galantamine>

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, and so 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 and has typically held the position for a two-year stint. In July 2012, Sam Turner, a recent Downing graduate in Geography, took over from Carl Griffiths, who was in post from January 2010 to June 2012.

Over 2011-12, the School and College Liaison Officer made 32 individual visits to schools and colleges across the South-West, visited two HE/Careers fairs and three UCAS Conventions, in addition to organizing five Oxford and Cambridge Information Days at host schools across Cornwall, Devon, and Dorset. The College hosted five school visits and four residential visits to Cambridge, and welcomed 42 students from 17 different schools and colleges on the South-West Residential Open Day in June. These events have been instrumental in encouraging applications from students at schools without traditional links to Cambridge.

As the aim of this programme is to encourage students who would not otherwise do so to enter any higher education institution, it is impossible for the College accurately to judge its success. However, in the 2011 admissions round, 35 South-West students applied to Downing, of which 25 came from 16 different state-maintained non-selective schools in Cornwall, Dorset, and Devon. Seven (2010: 8) were offered and accepted places at Downing. Of those, six are now undergraduates at Downing. One applicant did not meet the required standard in the 'A' Level examinations. The remaining 28 South-West applicants were not offered places. Although two were placed in the Winter Pool, none was offered a place at another College. Since 1999 when the programme began, 54 people from the South-West programme have taken up their places at Downing.

Once here, students have access to several sources of financial aid. In 2011-12, 111 home and EU undergraduates (out of a Home and EU undergraduate population of 405) received an average of £2,585 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 ("OFFA") and provides benefits at a substantially higher level than the minimum required by OFFA. 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. 64 students (2010-11: 50) students received the maximum award of £3,400 under this Scheme. For students who will matriculate in October 2013, 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.

This year, in total the College paid out 325 grants totalling £396,906 (2010-11: £349,828) to support the purchase of books and equipment; attendance at conferences; travel; studentships; and bursaries in cases of financial hardship. £99,545 was provided by trust and other restricted funds, £16,276 was met from general funds, and £281,085 through the Cambridge Bursary Scheme (2010-11: £255,650). Of the total payments made, £322,086 were made to undergraduates, which amounted to 17.7% of the Tuition Fee. The remainder, £74,820, was paid to graduates, which amounted to 18.5% of the Graduate Fee.

TUITION FEES AT THE UNIVERSITY AND ITS COLLEGES

Tuition Fees for Home and EU undergraduates are charged at the maximum permitted rate of £9,000 for students matriculating in 2012-13 and for 2013-14. Approval for this level of fee was conditional on the signing of an Access Agreement with the Office for Fair Access ("OFFA")⁹. This financial year was the last in the previous system before the very substantial reduction in the teaching funding for undergraduates provided by the Higher Education Funding Council for England ("HEFCE") to universities. Under the College Fee Agreement between 1999-00 and 2011-12, the University passed over funds, calculated on a *per capita* basis, to the Colleges. From 2012-13, the system will change: the tuition fee for new students will be paid either by the students themselves or on behalf of the students through the Student Loan Company. The Colleges will collect these fees and pass half over to the University. Both the Colleges and the University will pay equal shares towards the Cambridge Bursary Scheme, with the Isaac Newton Trust contributing funds to support the obligations of the less well-endowed Colleges, such as Downing.

The Colleges and the University engage in substantial outreach activities to encourage all academically qualified students to apply for admission to Cambridge, whatever their backgrounds or financial circumstances. The University is committed under the OFFA Agreement to increasing the proportion of UK resident students admitted from UK state sector schools and colleges so that they fall within a range of 61-63% and the proportion of UK resident students admitted from low-participation neighbourhoods to approximately 4%. It already meets the benchmark on retention.

The £9,000 tuition fee is only a contribution to the real costs of offering the form of education that Cambridge provides. An internal study recently concluded that, taking arts, humanities, and sciences together, it cost £17,100 per annum in 2009-10 to educate an undergraduate. That figure was calculated by applying to College costs the methodology used in the University financial reporting to HEFCE to arrive at a combined figure. The chart opposite lists the functions that the University and Colleges each perform: the Colleges admit, matriculate, supervise, and then present undergraduates for degrees, taking responsibility for pastoral care. The University provides lectures and laboratories and examines and classifies students.

The distinguishing feature of an education at Cambridge or Oxford is the emphasis on small-group teaching, the costs of which are borne by the Colleges. The maximum number of supervisions per year is 80, depending on the year and subject, with approximately 10% with just one student, but most (34%) in groups of two. The basic rate for supervisions is £26.93 for supervising one student up to £40.98 for supervising in groups of six or more. Colleges augment remuneration in different ways and have different contractual arrangements. For instance, Downing augments the intercollegiate rate by 20% if a Fellow teaches for 80 hours or more a year and contributes up to £300 towards academic expenses. This year 21 Fellows received this enhancement to supervision pay. However, providing supervisions costs considerably more than payments to supervisors: supervisions require a support organisation and, of necessity, take place in historic premises that are expensive to maintain. For Downing, the average cost of educating an undergraduate in 2011-12 was £7,343 (2010-11: £7,388) per year.

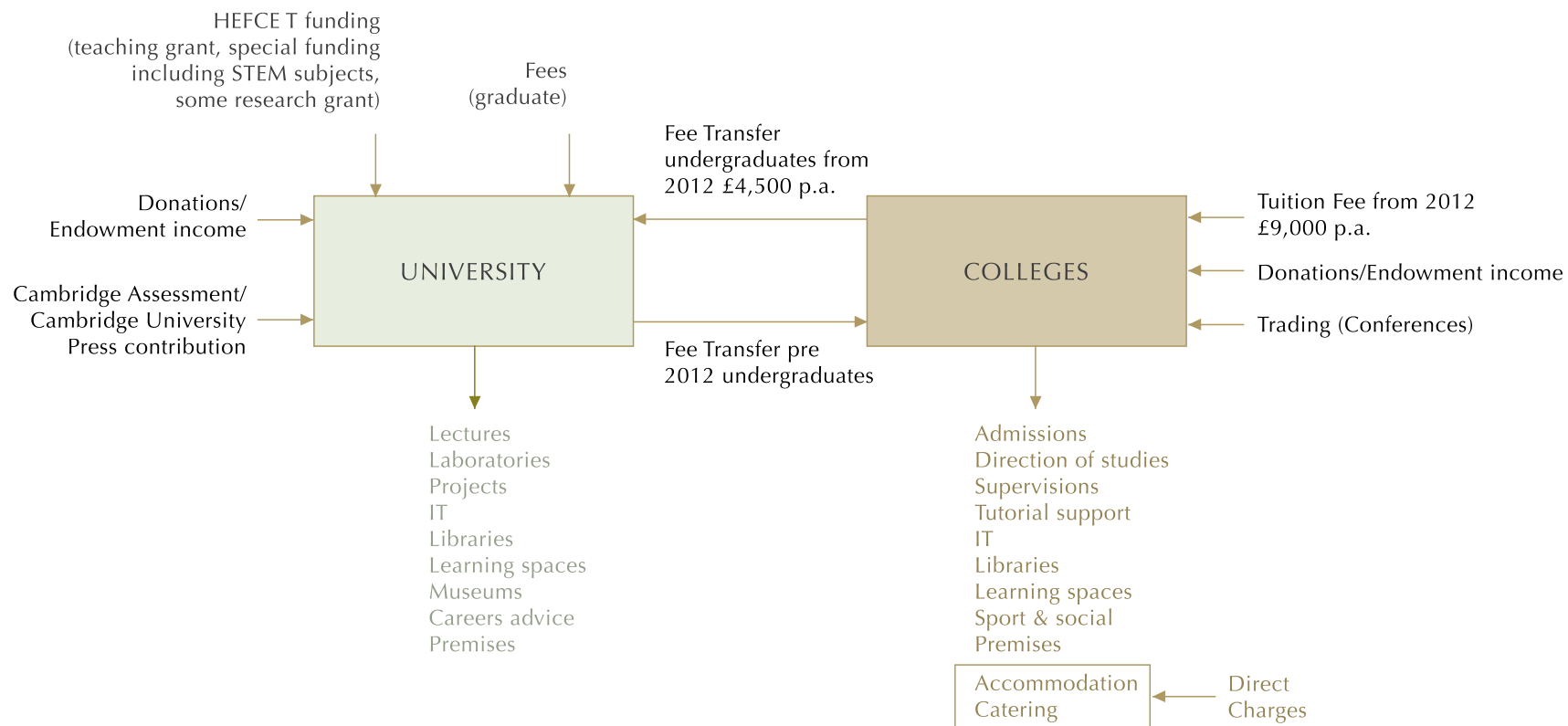
While, broadly, there is parity of educational provision across the Colleges, each College will have a different cost base, largely driven by the costs of its infrastructure and the balance in its Fellowship between University employed Teaching Officers, who can be paid for supervising at the intercollegiate rate, and College Teaching Officers, whose stipend is paid by the College. To counter diseconomies of scale and promote efficiency, Colleges collaborate in providing various services, as well as share know-how and best practice in operational matters. Nevertheless, there is inevitably a disparity in resources and different approaches to meeting the shortfall between tuition fees and the cost of education. An intercollegiate taxation system redistributed £3.5 million in 2012, but of this £2.2 million went

⁹ <http://www.offa.org.uk/agreements/University%20of%20Cambridge%200114%20access%20agreement%202013-14.pdf>

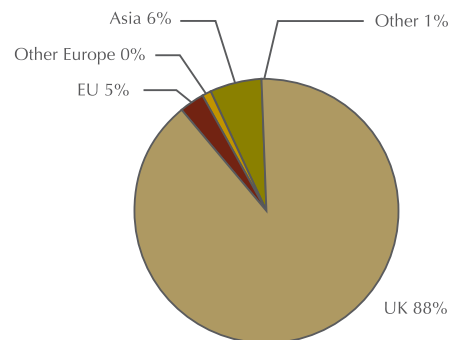
in support of predominately graduate Colleges. More so than other Universities, Cambridge Colleges have historically been supported by philanthropic gifts, from founders and alumni who appreciate the benefits of the costly education that they have received.

In 2011-12, Downing spent £3.8 million on Education, of which £3.3 million was for undergraduates, or £7,343 per capita. Of the total amount, 53% was spent on Teaching, 13% on Tutorial, 11% on Admissions, 4% on Research, 12% on Scholarships and Awards and 7% on other Educational Facilities.

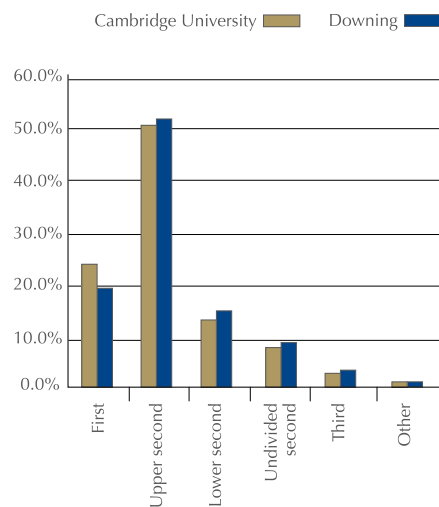
UNIVERSITY AND COLLEGES: A SYMBIOTIC RELATIONSHIP



UNDERGRADUATES BY REGION



UNDERGRADUATE DEGREE CLASSIFICATIONS



UNDERGRADUATE NUMBERS 2011-12 AS OF 1 OCTOBER 2011

Subject

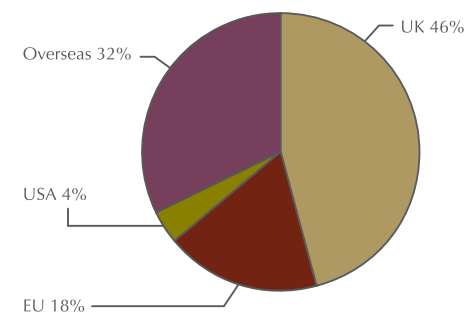
	Year 1	Year 2	Year 3	Year 4	Years 5-7	Total 2011-12	Total 2010-11
Anglo-Saxon	1	0	0	0	0	1	0
Archaeology & Anthropology	1	2	2	0	0	5	3
Architecture	2	2	1	0	0	5	4
Asian & Middle Eastern Studies	2	2	2	0	0	6	4
Chemical Engineering	0	1	1	0	0	2	4
Chemical Engineering via Engineering	1	0	1	0	0	2	1
Chemical Engineering via Natural Science	0	0	0	0	0	0	0
Classics	3	3	4	0	0	10	11
Classics – 4yr	0	1	1	2	0	4	5
Computer Science	2	0	2	0	0	4	3
Economics	6	5	6	0	0	17	17
Education	1	0	0	4	0	5	1
Engineering	10	14	12	9	0	45	44
English	3	8	6	2	0	19	20
Geography	6	5	5	0	0	16	17
History	5	6	6	0	0	17	17
History of Art	0	1	0	0	0	1	6
Land Economy	1	2	0	0	0	3	4
Law	16	18	18	14	0	66	56
Linguistics	1	0	1	0	0	2	3
Management Studies	0	0	0	2	0	2	1
Manufacturing Engineering	0	0	0	3	1	4	0
Mathematics	6	4	4	3	0	17	13
Medical Sciences	16	16	15	8	14	69	65
Modern Languages	6	5	5	6	0	22	23
Music	1	1	2	0	0	4	3
Natural Sciences (Biological)	12	12	11	0	1	36	44
Natural Sciences (Physical)	14	15	11	9	0	49	45
Philosophy	2	1	2	0	0	5	4
Politics, Psychology and Sociology	4	3	4	0	0	11	13
Theology	3	3	2	0	0	8	6
Theology BTh	2	2	0	0	0	4	5
Veterinary Medicine	1	1	2	2	4	10	11
Total	128	133	126	64	20	471	453

PHD THESES SUCCESSFULLY DEFENDED BY DOWNING GRADUATE STUDENTS 2011-12

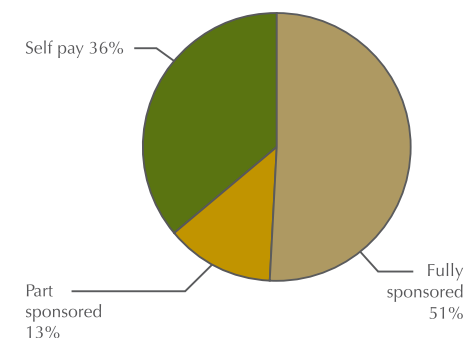
Anger-Kraavi, A	PhD	Land Economy (Emissions trading for regulating climate change impacts of aviation: A case study of the European Union Emissions trading scheme)
Bari, A	PhD	Experimental Psychology (Behavioural, neurochemical and neuroanatomical analysis of stop-signal task performance in rats)
Bell, D J	PhD	Physics (Optical techniques for characterising shock ejecta)
Butler, V J	PhD	Biological Science at MRC LMB (Molecular and neuromuscular mechanisms underlying locomotion and proprioception in <i>Caenorhabditis elegans</i>)
Chang, T-Y	PhD	Materials Science (Characterisation of polar (0001) and non-polar (11-20) ultraviolet nitride semiconductors)
Chu, B	PhD	Physiology, Development and Neuroscience (Origin of dark noise, bump regulation and calcium signalling in <i>Drosophila</i> photoreceptors)
Clayton, E M	PhD	Biological Science (Role of p110delta and Vav1/2 in BCR signalling)
Cook, N	PhD	Oncology (The notch pathway is a therapeutic target in pancreatic ductal adenocarcinoma)
De Cogan, D A	PhD	Law (Tax by law or by administrators: the changing boundaries between 1900 and 1950)
Digard, L N	PhD	Criminology (Sex offenders' and their probation officers' perceptions of community management in England and Wales)
Faik, I	PhD	Management Studies (Modernisation through ICTs: national development, organisational change and epistemological shifts)
Fets, L V	PhD	Biological Science (The role of PI(4,5)P2 signalling in dictyostelium chemotaxis)
Fuloria, S	PhD	Computer Science (Robust security for the electricity network)
Hristova, Y R	PhD	Chemistry (Subcomponent self-assembly of diverse metallo-supramolecular systems from 3,3'-bipyridine-6,6'-dicarboxaldehyde)
Hu, R	PhD	Biotechnology (Responsive polymer-coated magnetic acoustic resonator sensors (MARS))
Jeevaratnam, K	PhD	Physiology, Development and Neuroscience (The effects of age and sex on ventricular conduction properties in the murine SCN5A ^{+/+} model)
Klein, J M	PhD	Chemistry (Dynamic combinatorial chemistry of hydrazone and disulphide macrocycles)
Lightfoot, H L	PhD	Medicinal Chemistry (Investigations into the interaction between LIN28 and the let-7 precursor, and its inhibition by small molecules)
Lines, E R	PhD	Plant Sciences (Forest dynamics at regional scales: predictive models constrained with inventory data)
Liu, R	PhD	Computer Science (Planning and deployment of wireless sensor networks)
Mallouri, L	PhD	Education (A study of National Identity in visual texts in Cyprus)
Mergler, B I	PhD	Biological Science at MRC Nutrition (Enterocyte uptake of nanoparticulate iron(III) oxo-hydroxide)
Mosiadz, M	PhD	Materials Science (Inkjet printing of buffer and superconducting layers for YBa2Cu3O7-x coated conductors)
Parra Segura, J R	PhD	Economics (Essays on social networks, markets, and politics)
Qian, Z	PhD	Chemistry (Synthesis of pharmaceutical molecules using flow based chemical processing)
Rong, K	PhD	Engineering (Nurturing business ecosystem from firm perspectives: lifecycle, nurturing process, construct, configuration pattern)
Royles, J	PhD	Plant Sciences (Environment isotopic records preserved in Antarctic peat moss banks)
Ryle, S J	PhD	English (Shakespeare, Cinema and Desire)
Sigurdardottir, A G	PhD	Biochemistry (Targeting hepatocyte growth factor/scatter factor for drug discovery using a fragment-based approach)
Tulley, M J C	PhD	Geography (Numerical Modelling Of Erosion and Deposition By Quaternary Ice Sheets)
Werrell, E F	PhD	Chemistry (Biophysical studies on the neuron ubiquitin c-terminal hydrolase, UCH-L1)
Zhang, Y	PhD	Biochemistry (A comparative study of the individual and combined electrophysiological effects mutations in the cardiac sodium channel and ryanodine receptor)

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

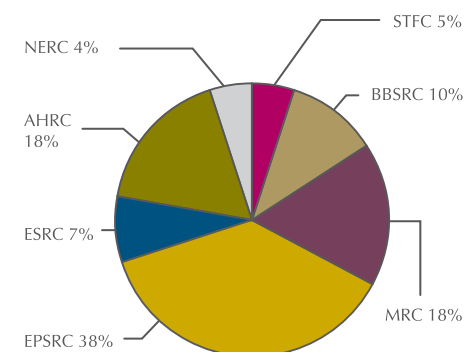
GRADUATES BY REGION



GRADUATES BY FEE TYPE



GRADUATES BY PUBLICLY-FUNDED BODY (Cambridge University 2010)



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Adams, Professor William

Graham, M D, Adams, W M and Kahiro, G N, 'Mobile phone communication in effective human-elephant conflict management in Laikipia County, Kenya', *Oryx* 46: 137-144 (2012)

Alcock, Dr Jamie

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Barber, Dr Zoe

Senapati, K, Blamire, M G and Barber, Z H 'Spin-filter Josephson junctions', *Nature Materials* 10, 849 – 852 (2011)

Barker, Dr Paul

Forman, C J, Nickson, A A, Anthony-Cahill, S J, Baldwin, A J, Kaggwa, G, Feber, U, Sheikh, K, Jarvis, S P and Barker, P D, 'The morphology of decorated amyloid fibers is controlled by the conformation and position of the displayed protein', *ACS Nano* 6, 1332, DOI: 10.1021/nn204140a (2012)

Berni, Dr Jimena

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Rae, C L, Correia, M M, Altena, E, Hughes, L E, Barker, R A and Rowe, J B, 'White matter pathology in Parkinson's disease: The effect of imaging protocol differences and relevance to executive function', *Neuroimage*, 62(3), pp 1675-84. Epub (2012)

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Duffett-Smith, Dr Peter

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Everitt, Professor Barry

Jonkman, S, Pelloux, Y and Everitt, B J, 'Drug intake is sufficient, but conditioning is not necessary for the emergence of compulsive cocaine seeking after extended self-administration', *Neuropsychopharmacology* 37: 1612-1619. doi 10.1038/npp.2012.6 (2012)

Feldman, Professor David

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Goymour, Ms Amy

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Hinarejos, Dr Alicia

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James, Dr Ian

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Ledgeway, Dr Adam

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Millett, Dr Paul

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Milton, Dr Amy

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Mora-Sitja, Dr Natalia

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Robbins, Professor Trevor

Ersche, K D, Jones, P S, Williams, G B, Turton, A J, Robbins, T W and Bullmore, E T, 'Abnormal brain structure implicated in stimulant drug addiction' *Science*, 335, 601-604 (2012)

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Tomalin, M, "A Domestic Mischief": French Governesses in British Literature, 1796-1832', *Review of English Studies*, 62:255, pp 441-464 (2011)

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Virgo, Professor Graham

Virgo, G, *The Principles of Equity and Trusts*, 785 pp. (2012)

Wales, Professor David

Wales, D J, 'Decoding the Energy Landscape: Extracting Structure, Dynamics and Thermodynamics', *Phil. Trans. Roy. Soc. A*, 370, pp 2877-2899 (2012)

Webster, Dr Joseph

Webster, J, 'The Immanence of Transcendence: God and the Devil on the Aberdeenshire Coast' in *Ethnos* (2012)

Williams, Dr Guy

Ersche, K D, Jones, P S, Williams, G B, Turton, A J, Robbins, T W and Bullmore, E T, 'Abnormal brain structure implicated in stimulant drug addiction', *Science* 335, (6068) pp 601-4 PMID: 22301321 [PubMed - in process] (2012)

Withington, Professor Stafford

Thomas, C N and Withington, S, 'Experimental demonstration of an interferometric technique for characterizing the full optical behaviour of multimode power detectors', *IEEE Trans. Terahertz Sci. Tech.* 2, 50-60 (2012)

Xu, Dr Liping

Zamboni, G, and Xu, L, 'Fan root aerodynamics for large bypass gas turbine engines: Influence on the engine performance and 3D design', *Journal of Turbomachinery* 134, No 6 (2012)

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).

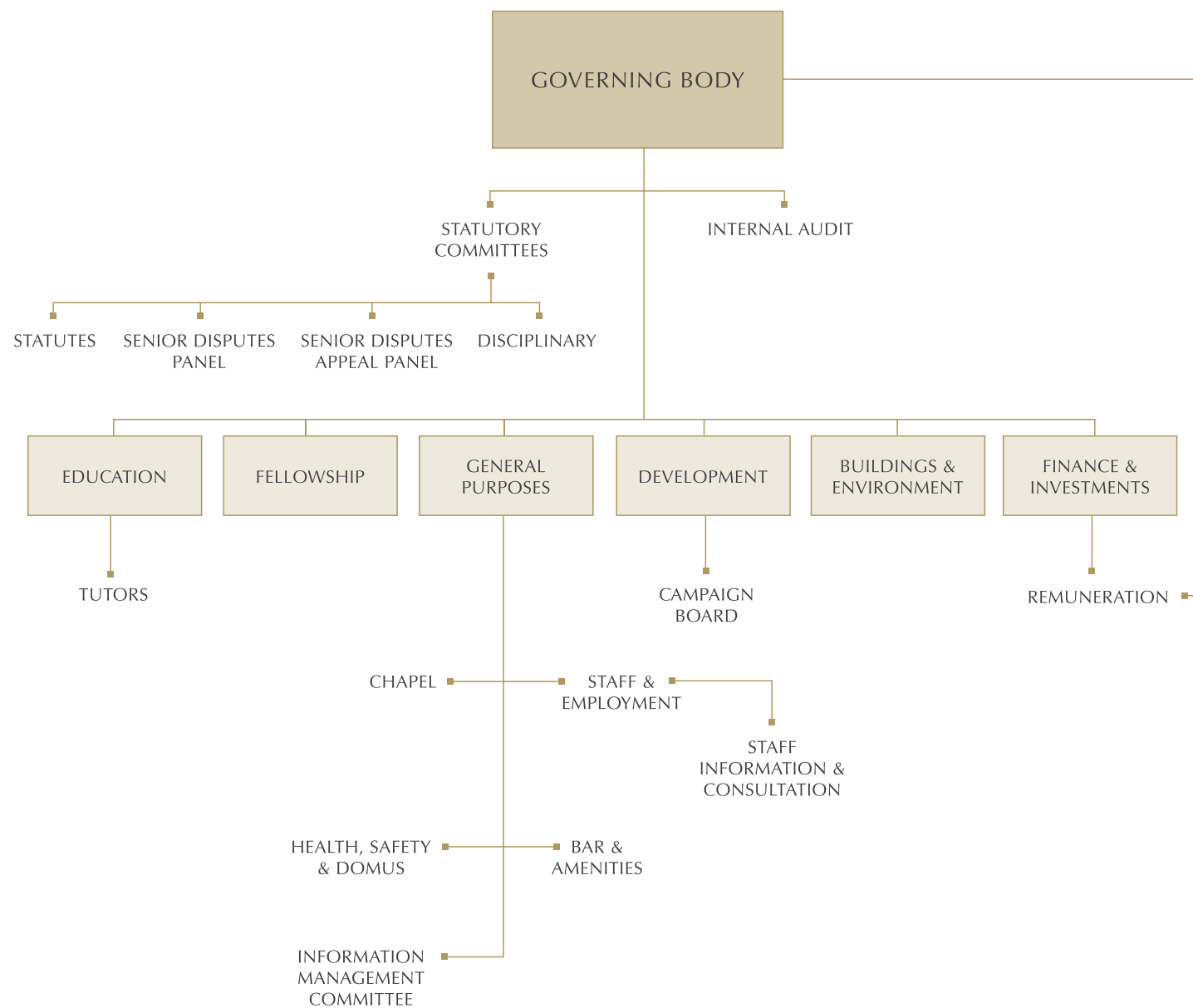
The Statutes that set out the arrangements for governance of the College were last completely revised during 2005 and approved by Her Majesty, with the advice of Her Privy Council on 9 May 2006, with approval given to amendments on 18 March 2009. The Master is Chairman of the Governing Body; the Senior 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 pages 6 and 7. 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.

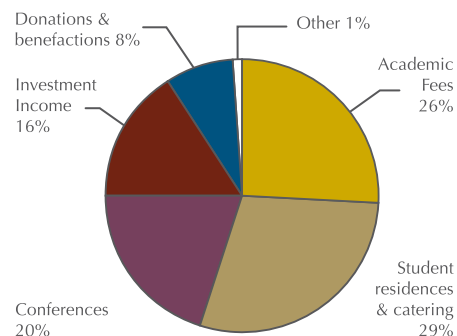
Members of the Governing Body are required to act with integrity, act in the College's interests without regard to their own private interests, and manage the affairs of the College prudently, balancing long-term and short-term considerations. The direct cost of governance for 2011-12 was £32,603 (2010-11: £29,083).

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 2011/12 Total £9.3 million



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. The financial year 2011-12 was the last year for which all Home and EU students were funded through the HEFCE grant: for students matriculating in October 2012, the College will instead collect the £9,000 Tuition Fee from the student, passing on an agreed amount to the University (see separate section on p.16-17). In 2011-12, the total payment in respect of publicly-funded undergraduates was £1,599,600, which accounted for 17.3% of total income (2010-11: £1,571,016) for 405 full-time equivalent students, including publicly-funded undergraduates, PGCE, Clinical Medical, and Veterinary Students. In 2011-12, the College received £3,951, per publicly-funded undergraduate and set a fee of £6,000 for privately-funded undergraduates. The fee payable by all graduate students was £2,289. Cost containment resulted in a further decrease of 7.0% in the shortfall from £2,635 to £2,450 per student (on a fully-allocated basis¹⁰). Using a methodology that allocated costs between undergraduates and graduates, the College recently calculated the cost for 2011-12 as £7,343 (2010-11: £7,388) per undergraduate and £2,826 (2010-11: £2,831) per graduate. Because of the high level of fixed costs, reducing the number of students would not help the financial position. The costs are highly sensitive to the cost of providing space, which is affected by energy and labour costs.

The Colleges Fund

The Colleges Fund, which is funded through the intercollegiate taxation system, makes grants to Colleges with insufficient endowments.¹¹ The College received a grant of just £15,000 in 2011-12 (£139,000 in 2010-11) on the basis of the return submitted for 2010-11, which implies that 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), when clearly it is not. The College considers that the burden of buildings maintenance requires a more substantial endowment and has launched a major endowment fundraising campaign.

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, provided that at least 80 hours of supervisions are taught, and are given rooms and other benefits. The intercollegiate rate for 2011-12 for an hour's supervision of two students was £33.00. 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 2011-12, the cost per square metre of providing space was £177.12, compared with £193.93 in 2010-11, a decrease of 8.7%. From time to time,

¹⁰ See Note 1, "Academic Fees and Charges", excluding Research/Teaching Grants and Other Fees and note 4 "Education Expenditure".

¹¹ In 2011, the size of the endowment (net of loans) placed Downing at 22nd out of 31 (2010: 21st) in terms of this measure of wealth. Colleges of a similar sized student body (+/- 50) have endowments ranging between £10.0 million and £127.4 million. The median of all Colleges was £52.5 million (2010: £41.7 million).

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 Law) and one half-time (Social and Political Science) College Teaching Officers funded by the College, in 2011-12 Downing employed a College Teaching Officer (Geography) supported from a grant. Approximately £4.5 million out of the College's £32 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 1999-00, the year in which the Government imposed a 21.8% cut in the College Fee, the cumulative shortfall has been £15.7 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 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, the Howard Theatre, Howard Court, and the Howard Building, the Maitland Robinson Library, and the Lieutenant Colonel Anderson Fitness Room. Most recently, the Howard Foundation, recognising the importance of appearance to the conference trade, kindly paid for substantial improvements to the car park. Friends of Downing have also made major contributions to support the College's educational mission: The Ferreras Willets Foundation has endowed a Fellowship in Neuroscience. In addition, the Downing College Alumni Association raises money through the sale of merchandise in order to fund prizes for academic achievement and grants for student hardship.

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 fundraising campaign for endowment, "Catalysis", was launched at the London Event on 2 November 2009. At the end of the financial year, £9.5 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 £442,683 of which £145,322 was provided by Restricted Funds including Trust Funds, £16,276 was met from general funds and £281,085 was received as a refund (partly paid from University fee income and partly from the Isaac Newton Trust).

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 2011-12, £30,000 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 over the period 1999-2004 on a matching basis to create an endowment for supporting students experiencing financial hardship. Since 2006, The Isaac Newton Trust has operated and contributes to the Cambridge Bursary Scheme, whereby a portion of the top-up fee is set aside to fund bursaries of up to £3,400. In 2011-12, the College received £281,085 (2010-11: £250,301) to offset its obligations under the Scheme. The Trust has also paid the College for the release of College Teaching Officers' time for teaching for the University, continues to provide support for Fellows with postdoctoral research posts, and pays half the cost of the Isaac Newton Graham Robertson Research Fellowship. Taken together, in 2011-12 these payments amounted to £19,330.

SIGNIFICANT POLICIES

1. RESERVES

1. Total Funds stood at £137.6 million at 30 June 2012. Of this amount, £79.8 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 CCFPS final salary pension scheme for staff under FRS 17 (2012: £1,463,180; 2011: £765,312).
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 2012, free reserves (General Reserve less pension liability) stood at £11.5 million (2011: £14.3 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 2011-12, 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. 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 £6,330,617 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 eight 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. 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 “12/12” Commitment. The College will aim to use 12% less energy in 2012 compared with that used in 2010
- 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 by 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

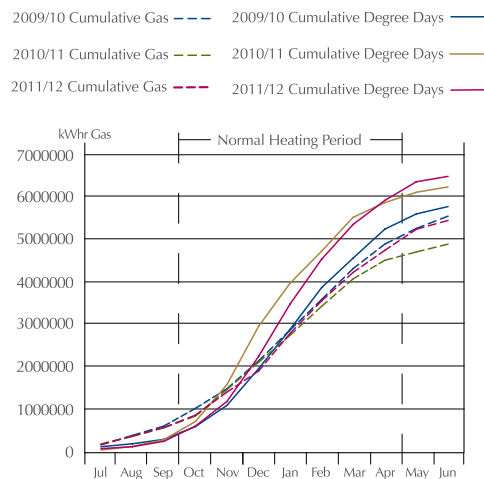
The College will actively promote environmental awareness among Fellows, students, staff, and conference guests.

Increased awareness will be achieved by:

- actively publicising national and local environmental initiatives
- managing College initiatives through the Health, Safety, and Domus Committee, and the Buildings and Environment Committee
- involving JCR and MCR Green Officers in all initiatives
- including, where practicable, environmentally-based incentives in staff performance targets and in student rents
- monitoring and publicising energy-saving and environmental targets and performance, including informing conference guests
- improving conformance with the qualification criteria for Green Tourism



GAS CONSUMPTION/DEGREE DAYS COMPARISON



Degree days significantly worse than either of the last two years but consumption contained at 2009-10 levels.

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

Green Transport Policy

The College encourages responsible travel arrangements:

- generally, students may not bring motor vehicles to Cambridge
- Fellows, students, and staff are encouraged to walk or bicycle to work more frequently
- by publicising information on routes, conference and non-conference guests will be encouraged to come to the College by public transport
- work patterns may be adjusted where possible to facilitate use of public transport: the College will provide incentives to staff to use public transport if economically justifiable

Actions and Targets

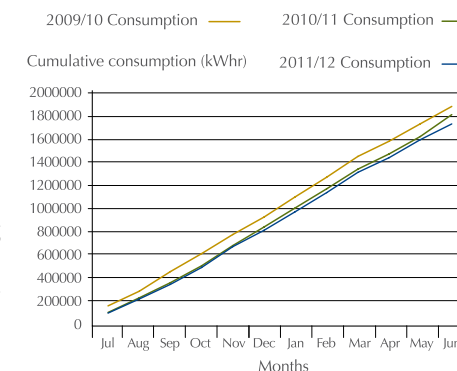
The College will:

- aim to reduce gross energy consumption by 12% in 2012, compared with a 2010 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 2012 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
- support the efforts of Green Officers by providing past annual and current monthly energy consumption data. A continual display of on-domus energy consumption is displayed on a screen inside the Porters' Lodge

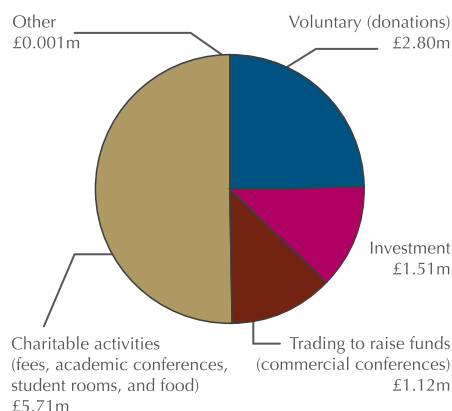
Progress on Green Initiatives

- 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, and remains the only College, to gain Carbon Trust Accreditation; Accreditation was renewed in 2012
- On 1 April 2010, the Climate Change Act 2008 came into force, which imposed a mandatory carbon trading scheme. Downing was one of the leaders in defining the processes for the Cambridge Colleges to participate jointly
- 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
- In May 2012, the College once again came top in the overall league of the Colleges' Environmental League Table, this time sharing the distinction with Jesus
- During 2011-12, while degree days increased by 4% compared with 2010-11, gas consumption increased by 11%. This was largely because of a very cold April and May, which meant that heating was kept running for three weeks longer than normal
- A further four BMS systems were retrofitted to boilers on the Domus
- In 2012, solar panels were installed on the East Range, contributing 1.76MWh during the first eight months of operation
- Additional photovoltaic panels were installed in the newly converted Griphon House, increasing generating capacity by 11.5kWp
- A survey was undertaken using advanced infra-red imaging to detect areas of heat loss, and this data, allied with student feedback on cold rooms has helped to prioritise draught-proofing work
- The College has engaged with English Heritage to gain its support for retrofitting Georgian windows with specialist double glazing
- Room rental agreements have been amended where practicable to reduce the need for parental transport during Christmas and Easter vacations
- The College provides incentives to staff to use the train and other lower carbon modes of transport
- The College signed up to the "Student Switch Off" Campaign, designed to emphasise energy of water savings initiatives; at 30 October, Downing had the highest percentage sign-up rate among the Colleges.

ELECTRICITY CONSUMPTION COMPARISONS (by FY)



INCOME £11,142,341



RESULTS IN THE FORMAT REPORTED TO THE CHARITY COMMISSION

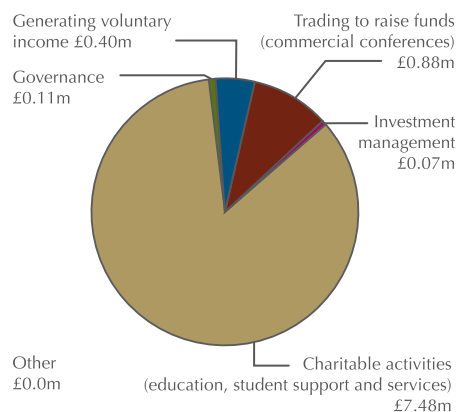
The Summary Information Return ("SIR") that is made annually to The Charity Commission is based on *The Charities Statement of Recommended Practice*, which has a different emphasis from that of the standard profit and loss model of accounts that informs *The Statement of Recommended Practice: Accounting 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 (25% of Income) to support its £7.48 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.

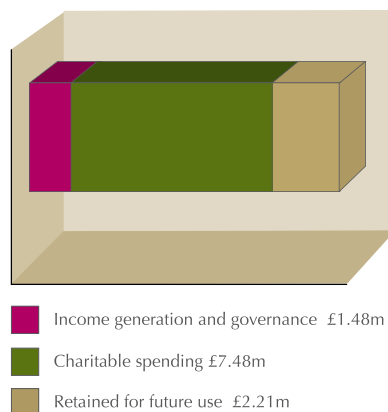
A further chart shows the extent to which funds have been used to support the current year's activities and the extent to which they have been retained for future use, although in many cases that division reflects the terms of the donations.

Compared with 2010-11, income for 2011-12 has fallen by 0.4% to £11.14 million, principally as a result of reduced donations to endowment. Income from charitable activities increased by 5.4%, with the most significant rise being in College Fees. Income from commercial conferences was £1.12 million, down 12.6% from last year's £1.29 million; however, that reduction was compensated by an equal increase in charitable (i.e. academic) conferences. Spending on charitable activities decreased by 3.0% to £7.48 million. Of the £2.80 million in donations received during 2011-12, £2.21 million were retained for future use.

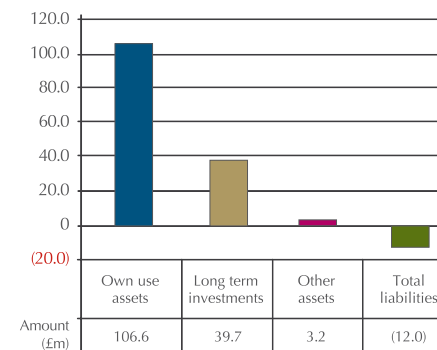
SPENDING £8,933,489



CHARITABLE SPENDING



ASSETS, LIABILITIES & PEOPLE



Employees 170

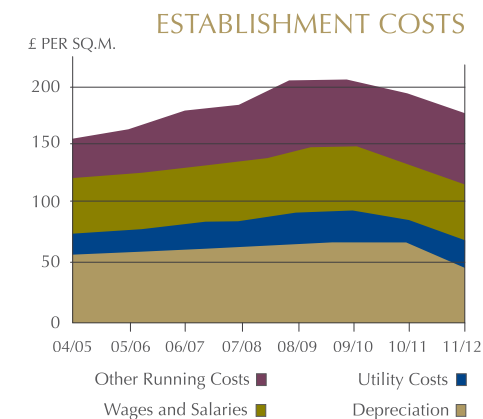
FINANCIAL REVIEW

Income and expenditure

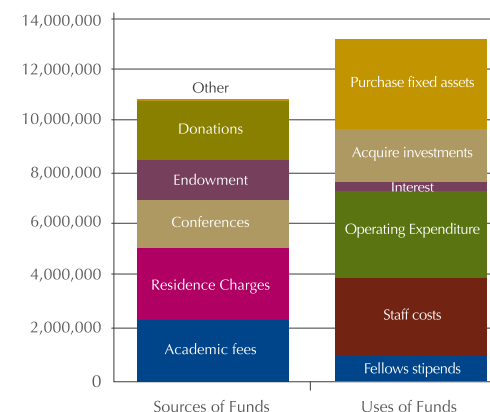
- Surplus of £0.3 million
- Income up by 4.6%
- Expenditure down by 2.9%
- Gap between operating income and operating costs narrowed from £2.4 million (2010-11) to £1.9 million

The College achieved an overall surplus of £0.3 million for the financial year, the positive result of below-inflation pay awards and other sacrifices, the suppression of posts, cost control, better purchasing, reduced depreciation, and a successful effort to maintain Conference revenue despite recessionary pressures. An increase in income of 4.6% was driven by further rent rises of 6.5% in line with the agreed formula to remove the traditional subsidies on student rents in favour of a more targeted approach to student support. Together with vacation lettings, this resulted in student rent income of £2 million. However, catering sales to students continued to decline, as students appear to have economised on day-to-day meals while continuing to spend on formal halls and special events. A decline in student bar sales is indicative, in part, of a more cautious attitude to spending. While the income received for educating publicly-funded students comes nowhere near covering costs, a more business-like approach to charging privately-funded and overseas students, together with an increase in the number of one-year graduate students contributed to a rise in fee income of 5.1%. Broadly speaking, sources of income come equally from fees, student rents, conferences, and investments and donations.

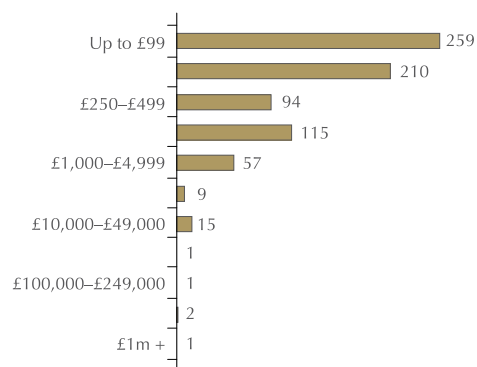
The gap between the fees received for teaching undergraduates and providing academic support for graduate students and the cost of education was £1.5 million, down from last year's gap of £1.6 million. While some discretionary expenditure is funded by specific charitable trusts and donations, there remains an irreducible provision, which cannot fully be covered by the fees that are received. Similarly, the costs of providing space in historic buildings, some of which are only occupied during the undergraduate term cannot be fully covered by rents. With neither of the two principal activities able to fund themselves, the College has become increasingly dependent on the contribution made by conference services. The remaining gap between operating costs and operating income, which last year stood at £2.4 million, narrowed to £1.9 million. That amount was met by £2.2 million of investment income and donations. Were the College to have an endowment equal to the median among Colleges - at present it is 22nd in terms of absolute size and 23rd in endowment (net of loans) per undergraduate student - dependence on conference services could be reduced to a less intensive level, which would ease pressure on staff, facilities, and focus.



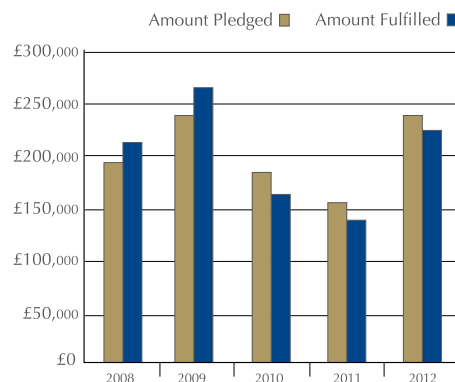
SOURCES AND USES OF FUNDS 2011/12



NUMBER OF GIFTS RECEIVED



TELEPHONE FUNDRAISING DONATIONS 2008-2012



CATALYSIS CAMPAIGN

	Cash Received	Further Pledges	Committed Funds
Teaching & Learning	£2.2m	£0.2m	£2.4m
Research & Discovery	£0.2m	–	£0.2m
Heritage & Environment	£1.4m	£1.0m	£2.4m
Support & Services	£0.3m	–	£0.3m
Culture & Community	£0.1m	–	£0.1m
General Endowment	£3.0m	£0.7m	£3.7m
Annual Fund	£0.4m	–	£0.4m
TOTAL	£7.6m	£1.9m	£9.5m

DEVELOPMENT: ALUMNI RELATIONS AND FUNDRAISING

- Pledges made and cash received: £2.5 million
- Total Gifts recorded in the accounts: £2.3 million
- Telephone Fundraising Campaign: £0.3 million
- Legacies: £1.1 million
- Participation rate: 18%
- Number of Gifts received: 764

While 2011-2012 was not as successful as the previous year in overall fundraising terms, there were several notable highlights. Returns and participation rates are at the high-end among the College's peer group. The College received £1,079,934 in legacies in the year, 99% of which was for unrestricted endowment. Legacies remain the largest source of philanthropic support for the College. During the year, the legacy programme was re-invigorated with a new brochure encouraging alumni to join the 1749 Society, which recognises those who have made provision for Downing in their will. Mailings have been, and will continue to be, dispatched in waves tailored to varying age groups. This increased activity, as well as a successful alumni survey, added an impressive 28 new members to the 1749 Society between 1 July 2011 and 30 June 2012.

Notable among an ever increasing number of annual projects and events was the telephone campaign, which was held in March 2012. The efforts of 14 student callers, engaging in 788 conversations resulted in pledges of £258,075 (a giving rate of 59%), which was one of the most successful results in the 14 years that the College has been running telephone campaigns. The second Catalysis Conference, *The Problem with Justice*, was held in March and inspired new gifts of £343,387. Downing lawyers were also invited to a breakfast, hosted by Lord Collins, at the Supreme Court.

Several initiatives within the Catalysis Campaign were launched. One of particular note is the Everitt Butterfield Research Fellowship in Biomedical and Biological Sciences to honour two Masters of Downing. The fundraising effort to endow this research fellowship is spearheaded by alumni Kate Panter (Medicine, 1981) and Luke Nunneley (Law, 1981). In the financial year that ended on 30 June, £126,000 had been raised with the hope that the majority, if not all of the funds, will be raised by the time that Professor Everitt retires in September 2013. As at 30 September 2012, the fund, which has a target of £1.3 million, stood at £172,000. Another initiative within the Catalysis Campaign started this year is the effort to endow the position of the Director of Rowing. Gifts made will free up general funds both at The College and The Boat Club. Several committed Boat Club alumni have pledged £150,000. Momentum for this should build through the rest of 2012-2013 as the Boat Club celebrates its 150th anniversary.

The College's most pressing need remains unrestricted funds for the endowment, which is at the heart of the Catalysis Campaign. Its aim is to raise £20 million by 2015. At year-end, the total amount raised amounted to £9.1 million, of which £7.2 million has already been received and includes £6.5 million in unrestricted gifts or restricted gifts which will release general funds. An additional £0.4 million has been raised as unrestricted donations which are not for the endowment.

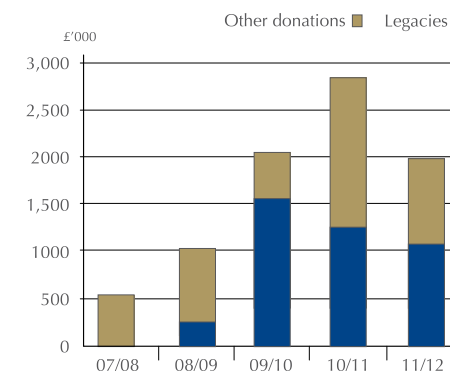
The tables below show the total funds recognised for the years 2011-12; 2010-11; and 2009-10; attendance at Alumni and Donor events; and the Status of Donors and Members out of Residence in 2011-12; compared with those in 2010-11; and 2009-10.

Actual funds recognised during the year

	2011-12 £	2010-11 £	2009-10 £
Unrestricted			
Endowment	1,287,809	382,846	746,898
Annual Fund	145,679	97,111	108,170
	1,433,488	479,957	855,068
Restricted			
Student Accommodation	4,457	4,296	5,477
Hall Restoration	8,274	28,713	66,183
Howard Foundation Projects	333,060	1,885	695,267
Parker's House	850	812,500	—
Teaching and Research	265,706	253,046	60,306
Student Support	144,617	1,137,872	718,974
Sports & Cultural (incl. Boat Club)	63,863	59,711	27,218
Downing Enterprise Scheme	50,000	20,000	10,000
Other	50	44,741	273,461
	870,877	2,362,764	1,856,886
TOTAL	2,304,365	2,842,721	2,711,954

In addition, The Segreants Trust (formerly the Boathouse Centenary Trust) received donations of £21,407 during the year, bringing the total it has raised to £1,165,545. Alumni clubs, such as The Segreants, The Griffins, and the Downing College Alumni Association, also raise funds to support members in residence.

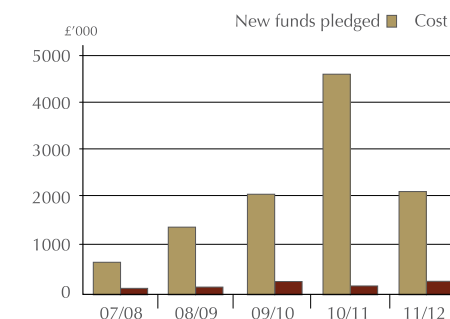
DONATIONS & LEGACIES



Note: Excludes Howard Theatre Donation

Totals over 5 years:
Legacies: £4.1million
Other Donations: £4.3million

NEW FUNDS PLEDGED AND FUNDRAISING COSTS



Note: Excludes Howard Theatre Donation

Status of Members out of Residence and Donors

MEMBERSHIP DATABASE	2011-12	2010-11	2009-10
Number of Members (living and deceased)	10,685	10,424	10,248
including former undergraduates	9,160	9,015	8,902
including former graduates	1,525	1,408	1,346
Deceased	1,826	1,768	1,720
Living Members	8,859	8,656	8,528
Address known (Members in Contact)	6,998	6,770	6,609
including former undergraduates	5,983	5,839	5,709
including former graduates	1,015	930	900
% Address known	79%	78%	78%
Email address known	5,479	5,077	4,694
% Email address known (of those whose address is known)	78%	74%	71%
Address unknown	1,861	1,886	1,909
Request not to be mailed	117	283	254
PARTICIPATION RATES			
Living donors this financial year	1,262	1,147	1,173
including former undergraduates	1,147	1,033	1,065
including former graduates	84	84	81
including others	31	30	27
Members who have ever contributed to the College	3,547	3,463	3,332
Living members in contact who have contributed	2,982	2,934	2,904
% of total living members	34%	34%	34%
% of members in contact	43%	43%	44%
Participation Rate this financial year of living members	14%	13%	14%
Participation Rate this financial year of living members in contact	18%	17%	18%
% former undergraduates	19%	18%	19%
% former graduates	8%	9%	9%

Events and other Forms of Contact

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

	2012-13		2011-12		2010-11		2009-10	
	Total	Alumni	Total	Alumni	Total	Alumni	Total	Alumni
1749 Reception: July	62	39	52	27	59	31	62	31
Alumni Day: September	168	94	171	94	155	110	110	65
Association Dinner: September	148	88	162	96	145	104	157	98
London Event: October/November	158	133	107	85	131	120	150	140
150th Anniversary of DCBC								
Griffins' Dinner: January			16	16	43	23	31	16
Year Reps Meeting: January			28	22	34	27	32	26
Catalysis Conference			98	51	76	49		
Reunion Dinner: March/April			154	148	130	125	147	140
Segreants Dinner: April			38	38	115	66	136	46
Donors Garden Party: June			128	70	221	114	199	85
Graduands Reception: June			228	128	300	119	288	93
Other events			430	419	464	299	416	259
TOTAL			1,612	1,194	1,843	1,187	1,728	999



www.twitter.com/downingcollege

Followers: 1,226

Tweets: 953



www.facebook.com/downingcollege

Fans: 1,744



www.flickr.com/photos/downingcollege

Photos: 505

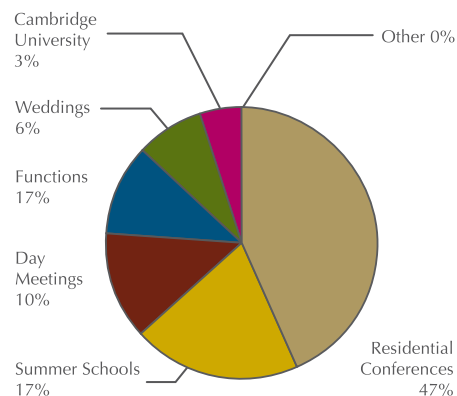
Views: 7,211



Downing College LinkedIn Group

Members: 680

INCOME BY BUSINESS SECTOR



CONFERENCE SERVICES

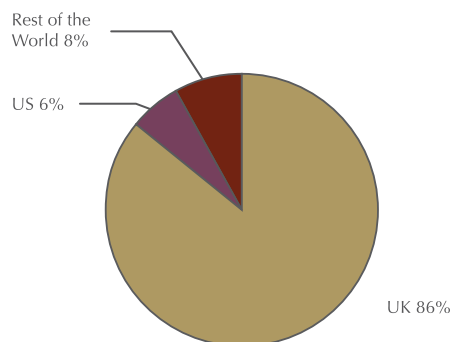
- Conference Services income: £1.9 million - flat
- Charitable Conferences: £0.8 million - up 25.4%
- En-suite occupancy increased from 39.2% to 46.5%*

The achievement of the same level of revenue as was earned last year masks a number of factors that affected the operation. An unprecedented level of cancellations, stemming in part from budgetary cutbacks, meant that space needed to be sold twice, stretching resources. A one-off academic conference sponsored by a Fellow, which accounted for 15.6% of charitable conferences, either compensated for the 12.6% reduction in commercial conference takings or caused it. Whereas in the past corporate events contributed higher margins, corporate cutbacks, on the one hand, and the demands for civilised venues from academic conferences on the other, mean that from a financial point-of-view the College is indifferent to which events it hosts. However, it is gratifying to note the increase in the amount of business brought in by Fellows in pursuit of their academic work, be it academic conferences or company collaborations.

Colleges compete to attract conferences, which inevitably puts downward pressure on margins, which the staff are encouraged to resist. Without a river, Downing has had to create a brand that differentiates the College from others. With the advent of the Howard Theatre and the elegant restoration of the Hall, the College has created a unique selling point. These public facilities, in conjunction with the College's distinctive architecture and superior en-suite rooms, have helped the College maintain its position in the top quartile measured by revenue. While comparative information is not available, it is hoped that the emphasis on cost awareness and the need for efficiency marks out the College as equally successful in terms of profitability.

* calculation now removes rooms taken out of service

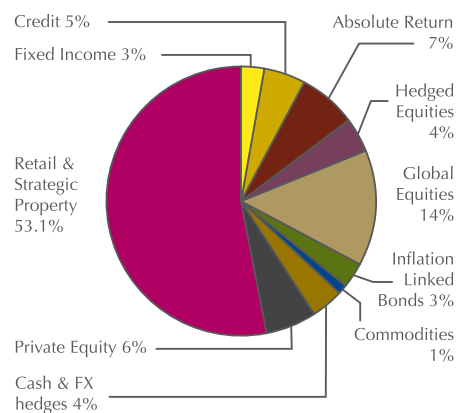
INCOME BY REGION



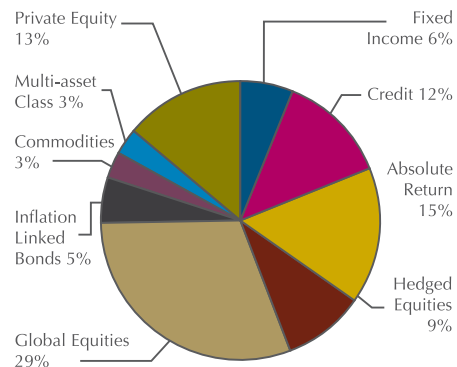
REPRESENTATIVE CULTURAL EVENTS IN THE COLLEGE – 1 JULY 2011 TO 30 JUNE 2012

2011	Group	Title
10-31 July	The Cambridge Shakespeare Festival	The Winter's Tale
3 August	Cambridge Summer Music Festival	Stuart Collins and Harry the Piano – Music Festival Concert
28 September	Iliffe News and Media Ltd	Cambridge News Community Awards 2011
6-9 October	Pembroke Players	Pembroke Players Japan Tour Twelfth Night
27 October	The Cambridge Footlights	The Footlights Virgin Smoker
18 October	The Blake Society	Annual Dinner with Quentin Blake
21 October	The Blake Society	A talk on Aesop's Fables by Classicist, Dr Paul Millet
9 November	Oon Lecture	Charles L Sawyers Overcoming Cancer Drug Resistance
11 November	Downing College	South! Music from Early 17th Century Europe
18 November	Downing Politics Society	Film Event - Gasland
27 November	Shanghai Jiao Tong University	Inauguration Ceremony of SJTU Alumni Association UK
7 November	The Blake Society	A Lute Recital and Poetry Reading by Marcus Tomalin and Subha Mukherji
18 November	The Blake Society	A talk and presentation by Zoya Phan, international co-ordinator of Burma Campaign UK and author of 'Little Daughter: a memoir of Survival in Burma and the West
2012		
21 January	Downing College	Charity Comedy Show – Joint JCR and Rag Committee Event
23 January	Downing College	Film Evening – Peace One Day
2 February	The Blake Society	A poetry reading by Professor Simon Jarvis
2 February	Centre for International Business & Management, JBS	CIBAM Distinguished Panel on JobMismatch and the Pursuit of Talent
10 February	The Blake Society	Film Evening – Harold and Maude
16 February	The Royal Aeronautical Society	The RAeS Cambridge Branch – The 12th Sir Arthur Marshall Lecture
17 February	Cambridge University Indian Classical Arts Society	Kalaa 2012
24 February	The Blake Society	Film Evening – The Illusionist
2 March	The Blake Society	A Talk by Dr Who scriptwriter and Downing alumnus, Terrance Dicks
7 March	Cambridge University Chinese Society	Cambridge University Chinese Society Variety Show 2012
8 March	Cambridge University Human Resources	Annual International Women's Day Lecture with Mariella Frostrup
14 March	Downing College	Downing College Music Society presents an Evening of Music
16 March	The Blake Society	Film Evening - Ghostbusters
23-25 March	Catalysis Conference	The Problem with Justice
27 March	Cambridge Rotary Club	MESSHing Launch (VIP Event)
22 April	Trinity College	Lute Recital by Jakob Lindberg
17 May	Centre for Science and Policy, Cambridge University	CSaP Distinguished Lecture – Mark Henderson
27 May	John Lewis	<i>Melons at the Parsonage</i> and <i>The Droitwich Discovery</i>
26 June	Cambridge University Development Office	The 2012 Pilkington Teaching Prizes

ASSET ALLOCATION AT 30 JUNE 2012 (Inc. property)



ASSET ALLOCATION AT 30 JUNE 2012 (Exc. property)



¹² The Local Currency 70/30 Equity Bond Index comprises 70% MSCI AC World NR LC Index and 30% FTSE A British Govt All Stocks TR Index.

¹³ Bloomberg.

INVESTMENTS

- Total Return: 6.2%
- £14.9 million in securities: 0% total return
- £16.9 million in property: 11.4% total return
- Endowment Drawdown: £1.5 million

Since the adoption of the Strategic Plan in May 2009, the Investment Portfolio has grown from £24.2 million to £31.8 million. The contributions to this growth were: net contributions £1.7 million; property returns £3.0 million; and securities £2.9 million. Colleges are routinely asked about their endowments. The question put and the answer given usually focus on the size of the Investment Portfolio, a shorthand measure of financial stability and resources. Yet, the portfolio is not the endowment and neither, especially since the Colleges became engaged in commerce, is it a true measure of resource. The term “endowment” technically refers to funds held on trust to be retained for the benefit of the institution. Nevertheless, the size of the Investment Portfolio typically serves as an index of a College’s relative ability to withstand the effects of financial crises without altering its practices, on the one hand, and engage in new activities on the other. The median size of a Cambridge College’s investment portfolio at financial year-end 2011 was £52.5 million, and to achieve on or about the median is the goal that the College has set.

Within Colleges, the investment portfolio performs different roles. During the year, a new study was undertaken to determine how, or if, the classic endowment model of investing should be adapted to Downing’s particular circumstances, whether the small size of the securities portfolio in relation to other income streams (10%) made volatility more or less significant, and whether property investments which are held solely to influence use on the College’s perimeter should be incorporated into the analysis of the securities portfolio. An interim conclusion was that the securities portfolio could sustain a higher level of equivalent net equity risk.

For the financial year 2011-12, the combined securities and property portfolios returned 6.2%. The year on year performance in the securities portfolio was flat, as against a “70%/30%”¹² benchmark return of 3.0% and a Composite Benchmark return of 2.5%. However, the College’s portfolio performed in line with its peer group of 25 institutions investing \$3 billion as measured by the Partners Capital Charitable Endowment Peer Group Index (“CEPI”) and that of the Harvard Management Company,¹³ both of which returned 0%. The Partners Capital Charitable Endowment Asset Allocation Index (“CEAAI”), however, returned 3.5%. The underperformance of the College securities portfolio in relation to the College’s Composite Benchmark was the result of underperformance of 1.7% in July to September 2011, during which period the College’s portfolio suffered a loss of 6%. The impact of quantitative easing on gilts meant that the College portfolio, which was underweight in gilts, suffered in relation to the College’s Composite Benchmark. Positive returns were achieved in Fixed Income (15.5%), Inflation Linked Bonds (18.8%), and Private Equity (5.4%) but were offset by losses in Real Assets (Commodities (-18.0%), and Global Equities (-5.5%). Disappointingly, Absolute Return investments neither contributed nor detracted from performance. Since inception, the cumulative return has been 15.8%, giving an annualised return of 5.5%; however, inflation during that period (measured by RPI + 1%) was 15.4%.

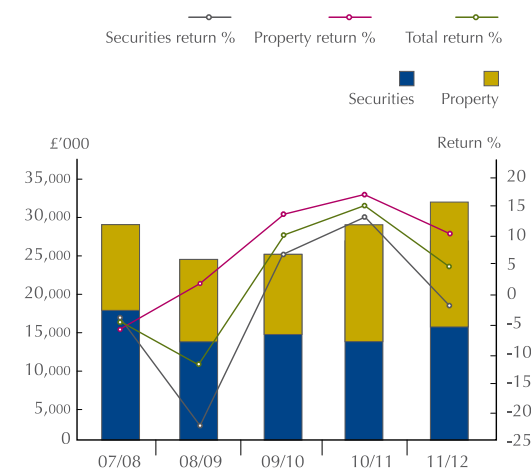
The goal is to preserve the purchasing power of the portfolio while earning a return for annual spending. With inflation rates measured with RPI + 1% (a recognized approximation for educational spend) and a notional spend of 4%, the return required since inception would have been 29.5%. While the securities portfolio has maintained its value, returns have not met the target of providing money to spend annually. The underperformance against the benchmarks for the year is of some concern; however, part of that underperformance (0.6%) is attributable to timing, fees, and expenses: the benchmarks assume perfect timing and, of course, do not include any costs associated with achieving returns.

Partners Capital are advisors to the College rather than discretionary fund managers. Whereas the success of the strategy and execution is measured over five years – and since 2008 the financial markets have been extraordinarily difficult to predict – it seems unlikely that the absolute goal will have been met by 2014. Performance for the first quarter to 30 September 2012 is estimated at 2.6% in GBP or 3.2% in local currency, which exceeded the return on the College's Strategic Asset Allocation Benchmark in local currency of 2.6%. The 70/30 index, on the other hand, returned 4.3% as public equities returned 5.6%.

Held for strategic purposes only, the Regent Street (Cambridge) property portfolio increased in value by 11.4%: income grew by 10.1% (due to the inclusion of a full year of the total income from Parker's House), the valuation of the buildings by 5.0%, and the number of voids fell. Tenants are a mixture of established national covenants and local traders, although there have been casualties in each category. Despite the balance of demand and supply shifting in favour of landlords, the prospect for growth in capital and value is limited. Because of concentration issues, ownership of the Regent Street portfolio precludes investment in more promising examples of this asset class. In order to provide an opportunity for the restricted funds to benefit from the full range of asset classes in the College's portfolio of non-correlated assets, all units in the Amalgamated Fund have shared equally in all investments for the past two years.

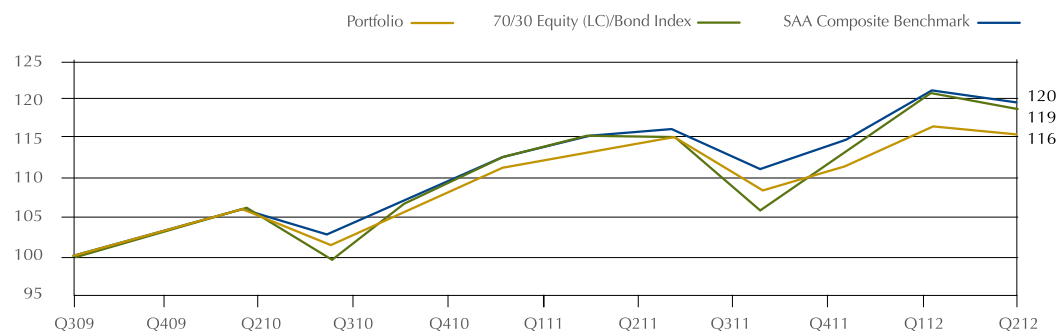
As a control on annual spending, the College has adopted the "Yale Spending Rule", a smoothing mechanism which determines the annual drawdown from the portfolio. In most years, this is a notional transaction because of the liquidity provided by the substantial rents that are received from the property (2011-12: £1.2 million). The balance is funded by netting the amount due against capital donations en-route for investment.

ENDOWMENT & TOTAL RETURN



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

CUMULATIVE PERFORMANCE OF SECURITIES SINCE ADVISORY ROLE PERFORMED BY PARTNERS CAPITAL - value of £100 invested



Composition of Investment Portfolio

	30 June 2012	30 June 2011	30 June 2010
	£	£	£
1. Securities			
Core Portfolio* Cash	1,150,120	143,808	241,114
Forward Foreign Exchange Hedges	20,179	(34,448)	48,157
Fixed Income	2,726,787	2,134,348	2,304,770
Hedge Funds	3,516,628	3,614,725	4,047,980
Global Equities	4,314,086	4,096,841	5,060,537
Private Equity	1,930,040	1,898,207	1,523,004
Inflation Linked Bonds	801,863	784,816	521,916
Commodity Fund	424,219	518,786	636,133
Total	14,883,921	13,157,083	14,383,611
Private Equity**	12,098	15,878	23,570
TOTAL SECURITIES	14,896,019	13,172,961	14,407,181
2. Property			
Office	10,151,704	9,707,776	8,100,660
Retail	6,737,556	6,371,484	2,703,599
TOTAL PROPERTY***	16,889,260	16,079,260	10,804,259
TOTAL PORTFOLIO	31,785,279	29,252,221	25,211,440

* Includes donated cash and shares held at nil value.

** 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 £5,485,000 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.

CAPITAL AND RESERVES

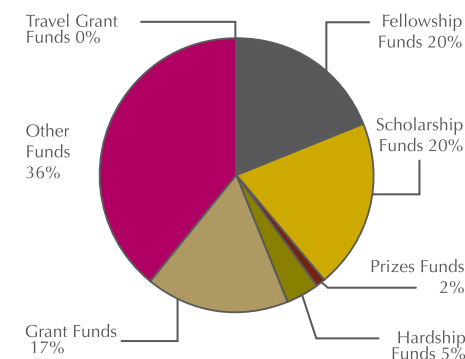
- £136.5 million in capital and reserves - up 1.5%
- £105 million in buildings
- £31.8 million in investment assets – up 8.7%
- £2.1 million in benefactions and donations transferred to Partners Capital
- £2.4 million withdrawal to fund new student residence
- £11.5 million in general reserves – down 19.7%

After a series of both positive and negative events, the College's capital base increased by a modest 1.5%. Benefactions and donations totaling £2.1 million were contributed to the endowment, in addition to contributions to building projects and annual costs, which are recognized respectively in the deferred capital grants section of the *Balance Sheet* and the *Income and Expenditure account*. The capital donations, combined with flat performance in the Securities Portfolio and a return of 11.4% in the Property Portfolio, led to an overall increase of £2.5 million in Investment Assets, which stood at £31.8 million at the end of the financial year, an increase of 8.7%.

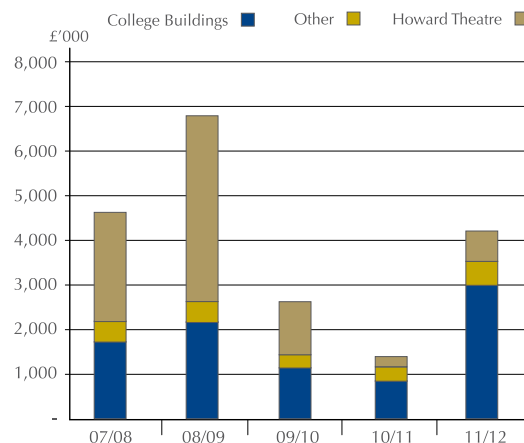
Use was made of the General Reserves to part fund the conversion of 14 Regent Street, an office block held as an investment, into 22 ensuite student rooms. General reserves have decreased by 19.7%. Of this, 4.9% (£0.7 million) was due to an increase in pension liabilities following the latest actuarial valuation of The College's liability for the underfunding of its portion of the Cambridge Colleges Federated Pension Scheme ("CCFPS"), and 18.5% (£2.7 million) due to the transfer to the designated buildings reserve. Of the latter, £2.4 million of the total (17.0%) was due to the work on 14 Regent Street.

This £2.7 million transfer of assets from General Reserves to the Designated Building Reserve, combined with an increase of £0.7 million in the calculation of the underfunding of the CCFPS pension liability, contributed to a decrease of 19.7% in General Reserves, which at year end stood at £11.5 million.

ENDOWMENT RESERVES



CAPITAL EXPENDITURE CASH FLOW



- Improved cash generation
- Cash flow from earnings before depreciation and interest expense: £1.7 million
- Total capital expenditure excluding donor-funded and special projects: £1.0 million

Growth in income and cost-control measures led to a threefold improvement in cash generation in operating activities: cash from operating activities before the effects of changes in working capital amounted to £0.1 million. Although the outcome of all activities was a use of £2.8 million, this depletion in funds was the result of the long-planned conversion of an office block on the College perimeter into 22 en-suite rooms for students funded by general resources. Part of the cost was met by proceeds from the sale of 65 Lensfield Road, completed in September 2012 for £1.2 million. Excluding this special project and the extensive work to the car park (which was funded by a donation), from the total capital expenditure of £4.2 million, leaves a balance of £1.0 million, which was easily covered by earnings before depreciation of £1.6 million. Such a low level of expenditure on buildings cannot be sustained even over the medium term; however, for the second year in a row, the cash generated would have been able to cover the recommended allowance of 1.5% of the insured value of the buildings (£112 million).

The significant contribution by donors, which this year came to £2.3 million, demonstrates the College's reliance on the generosity of alumni both to develop and sustain its activities.

INVESTMENT FOR THE FUTURE

Building works were almost exclusively focussed on the north side of the College during 2011-12. With help from the Howard Foundation, and with considerable disruption to all, it was finally possible to bring the car park up to the standard that visitors expect. At the same time, the conversion of the office block into student accommodation to the rear of the Butterfield Building extended the College's footprint. The addition of twenty-two en-suite rooms begins the process of moving all resident students on site. In part funded by the sale of 65 Lensfield Road, this £3.7 million project represents a significant investment, which underlines the importance that the College places on providing accommodation on the Domus for as many students as possible, even when there is a disparity between the investment required and the amount justified by the rent roll. Some of the shortfall will be met from income generated by this extra capacity for out-of-term conferences and the burgeoning bed and breakfast business.

The next phase of this project is to convert the office space within Parker's House into 77 en-suite rooms and then to dispose of the College's five remaining off-site houses. The seventeen houses on Lensfield Road form the southern boundary of the Domus.

Work continues on improving energy efficiency and conservation measures, ranging from the relatively exotic, such as ground source heating, to the rather daunting task of retrofitting hundreds of windows with draught proofing. Solar panels were fitted on the concealed area on the south side of the roof on V Staircase.

TEN YEAR CAPITAL PROGRAMME

At 1 October 2012

Net current rooms refurbished or acquired in last ten years (2003 – 2012): 163 (32%)

Total Student Rooms: 515

Restoration and Major Refurbishment

Year	Building	Number of Student Rooms (if Applicable)
2003	Kenny B Porter's Lodge	26
2004	N Staircase 24 Lensfield Road J and M Kitchens	18 16
2005	28 Lensfield Road Kitchen Refurbishment	8
2006	54 Lensfield Road Parlour Extension and Offices	7
2007	50 Lensfield Road Hall U Staircase	7
2008	Howard Lodge	32
2009	V Staircase	
2010	Howard Theatre Boathouse Flood prevention Master's Lodge Flat H Stair Bathrooms and Kitchen	6
2011	Master's Lodge Roof Parker's House Top Floor (Conference use) K and L Staircase Bathrooms (12) Howard Lodge Bathrooms	12
2012	Griphon House (formerly 14 Regent St) Butterfield Building	22
Total		154

New and Acquired Buildings, Land, and Leases

Year	Location	Number of Student Rooms (if Applicable)
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 Howard Theatre Groundsman's Store (Barton Road)	6
2010	14 Regent Street (conversion to 22 student rooms)	
2011	Parker's House (top floor change of use)	
Total (excluding sold houses)		33

Sale of Operational Property and Termination of Leases

Year	Property	Number of Student Rooms (if Applicable)
2004	114 Tenison Road	5
2005	91 Mawson Road	5
2007	55 Warkworth Terrace	7
2012	65 Lensfield Road (and 1 Downing Archway)	12
Total		29

FINANCIAL OUTLOOK

The 2009 Strategic Plan called for a rigorous assessment of all activities and a strict definition of essential expenditure. A painful conclusion was that the College could no longer pay for Research Fellowships from general funds, which potentially reduced the academic headcount at the same time as the College was hiring in its income generating departments, Development and Conference Services. Because of generous grants, it was, in fact, possible to continue to appoint Research Fellows. The Revised Strategic Plan 2012 is, however, based on the assumption that Research Fellows are not funded from general resources and that no further College Teaching Officers are appointed. Taken together, changes in the funding of Fellows in each of the College Teaching Officer and Research Fellow categories has freed up £136,000 annually in general funds, which equates to £3.4 million in capital.

PLANS FOR THE FUTURE

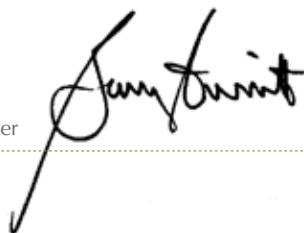
The austerity measures introduced in the last three years must continue until sufficient funds have been raised to fund the College from its own resources, after contributions from tuition fees and commercial activities. Generous grants from The Cambridge Philosophical Society and The Isaac Newton Trust have enabled the College to continue with its practice of appointing a Research Fellow each year. However, general resources have been increasingly needed to underpin the defining activity of providing undergraduate education and maintaining the buildings in which it takes place.

The maintenance and development of the College's buildings continue to absorb attention and resources. At present, 515 (392 undergraduates and 123 graduates) students are accommodated, of whom all but 65 live on the Domus. The long-term goal is to house all students who wish to live in College accommodation within the four boundaries of the Downing Site, Regent Street, Lensfield Road, and Tennis Court Road. With that in mind, the College bought back the head lease on Parker's House and sought planning approval to convert its upper floors into 77 en-suite rooms once the office tenants vacate in September 2014. Bringing students on site will release the five remaining houses for sale, streamline upkeep, encourage use of catering facilities, and create a more integrated community.

While it is essential to underpin the activities of the College with an endowment that is sufficient to withstand the vicissitudes in the funding of higher education, it is nevertheless necessary to continue to develop and to shape the future.

On behalf of the Governing Body:

Prof B J Everitt, Master



Dr Susan Lintott, Senior Bursar



Date: 18 December 2012

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2012	2011	2010	2009	2008
1. Education					
Tompkins Tables* .	20	17	15	15	12
Undergraduate classification of degrees					
1st	82	76	81	82	89
2:1	219	217	209	202	194
2	34	45	41	31	34
2:2	60	50	47	61	51
3	14	8	14	11	10
Pass	13	15	16	17	16
DDH (Deemed to have deserved honours)	4	8	9	6	3
Ordinary	0	1	0	0	2
Fail	1	1	0	3	1
Number. of Special Prizes ¹⁴					
	13	9	6	17	20
Graduate degrees awarded:					
PhD (including MB PhD)	38	42	38	33	38
MPhil, LLM, MBA et al	65	54	38	35	37
MB BChir [*CLIN Medics Graduating as a group in Nov 09]	12(inc2x VetMB)	12(inc2x VetMB)	2*	9	1*
2. Admissions					
Number of Open Days					
College Open Days	3	4	4	4	5
University Open Days	2	2	2	2	2
South-West Open Days	1	1	1	1	1
Numbers visiting Open Days					
	1,022	1,041	1,195	1,121	1,041
% subsequently applying to Downing (in October following)	19%	19%	21%	21%	23%
Applicants from South–West initiative (October following)	31	44	44	33	40
Applicants from South-West non-selective schools (included above)	23	38	31	23	24
Admissions from South-West non-selective schools	4	8	1	4	3
Special Access Scheme Applicants	34	35	32	25	21
Special Access Scheme Admissions	3	4	5	6	5

* The table ranks the results of the undergraduates in 29 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

¹⁴ 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:	2012	2011	2010	2009	2008
2. Admissions continued					
Total Number of Applicants for Undergraduate Courses (in October following)	818	769	719	686	653
% Women: % Men	44:56	43:57	45:55	45:55	47:53
Applicants from Maintained Schools	383	381	358	356	350
% Maintained: % Independent	61:39	62:38	60:40	61:39	61:39
Admissions (Including Summer Pool)	125	132	128	130	122
% Women: % Men	45:55	42:58	38:62	47:53	48:52
Admissions from Maintained Schools	61	72	69	72	52
% Maintained: % Independent	56:44	58:42	58:42	59:41	46:54
Applications by subject					
Asian & Middle Eastern Studies	6	4	3	1	3
ASN&C	2	2	4	-	1
Archaeology & Anthropology	4	3	6	4	3
Architecture	24	18	24	29	20
Chemical Engineering via Engineering	11	-	-	8	-
Chemical Engineering via Natural Sciences	18	-	-	-	-
Classics	13	9	12	13	6
Computer Science	15	10	5	4	4
Economics	70	77	78	37	49
Education	1	1	-	-	-
Engineering	105	91	59	72	67
English	27	20	31	26	31
Geography	26	31	29	38	42
History	19	13	23	33	25
History of Art	4	3	6	2	2
Land Economy	13	19	13	12	17
Law	77	70	103	74	82
Linguistics	3	4	3	-	-
Mathematics	38	30	37	26	33
Medicine	102	125	82	113	92
Modern & Medieval Languages	25	19	21	26	14
Music	3	2	1	2	3
Natural Sciences (Biological)	75	67	68	60	63
Natural Sciences (Physical)	88	94	59	70	67
Philosophy	6	5	8	7	3
Politics, Psychology & Sociology	30	34	28	19	18
Theology	5	5	3	5	1
Veterinary Medicine	8	13	13	5	7

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2012	2011	2010	2009	2008
2. Admissions continued					
Ratio of Applications to Offers	5.7:1	5.3:1	4.9:1	4.8:1	4.5:1
% Applicants who are admitted	14.7%	16.3%	18.4%	18.7%	19.9%
% South-West Applicants who are admitted	17.4%	10.5%	25.8%	4.4%	16.7%
Total University Full-Time Undergraduates ¹⁵	11,941	11,945	12,192	12,006	11,826
% Female: % Male	47:53	47:53	48:52	49:51	49:51
Total Full-Time Downing Undergraduates	455	446	445	442	439
% Female: % Male	41:59	43:57	44:56	47:53	47:53
Numbers of Undergraduates leaving before graduating	2	0	0	1	2
Total University Full-Time Postgraduates ¹⁵	6,246	6,346	5,795	5,521	5,836
% Female: % Male	45:55	45:55	46:54	45:55	46:54
Total Downing Full-Time Postgraduates ¹⁵	169	163	165	183	180
% Female: % Male	42:58	36:64	39:61	34:66	32:68
Total University numbers admitted to current course in the previous twelve months which attract undergraduate fees ¹⁵	3,662	3,630	3,951	3,999	3,906
% Female: % Male	47:53	48:52	47:53	47:53	48:52
Downing numbers admitted to current course in the previous twelve months which attract undergraduate fees ¹⁵	133	141	148	145	144
% Female: % Male	41:59	44:56	39:61	46:54	47:53
Total University numbers admitted to full-time postgraduate courses in the previous twelve months ¹⁵	3,792	3,962	3,346	3,101	3,037
% Female: % Male	47:53	47:53	49:51	48:52	49:51
Downing numbers admitted to full-time postgraduate courses in the previous twelve months ¹⁵	93	80	72	91	82
% Female: % Male	45:55	38:62	40:60	35:65	30:70
3. Composition of Full-time Students¹⁵					
Undergraduates					
Home	397	403			
EU	24	15			
Overseas	34	28			
Total	455	446			

¹⁵ Cambridge Student Statistics Office figures (excluding incoming exchange and visiting students)

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2012	2011	2010	2009	2008
3. Composition of Full-time Students¹⁵					
Postgraduates					
Home	58	53			
EU	42	44			
Overseas	69	66			
Total	169	163			
4. Financial Support					
Financial Support for Students: Number of Students Receiving Grants					
Cambridge Bursary Scheme (formerly Isaac Newton Grants)	111	105	92	79	57
Cambridge Commonwealth Trust	12	8	12	9	6
Cambridge European Trust	5	8	12	12	7
Cambridge Overseas Trust	24	21	9	20	13
Gates Cambridge Trust	3	5	4	6	7
Average value of Cambridge Bursary Scheme Grants	£2,585	£2,435	£2,099	£1,809	£1,813
5. Accommodation					
Average Weekly Rent Undergraduate Study Bedroom	£109.14	£103.33	£96.46	£90.41	£84.21
Average Weekly Rent Graduate Study Bedroom	£112.29	£106.62	£99.69	£94.57	£91.13
Undergraduates Housed in College Accommodation	384	389	379	373	385
Graduates Housed in College Accommodation	117	101	106	117	109
Total Units of Student Accommodation	505	505	502	498	501
6. Student Catering Income					
Lunch	£88,728	£102,142	£90,991	£71,700	£60,944
Dinner	£90,584	£92,525	£94,625	£83,495	£84,388
Café	£41,502	£56,201	£65,367	£71,449	£63,090
Formal Hall	£53,520	£49,590	£42,459	£35,278	£28,678
7. Conference and Functions					
Conference and Function Income	£1,875,620	£1,886,940	£1,616,911	£1,214,086	£1,271,939
Total Room nights	14,696	14,743	11,410	13,927	13,543
Capacity Utilisation Total Conference Rooms ¹⁶	54%	55%	46%	49%	47%
En-suite Rooms ¹⁶	46.5%	39.2%	33.2%	28.7%	31.7%
Average Price Achieved per Room Used	£50.65	£46.08	£49.57	£39.82	£43.64

¹⁶ From 2012, occupancy calculations remove rooms taken out of service

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2012	2011	2010	2009	2008
8. Development and Fundraising					
Development Campaign Cash Recognised (including by The Segreants Trust)	£2,325,775	£2,856,898	£2,721,334	£1,794,462	£7,305,612
Living donors as a % of members in contact	42.6%	43.3%	43.9%	44.6%	41.8%
Participation Rate this Financial Year of Living Members in Contact	18%	17%	18%	19%	15%
Direct Fundraising Costs:					
Donations Raised excluding Legacies and the Howard Gift	3:1	7:1	1:1	2:1	2:1
Donations Raised including Legacies but excluding the Howard Gift	6:1	11:1	6:1	3:1	2:1
Donations Raised including Legacies but excluding the Howard Gift (5 year average)	6:1	6:1	4:1	4:1	4:1
9. Income and Expenditure					
% Surplus (Deficit) Turnover	3.0%	(4.4%)	(10.0%)	(16.2%)	(4.3%)
% Surplus (Deficit) Free Reserves ¹⁷	2.4%	(2.7%)	(53.7%)	(53.7%)	(7.9%)
Staff costs as a % of Turnover	43.6%	45.1%	48.7%	51.3%	48.5%
£ per sq.metre cost of upkeep of Buildings	£177.01	£193.93	£202.85	£204.77	£184.41
10. Charitable Funds					
Charitable Funds Invested (including Works of Art, etc.) ¹⁷	£39,732,187	£36,425,533	£30,408,247	£28,740,332	£33,006,125
Endowment Assets less loans per Full-Time Students ¹⁷	£54,859	£50,781	£40,844	£37,197	£44,451
Capital Value per Unit	£21.39	£21.02	£19.37	£19.16	£25.36
Spending Rule Amount ¹⁸	£1,505,631	£1,467,740	£1,497,688	£1,830,995	£1,774,218
Spending Rule Amount as % Income	16.3%	16.6%	18.1%	23.2%	22.8%
Spending Rule Amount as % Income (Five Year Average)	19.3%	20.7%	21.6%	22.1%	-
Spending Rule Amount as % Investment Portfolio	4.7%	5.0%	5.9%	7.6%	6.1%
11. Endowment Funds					
Total Actual Endowment Withdrawal ¹⁹	1,243,975	2,704,863	1,637,621	3,732,923	2,722,206
Total Actual Endowment Withdrawal as % of Charitable Funds	3.1%	7.4%	5.4%	13.0%	8.3%
Performance of Core Securities Portfolio (net of fees)	0.0%	14.0%	7.2%	(21.71%)	(3.32%)
Annual Three-year Cumulative	6.9%	(1.5%)	(6.7%)	(6.0%)	5.1%
Annual Five-year Cumulative	(1.6%)	0.3%	(0.5%)	0.8%	7.9%
Performance of Property Portfolio	11.4%	17.4%	14.1%	1.1%	(6.8%)
Annual Three-year Cumulative	14.3%	10.6%	2.4%	(0.4%)	4.3%
Annual Five-year Cumulative	7.0%	5.8%	5.5%	4.4%	6.7%

¹⁷ Definitions changed in 2010-11

¹⁸ 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).

¹⁹ 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 Foundation projects).

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2012	2011	2010	2009	2008
11. Inflation Measurements					
RPI	2.8%	5.0%	5.0%	(1.6%)	4.6%
RPIX	2.8%	5.0%	5.0%	1.0%	4.8%
HEPPI – now discontinued	—	—	2.2%	4.9%	8.8%
Tender Price Inflation (October – October)	0.5%	(0.5%)	(2.0%)	(10.4%)	(5.0%)
Davis Langdon Tender Price Index					
12. The Fellowship					
Fellowship (as of 1 October 2012)	52	53	52	52	50
University Principal Employer	38	39	37	39	42
Professors	14	13	12	13	13
Readers	2	4	4	3	3
Senior Lecturers	6	6	6	5	7
Lecturers	11	12	12	13	11
Other	5	4	3	5	8
College Teaching Officers	2	4	4	4	4
Research Fellowships	3	2	3	3	3
Stipendiary	3	2	3	2	2
Non-stipendiary	-	-	-	1	1
Administrative + Chaplain	4	4	3	3	1
Female	14	16	16	16	16
Male	38	37	36	36	34
Resident	7	8	8	7	7
Non-Resident	45	45	44	45	43
13. Support Staff					
Support Staff Headcount	138	133	135	137	136
Female	83	78	81	81	82
Male	55	55	54	56	54
Turnover					
Appointments	36				
Retirements	2	2	2	3	3
Resignations	18	21	18	21	17
Deceased	1	-	-	-	-
Dismissal/Redundancy	5	4	1	-	3
Days Sickness	895	1,123	1,508	1,264	1,095

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2012	2011	2010	2009	2008
13. Support Staff continued					
Reports under RIDDOR	1	1	—	2	3
Members in the USS Pension Scheme	78	86	95	60	59
Members in the CCFPS Pension Scheme	4	4	4	38	42
At the Triennial Actuarial Valuation 31 March					
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
Average Age	—	59.5	—	—	52.2
Female	—	2	—	—	21
Average Age	—	43.8	—	—	49.6
Members in Money Purchase Scheme	5	3	2	—	—
Members of Previous College Staff Scheme (Retired)	5	6	7	7	8
14. 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%
15. Environmental Measures					
Colleges Environmental League Table	1=	6	1	5	4
Management Rank	1	6	2	4	—
Management Score	NA	71%	73.6%	61.4%	—
Energy Rank	NA	4	7	10	—
Energy Score	30.0kWh/p/day	57.0kWh/p/day	60.0kWh/p/day	72.0kWh/p/day	—
Water Rank	NA	5	6	5	—
Water Score	<250 litres/p/day	279 litres/p/day	275 litres/p/day	297 litres/p/day	—
Recycling Rank	NA	12	1	15	—
Recycling Score	92.1%	65%	97.6%	56.5%	—

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2012	2011	2010	2009	2008
15. Environmental Measures continued					
Water Use	£78,662	£62,460	£76,630	£71,989	£68,100
Gas Use	£163,061	£140,637	£128,415	£233,969	£114,138
Electricity Use (*includes Howard Theatre)	£157,110*	£163,981*	£201,318*	£178,971	£153,802
Gas unit price (p/kWh)	2.548p	1.9804p	1.9804p	3.402p	1.700p
Electricity unit price (p/kWh)	7.905p	7.905p	10.533p	10.533p	7.334p
Scope 1 Carbon Emissions					
Gas (Tonne/CO2e)	1,198	903	1,006	1,175	
Fuel (Tonne/CO2e)	<6	<1	<1	<1	
Scope 2 Carbon Emissions					
Electricity (Tonne/CO2e) ** (adjusted for inclusion of Howard Theatre)	990	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 2011-12, the College received £164,187 in refunds on purchases of £7.7 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 I.²⁰ 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 was 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 £112.2 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.

20 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 short screen 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 30 June 2012 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 60, 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 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the 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 30 June 2012 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 2011, the College's Statutes and the Statutes of the University of Cambridge;
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Governing Body 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 dark ink, appearing to read 'Peter', followed by a long, slightly curved horizontal line that extends to the right.

CAMBRIDGE Date: 18 December 2012

Peters Elworthy & Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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 2012. 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 bi annual 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 2012 when measured against the previous year's market value was 4.9%.

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 Christie's on 4 October 2012.

c) Estate Properties

Investment properties are included at valuation and the aggregate surplus or deficit is transferred to a revaluation reserve included within Reserves. An annual assessment was carried out by Carter Jonas, Property Consultants, at 30 June 2012.

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 £15,000 (2011: £139,500) which are 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	2012 £000	(Restated) 2011 £000
Income			
Academic Fees and Charges	1	2,381	2,251
Residences, Catering and Conferences	2	4,582	4,478
Endowment and Investment Income	3	1,512	1,445
Donations	4	715	615
Other Income		48	48
Total Income		9,238	8,837
Expenditure			
Education	5	3,747	3,725
Residences, Catering and Conferences	6	5,053	5,357
Other (Investment and Property Management)		131	123
Total Expenditure	8	8,931	9,205
Surplus/(Deficit) on Continuing Operations before Contribution under Statute G, II		307	(368)
Contribution under Statute G,II	7	—	—
Surplus/(Deficit) on Continuing Operations after Contribution under Statute G, II		307	(368)
(Deficit) for the year transferred to Accumulated Income in Endowment Funds		(27)	(20)
Surplus/(Deficit) for the year retained within General Reserves		280	(388)

All items dealt with in arriving at the Surplus for 2012 and (Deficit) 2011 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

	Note	Restricted Funds £000	Unrestricted Funds £000	Total Funds 2012 £000	Total Funds 2011 £000
Surplus/(deficit) on income and expenditure account		—	280	280	(388)
Unspent endowment fund income		27	—	27	20
Total Return not recognised in the Income & Expenditure Account	3b	196	354	550	2,238
Increase in market value of fixed asset investments excluded from Total Return		—	1,163	1,163	80
Unrealised surplus on revaluation of fixed assets		—	—	—	4,161
Capital grant from Colleges Fund	19	—	15	15	139
New endowments	19	402	1,288	1,690	1,790
Transfers		(1)	(97)	(98)	—
Actuarial (loss)/gain in respect of pension schemes		—	(738)	(738)	376
Total recognised gains relating to the year		624	2,265	2,889	8,416
Reconciliation					
Opening reserves and endowments	26	11,104	105,736	116,840	108,424
Total recognised gains for the year		624	2,265	2,889	8,416
Closing reserves and endowments		11,728	108,001	119,729	116,840

CONSOLIDATED BALANCE SHEET

	Note	2012 £000	(Restated) 2011 £000
Fixed Assets			
Tangible Assets	10	106,629	103,741
Investments	11	22,106	20,765
		128,735	124,506
Endowment Assets	12	17,632	15,666
Current Assets			
Stock		171	164
Debtors	13	750	747
Cash	14	2,279	5,098
		3,200	6,009
Creditors: amounts falling due within one year	15	(4,998)	(5,496)
Net Current (Liabilities)/Assets		(1,798)	513
Provisions for Liabilities and Charges		—	—
Creditors: amounts falling due after more than one year	16	(5,500)	(5,500)
Net Assets excluding Pension Liability		139,069	135,185
Pension Liability	17	(1,463)	(764)
Net Assets including Pension Liability		137,606	134,421

CONSOLIDATED BALANCE SHEET CONTINUED

	Note	Restricted Funds £000	Unrestricted Funds £000	Total 2012 £000	(Restated) Total 2011 £000
Capital and Reserves					
Deferred Capital Grants	18	17,877	—	17,877	17,581
Endowments					
Expendable endowments	19	1,122	—	1,122	1,105
Permanent endowments	19	10,606	5,904	16,510	14,561
		11,728	5,904	17,632	15,666
Reserves					
General reserves excluding pension reserve	20	—	92,713	92,713	92,179
Pension reserve	20	—	(1,463)	(1,463)	(764)
Operational property revaluation reserve	20	—	7,389	7,389	7,464
Fixed asset revaluation reserve	20	—	3,458	3,458	2,295
		—	102,097	102,097	101,174
Subtotal of Endowment & Reserves		11,728	108,001	119,729	116,840
Total		29,605	108,001	137,606	134,421

These accounts were approved by the trustees on 23 November 2012 and are signed on their behalf by:

Prof. Barry Everitt, Master



CONSOLIDATED CASH FLOW STATEMENT

	2012 £000	2011 £000
A. Operating Activities		
Operating Surplus/(Deficit) Before Tax	307	(368)
Profit on disposal	(1)	(3)
Depreciation	1,297	1,812
Less: Investment Income	(1,530)	(1,476)
Movement in Pension Deficit	(40)	(17)
Interest payable	269	268
Donation Income expended in year	(196)	(183)
(Increase)/Decrease in Stocks	(7)	17
(Increase)/Decrease in Debtors	(3)	139
Decrease in Creditors	(25)	(15)
Net Cash Inflow from Operating Activities	71	174
B. Returns on Investments and Servicing of Finance		
Income from Endowments	1,506	788
Other interest received	23	8
Interest paid	(269)	(268)
Net Cash Inflow from Returns on Investments and Servicing of Finance	1,260	528
C. Contribution to Colleges Fund	—	—
D. Capital Expenditure and Financial Investment		
Purchase of tangible fixed assets	(4,185)	(1,258)
Donations and other deferred capital grants received	2,099	3,979
Net purchase of long term investments	(2,064)	(941)
Net Cash (Outflow)/Inflow from Capital Transactions	(4,150)	1,780
Net Cash (Outflow)/Inflow before Financing	(2,819)	2,482

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	2012 £000	2011 £000	
E. Increase in Cash			
(Decrease)/Increase in Cash in the Period	(2,819)	2,482	
Net Funds brought forward at 1 July 2011	(402)	(2,884)	
Net Funds carried forward at 30 June 2012	(3,221)	(402)	
F. Analysis of Changes in Net Debt			
	At 1 July 2011 £000	Cashflows £000	At 30 June 2012 £000
Cash at bank and in hand	5,098	(2,819)	2,279
Bank loan	(5,500)	-	(5,500)
	(402)	(2,819)	(3,221)



Notes to the Accounts



NOTES TO THE ACCOUNTS

1. Academic Fees and Charges

	2012 £000	2011 £000
College fees:		
Fee income paid on behalf of undergraduates at the Publicly-funded Undergraduate rate (per capita fee £3,951) (2011: £3,861)	1,599	1,571
Privately-funded Undergraduate fee income (per capita fee £6,000) (2011: £5,304)	224	174
Fee income received at the Graduate fee rates (per capita fee £2,289) (2011: £2,229)	405	376
	2,228	2,121
Research/Teaching grants	142	121
Other income	11	9
Total	2,381	2,251

2. Residences, Catering and Conferences Income

	2012 £000	2011 £000
Residential Accommodation		
College Members	2,153	2,013
Conferences	908	910
International programmes	97	90
Catering		
College Members	553	578
Conferences	819	835
International programmes	52	52
Total	4,582	4,478

3. Endowment and Investment Income

	2012 £000	2011 £000
3a. Analysis		
Total return contribution (see note 3b)	1,506	1,468
Cash	6	(23)
	1,512	1,445

NOTES TO THE ACCOUNTS CONTINUED

3b. Summary of Total Return

	2012 £000	2011 £000
Income from:		
Investment portfolio and investment properties	1,222	1,079
Gains/(losses) on endowment assets:		
Investment portfolio and investment properties	902	2,711
Investment management costs (see note 3c)	(68)	(84)
Total return for year	2,055	3,706
Total return transferred to income and expenditure account (see note 3a)	(1,506)	(1,468)
Total return for year included within statement of total recognised gains and losses	550	2,238
Total Return recognised within statement of total recognised gains and losses at beginning of year	5,781	3,543
Total Return recognised within statement of total recognised gains and losses at end of year	6,330	5,781

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

	2012 £000	2011 £000
Freehold land and buildings	18	18
Quoted and other securities and cash	50	66
Total	68	84

4. Donations

	2012 £000	(Restated) 2011 £000
Unrestricted donations	170	123
Restricted donations	68	59
Cambridge Bursary Scheme	281	250
	519	432
Released from deferred capital grants (see Note 18)	196	183
Total	715	615

NOTES TO THE ACCOUNTS CONTINUED

5. Education Expenditure

	2012	(Restated) 2011
	£000	£000
Teaching	1,986	2,022
Tutorial	480	470
Admissions	406	390
Research	134	155
Scholarships and Awards	452	401
Other Educational Facilities	289	287
Total (Note 8)	3,747	3,725

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £286,900 (2011: £255,650).

6. Residences, Catering and Conferences Expenditure

		2012	2011
		£000	£000
Residential Accommodation	College Members	1,975	2,164
	Conferences	1,446	1,574
Catering	College Members	739	743
	Conferences	893	876
Total (Note 8)		5,053	5,357

Conferences expenditure above is on a fully costed basis, which includes a significant contribution to the absorption of overheads. However, on a direct cost basis the conferences profit would be £760,063.

7. Contribution under Statute G, II

	2012	2011
	£000	£000
University Contribution relating to 2010/11	—	—
University Contribution relating to 2011/12	—	—
	—	—

NOTES TO THE ACCOUNTS CONTINUED

8. Analysis of Expenditure by Activity

8a) Analysis of 2011/12 Expenditure by Activity

	Staff Costs (Note 9) £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education (Note 5)	1,736	1,709	302	3,747
Residences, Catering and Conferences (Note 6)	2,227	1,834	992	5,053
Other	69	59	3	131
	4,032	3,602	1,297	8,931

The above expenditure includes £353,552 as the direct cost of fundraising (2011: £251,569).
This expenditure includes the costs of alumni relations.

8b) Analysis of 2010/11 Expenditure by Activity

	Staff Costs (Note 9) £000	Restated Other Operating Expenses £000	Depreciation £000	Total £000
Education (Note 5)	1,699	1,597	429	3,725
Residences, Catering and Conferences (Note 6)	2,219	1,758	1,380	5,357
Other	63	58	2	123
	3,981	3,413	1,811	9,205

8c) Auditors' remuneration

	2012 £000	2011 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	16	16
Other fees payable to the College's external auditors	6	4
	22	20

NOTES TO THE ACCOUNTS CONTINUED

9. Staff Costs

	College Fellows £000	Other Academics £000	Non-Academics £000	Total 2012 £000	Total 2011 £000
Staff Costs					
Emoluments	865	—	2,666	3,531	3,485
Social Security Costs	57	—	158	215	206
Other Pension Costs	83	—	203	286	290
	1,005	—	3,027	4,032	3,981

Average Staff Numbers (Full-time Staff Equivalents)

Academic	49	—	—	49	49
Non-Academic	3	—	118	121	114
Total	52	—	118	170	163

Of the 52 Fellows, 47 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	696	102,152	769	3,796	219	107,632
Additions	32	3,750	85	297	21	4,185
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
At end of year	728	105,902	854	4,093	240	111,817
<i>Depreciation</i>						
At beginning of year	220	7	679	2,780	205	3,891
Charge for the Year	28	883	87	290	9	1,297
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
At end of year	248	890	766	3,070	214	5,188
<i>Net Book value</i>						
At end of year	480	105,012	88	1,023	26	106,629
At beginning of year	476	102,145	90	1,016	14	103,741

The insured value of freehold Land and Buildings at 30 June 2012 was £112,229,688 (2011: £126,471,841).

NOTES TO THE ACCOUNTS CONTINUED

11. Investments**Group and College**

	2012 £000	2011 £000
Balance at beginning of year	20,765	19,211
Additions	1	5
Disposals	(1)	(1)
Change in market value	178	1,470
Revaluation	1,163	80
Balance at end of year	22,106	20,765

Represented by:

	2012 £000	2011 £000
Works of art / silver	4,453	3,334
Capital Expendable Investments (Note 12)	17,272	17,095
Loan to Joint College's Nursery Scheme	6	6
Land	375	330
Total	22,106	20,765

Investments held by the College also include an additional £5,002 (2011: £3) investment in the subsidiary undertakings at cost (see Note 24)

NOTES TO THE ACCOUNTS CONTINUED

12. Endowment Assets

Group and College

	2012 £000	(Restated) 2011 £000
Long term investments:		
Balance at beginning of year	15,666	13,321
Additions	3,044	5,967
Disposals	(2,385)	(4,160)
Movement in over distribution of Market Value to Funds	120	314
Movement in due from Expendable Capital	(510)	(540)
Movement in amount included in Investment Assets	(177)	(1,470)
Change in market value	929	2,418
Change in cash held by fund managers	945	(184)
Total Long term investments	17,632	15,666

Represented by:

	2012 £000	(Restated) 2011 £000
Property	16,889	16,079
Securities – Equities / Hedge Funds	11,506	10,803
Securities – Fixed Interest	2,209	2,134
Cash with Agents	1,181	237
Over distribution of Market Value to Funds	1,631	1,510
Due from Expendable Capital	1,488	1,998
Total	34,904	32,761
Less amounts included as Investment assets (Note 11)	(17,272)	(17,095)
Total	17,632	15,666

NOTES TO THE ACCOUNTS CONTINUED

13. Debtors

	Group 2012 £000	College 2012 £000	Group 2011 £000	College 2011 £000
Members of the College	93	93	101	101
Rents	221	221	316	316
Conferences	175	62	111	35
Fees	4	4	25	25
Other debtors	257	337	194	193
Total	750	717	747	670

14. Cash and bank balances

	Group 2012 £000	College 2012 £000	Group 2011 £000	College 2011 £000
Short-term money market investments	800	800	3,100	3,100
Bank deposits	570	570	858	858
Current accounts	908	325	1,139	603
Cash in hand	1	1	1	1
Total	2,279	1,696	5,098	4,562

15. Creditors: amounts falling due within one year

	Group 2012 £000	College 2012 £000	Group 2011 £000	College 2011 £000
Due to tradesmen & others	715	715	738	738
Members of the College	161	161	168	168
University Fees	3	3	22	22
Other creditors	2,631	2,019	2,570	2,514
Due to permanent capital	1,488	1,488	1,998	1,998
Total	4,998	4,386	5,496	5,440

NOTES TO THE ACCOUNTS CONTINUED

16. Creditors: amount falling due after one year

Group and College	2012 £000	2011 £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	2012 £000	2011 £000
Balance at beginning of year	764	1,158
Movement in year:		
Current service cost including life assurance	10	13
Contributions	(68)	(62)
Other finance cost	19	31
Actuarial loss/(gain) recognised in statement of total recognised gains and losses	738	(376)
Balance at end of year	1,463	764

NOTES TO THE ACCOUNTS CONTINUED

18. Deferred capital grants

	2012 £000	2011 £000
<i>Balance at beginning of year</i>		
Buildings	17,576	16,915
Equipment	5	5
<i>Donations received</i>		
Buildings	393	843
Equipment	—	1
Transfer from designated funds	98	—
<i>Released to income and expenditure account</i>		
Buildings	(194)	(182)
Equipment	(1)	(1)
<i>Balances at end of year</i>		
Buildings	17,872	17,576
Equipment	5	5
Total balance at end of year	17,877	17,581

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	2012 Total £000	(Restated) 2011 Total £000
Balance at beginning of year						
Capital	4,562	9,966	14,528	987	15,515	12,108
Unspent Income	—	33	33	118	151	1,213
	4,562	9,999	14,561	1,105	15,666	13,321
Income receivable from endowment asset investments	969	488	1,457	48	1,505	814
Expenditure	(969)	(461)	(1,430)	(48)	(1,478)	(794)
Net transfer from income and expenditure account	—	27	27	—	27	20
New endowments received	1,303	402	1,705	—	1,705	1,929
Increase in market value of investments	178	178	356	17	373	625
Transfer to General Reserves (see note 20)	(139)	—	(139)	—	(139)	(229)
Balance at end of year	5,904	10,606	16,510	1,122	17,632	15,666
Comprising:						
Capital	5,904	10,547	16,451	1,002	17,453	15,515
Unspent Income	—	59	59	120	179	151
Balance at end of year	5,904	10,606	16,510	1,122	17,632	15,666

NOTES TO THE ACCOUNTS CONTINUED

19. Endowments continued

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	2012 Total £000	(Restated) 2011 Total £000
Representing:						
Fellowship Funds	—	3,588	3,588	—	3,588	3,295
Scholarship Funds	414	2,957	3,371	146	3,517	3,422
Prize Funds	18	247	265	—	265	251
Hardship Funds	—	847	847	—	847	773
Bursary Funds	—	—	—	—	—	—
Travel Grant Funds	—	33	33	—	33	32
Grant Funds	8	2,319	2,327	626	2,953	2,885
Other Funds	5,464	615	6,079	350	6,429	5,008
	5,904	10,606	16,510	1,122	17,632	15,666

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 Reserve £000	2012 Total £000	(Restated) 2011 Total £000
Balance at beginning of year	15,074	77,105	7,464	2,295	(764)	101,174	95,103
Surplus/(deficit) retained for the year	241	—	—	—	39	280	(388)
Actuarial loss/(gain)	—	—	—	—	(738)	(738)	376
Transfer of depreciation on revalued operational properties	75	—	(75)	—	—	—	—
Revaluation of land and buildings	—	—	—	1,118	—	1,118	4,158
Increase in market value of investments	177	—	—	45	—	222	1,696
Transfer to deferred capital	(98)	—	—	—	—	(98)	—
Transfer (to)/from endowment	(2,506)	2,645	—	—	—	139	229
Balance at end of year	12,963	79,750	7,389	3,458	(1,463)	102,097	101,174

21. Capital Commitments

	2012 £000	2011 £000
Capital commitments at 30 June 2012 are as follows -		
Authorised and contracted	606	1,178
Authorised but not yet contracted for	—	1,749

NOTES TO THE ACCOUNTS CONTINUED

22. Financial Commitments

At 30 June 2012, the College had annual commitments under non-cancellable operating leases as follows

	2012 £000	2011 £000
Land & Buildings		
Expiring within one year		
Expiring between two and five years	70	—
Expiring in over five years	—	—
	<u>7</u>	<u>77</u>
Other		
Expiring within one year	4	2
Expiring between two and five years	1	5
Expiring in over five years	<u>—</u>	<u>—</u>

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 £286,108 (2011: £290,443).

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.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2012 are also included in this note.

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

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

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

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

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

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

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

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

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

Since the previous valuation as at 31 March 2008 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

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

Normal Pension Age - The normal pension age was increased for future service and new entrants, to age 65.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Flexible Retirement - Flexible retirement options were introduced.

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

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

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

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the year end, although the market's assessment of inflation has remained reasonably constant. The actuary has estimated that the funding level as at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

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

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

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

At 31 March 2012, USS had over 145,000 active members and the College had 86 active members participating in the scheme.

The total pension cost for the College was £277,569 (2011: £286,808). The contribution rate payable by the College was 16% of pensionable salaries.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

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

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

	2012	2011
Discount rate	4.7%	5.5%
Expected long-term rate of return on Scheme assets	5.6%	6.2%
Rate of increase in salaries	2.2%	3.2%*
Retail Price Index (RPI) assumption	2.7%	3.4%
Consumer Price Index assumption	1.7%	2.7%
Rate of increase in pensions (RPI linked)	2.7%	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)

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2012 (with comparative figures as at 30 June 2011) are as follows:

	2012	2011
	£000	£000
Present values of Scheme liabilities	(4,603)	(4,375)
Market value of Scheme assets	3,140	3,611
Deficit in the Scheme	(1,463)	(764)

The amounts to be recognised in the profit and loss account for the year ended 30 June 2012 (with comparative figures for the year ended 30 June 2011) are as follows:

	2012	2011
	£000	£000
Current service cost	10	13
Interest on Scheme liabilities	238	229
Expected return on Scheme assets	(220)	(198)
Total	28	44
Actual return on Scheme assets	(410)	438

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Changes in the present value of the Scheme liabilities for the year ending 30 June 2012 (with comparative figures for the year ending 30 June 2011) are as follows:

	2012 £000	2011 £000
Present value of Scheme liabilities at the beginning of the period	4,375	4,361
Service cost (including Employee contributions)	13	17
Interest cost	238	229
Actuarial losses/(gains)	108	(135)
Benefits paid	(131)	(98)
Present value of Scheme liabilities at the end of the period	4,603	4,374

Changes in the present value of the Scheme assets for the year ending 30 June 2012 (with comparative figures for the year ending 30 June 2011) are as follows:

	2012 £000	2011 £000
Present value of Scheme assets at the beginning of the period	3,610	3,203
Expected return	220	198
Actuarial gains	(630)	241
Contributions paid by the College	68	62
Employee contributions	4	4
Benefits paid	(132)	(98)
Market value of Scheme assets at the end of the period	3,140	3,610

The agreed contributions to be paid by the College for the forthcoming year are 11.98% of Contribution Pay plus £85,671 in the year commencing 1 July 2012, subject to review at future actuarial valuations. These rates exclude PHI.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 30 June 2012 (with comparative figures for the year ended 30 June 2011) are as follows:

	2012	2011
Equities and Hedge Funds	66%	56%
Property	25%	36%
Bonds and cash	9%	8%
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 6.4% (2011: 7.1%), property 5.4% (2011: 6.1%) and an expected rate of return on bonds and cash of 3.7% (2011: 4.8%).

Analysis of amount recognisable in the Statement of Total Recognised Gains and Losses (STRGL) for the year ending 30 June 2012 (with comparable figures for the year ending 30 June 2011) are as follows:

	2012	2011
	£000	£000
Actual return less expected return on Scheme assets	(630)	241
Experience gains and losses arising on Scheme liabilities	(75)	8
Changes in assumptions underlying the present value of Scheme liabilities	(33)	127
Actuarial (loss)/gain recognised in STRGL	(738)	376

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Cumulative amount of actuarial gains and losses recognised in the STRGL for the year ending 30 June 2012 (with comparative figures for the year ending 30 June 2011) are as follows:

	2012 £000	2011 £000
Cumulative actuarial loss at beginning of period	(796)	(1,171)
Recognised during the period	(738)	375
Cumulative actuarial loss at end of period	(1,534)	(796)

Movement in deficit during the period ending 30 June 2012 (with comparative figures for the year ending 30 June 2011) are as follows:

	2012 £000	2011 £000
Deficit in Scheme at beginning of year	(764)	(1,158)
Service cost (Employer Only)	(10)	(13)
Contributions paid by the College	68	62
Finance cost	(19)	(31)
Actuarial (loss)/gain	(738)	376
Deficit in Scheme at the end of the year	(1,463)	(764)

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

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Present value of Scheme liabilities	(4,603)	(4,374)	(4,361)	(3,782)	(3,675)
Market value of Scheme assets	3,140	3,610	3,203	2,823	3,032
Deficit in the Scheme	(1,463)	(764)	(1,158)	(959)	(643)
Actual return less expected return on Scheme assets	(630)	240	206	(441)	(369)
Experience gain/(loss) arising on Scheme liabilities	(75)	8	192	(18)	1
Change in assumptions underlying present value of Scheme liabilities	(33)	127	(591)	181	(67)

NOTES TO THE ACCOUNTS CONTINUED

24. Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Downing Developments Limited	United Kingdom	1	Ordinary	100%
Downing Cambridge Conferences Limited	United Kingdom	1	Ordinary	100%
The May Ball Company Limited	United Kingdom	5000	Ordinary	100%

Downing Developments Limited 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 Limited 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 Limited was incorporated on 28 July 2010. The principal activity of the company is to administer the operation of the bi-annual College May Ball. This company is included in these consolidated financial statements.

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 and therefore comparative figures have been restated to reflect the revised accounting policies. This has affected the figures as follows:

- Under the latest university guidance, income and expenditure in respect of the Isaac Newton Trust for Cambridge Bursaries are now shown grossed up within the Income and Expenditure account and the prior year comparative figures have been restated accordingly.
- A detailed review of the treatment of historic donations made to the College has resulted in a reclassification of donations of £1.793 million from Unrestricted Permanent Endowment Reserves to General Reserves.

NOTES TO THE ACCOUNTS CONTINUED

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 2011	4,616	195
Income	159	10
Expenditure	—	(10)
Change in Market Value of Investments	58	3
Closing Balance at 30 June 2012	4,833	198

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	9	—	—	—	9
Angharad John Fellowship	—	—	—	100	100
Alwyn W Heong Fund	223	—	—	4	227
Batley Fund	8	—	—	—	8
Benian Lu Fund	2	—	—	—	2
Bill Willetts Fund	—	—	—	—	—
B J Everitt Prize Fund	—	—	—	9	9
Blankenship Book Fund	11	—	—	1	12
Blankenship Law Fund	19	—	—	1	20
Bradbrook Fund	11	—	—	—	11
Buchanan Fund	216	—	—	4	220
Charles Campbell Book Fund	3	—	—	—	3
Cockerell Fund	21	—	—	—	21
Collins Fund	170	—	—	3	173
Darley Fund	266	—	—	5	271
Downing Association Fund	34	—	—	1	35
Edward Collins Fund	101	—	—	1	102
Ernest William Denham Fund	24	—	—	—	24
Everitt Fund	1	—	—	—	1
Everitt Butterfield Fund	—	—	—	108	108
Fahrenwaldt Fund	11	—	—	—	11
Ferreras Willetts Fund	244	—	—	4	248
Fritsch Fund	350	—	—	2	352
Fu Fund	4	—	—	—	4
Carried forward	1,728	—	—	243	1,971

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	1,728	—	—	243	1,971
Gamlingay Fund	68	—	—	1	69
Graystone Fund	153	—	—	3	156
Gulbenkian Fund	1	—	—	—	1
Hall Fund	10	—	—	—	10
Harris Fund	388	—	(1)	8	395
Harrison Fund	—	—	—	—	—
Harrison Prize Fund	2	—	—	—	2
Hopkins Parry Fund	928	—	—	20	948
Hugh Brammer fund	18	—	—	—	18
Ivor Evans Fund	19	—	—	—	19
Jan Hruska Fund	100	—	—	27	127
Jean Ruhman Fund	9	—	—	—	9
John Hawkins May Wild Fund	7	—	—	—	7
Johnston Fund	1	—	—	—	1
Judy Petty Book Prize & Scholarship	19	—	—	—	19
Lander Fund	196	—	—	10	206
Landrum & Brown Scholarship Fund	3	—	—	3	6
Lord Butterfield	135	—	—	4	139
Mays Wild Fund	399	—	—	18	417
Moullin Fund	2	—	—	—	2
Oon Khye Beng Ch'hia Tsio Memorial Fund	272	—	—	28	300
Oon Khye Beng Ch'hia Tsio Memorial Prize Fund	95	—	—	2	97
Osler Fund	87	—	—	2	89
Carried forward	4,640	—	(1)	369	5,008

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	4,640	—	(1)	369	5,008
Owens Fund	329	—	—	6	335
Pask Prize	1	—	(1)	—	—
Perry Fund	2	—	(2)	—	—
Peter Mathias Economics Prize Fund	5	—	—	—	5
Pilley Fund	311	—	—	6	317
Platt Fund	25	—	—	1	26
Purcell Fund	2	—	(2)	—	—
Richards Fund	46	—	—	1	47
Robertson Research Fellowship Fund	525	—	—	13	538
Saint Fund	37	—	—	—	37
Saunders Fund	37	—	—	1	38
Savile Fund	115	—	—	2	117
Schreiner Fund	55	—	—	1	56
Seton Fund	65	—	—	1	66
Seton Cavendish Fund	1,586	—	—	28	1,614
Shallard Fund	2	—	(2)	—	—
Sir Arthur Watts Choral Awards	11	—	—	—	11
Stevens Fund	3	—	—	—	3
TG Jones Fund	638	—	—	11	649
Thomas Fund	17	—	—	2	19
Thrower Fund	2	—	—	1	3
Treherne Fund	75	—	—	2	77
Treherne Prize Fund	2	—	—	—	2
Carried forward	8,531	—	(8)	445	8,968

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	8,531	—	(8)	445	8,968
Unwin Fund	51	—	—	2	53
Verjee Fund	235	—	—	6	241
Verney Fund	1	—	—	1	2
Warner—Lambert Fund	172	—	—	6	178
Whitby Memorial Fund	329	—	—	6	335
White Fund	6	—	—	—	6
Whitelegg Fund	49	—	—	1	50
Wicks Travel Fund	12	—	—	—	12
Wyatt Fund	1	—	—	—	1
Fundraising – Sport	40	—	—	3	43
Fundraising – Student Support	269	—	8	3	280
Fundraising – Teaching	151	—	—	3	154
Catalysis – Teaching & Learning	21	—	—	45	66
Catalysis – Research & Discovery	3	—	—	3	6
Catalysis – Heritage & Environment	1	—	—	5	6
Catalysis – Support & Services	49	—	—	73	122
Catalysis – Culture & Community	1	—	—	1	2
Other	77	—	—	4	81
	9,999	—	—	607	10,606
<i>Restricted Expendable Funds</i>					
Bartram Fund	110	—	—	1	111
Colin Hill Fund	1	—	—	—	1
Colonel Anderson Trust Fund	89	—	—	2	91
Carried forward	200	—	—	3	203

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	200	—	—	3	203
Goodey Fund	143	—	—	3	146
Richens Fund	507	—	—	9	516
Catalysis Conference Fund	24	—	—	(24)	—
Catalysis Research Fund	97	—	—	(1)	96
Fundraising – Buildings	41	—	—	—	41
Other	93	—	—	27	120
	1,105	—	—	17	1,122
Total Restricted Funds	11,104	—	—	624	11,728

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>Unrestricted Permanent Funds</i>					
Clark Fund	2	—	—	—	2
French Fund	28	—	—	1	29
Jarvis Fund	35	—	—	1	36
Library Endowment Fund	968	—	—	18	985
Richmond Fund	181	—	—	3	184
Stenning Fund	49	—	—	—	49
Stevenson Fund	1	—	—	—	1
Whalley-Tooker Fund	14	—	—	—	14
Yates Fund	8	—	—	—	8
Young Fund	163	—	—	2	165
Singer Fund (Pension Trust)	195	—	—	4	199
Smyth Bequest	435	—	—	8	443
Fleet Bequest	47	—	—	1	48
Corporate Capital Fund	728	—	—	16	744
General Capital	1,708	—	—	1,288	2,996
	4,562	—	—	1,342	5,904
Total Endowment funds	15,666	—	—	1,966	17,632

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	77,100	—	2,645	—	79,745
Corporate Capital Fund	12,461	618	—	226	13,305
Singer Fund (Will Trust)	4,616	159	—	58	4,833
General Capital and Other	(1,998)	(536)	(2,668)	32	(5,170)
Revaluation Reserves	9,759	—	(75)	1,163	10,847
Pension Reserves	(764)	39	—	(738)	(1,463)
Total General Reserves	101,174	280	(98)	741	102,097
Deferred Capital Funds	17,581	—	98	198	17,877
Total Reserves	134,421	280	—	2,905	137,606





