DOWNING COLLEGE CAMBRIDGE

ANNUAL REPORT AND ACCOUNTS

for the financial year ending 30 June 2013

Contents

FINANCIAL HIGHLIGHTS

	2013	2012	2011
	£	£	£
Income			
Income	9,663,733	9,239,544	8,835,521
Donations and Benefactions Received	3,124,484	2,304,365	2,842,721
Conference Services Income	2,130,085	1,875,620	1,886,940
Operating Surplus/(Deficit)	336,783	306,969	(367,715)
Cost of Space (£ per m^2)	£173.40	£177.01	£193.93
College Fees:			
Publicly Funded Undergraduates	£3,951/£4,500	£3,951	£3,861
Privately Funded Undergraduates	£6,999	£6,000	£5,304
Graduates	£2,349	£2,289	£2,229
Loss on College Fee per Student	£2,630	£1,995	£2,224
Capital Expenditure			
Investment in Historical Buildings	573,388	446,851	298,346
Investment in Student Accommodation	740,562	2,784,000	634,063
Assets			
Free Reserves	13,372,300	11,499,498	14,309,872
Investment Portfolio	34,917,793	31,785,279	29,252,221
Spending Rule Amount	1,543,197	1,505,631	1,467,740
Total Return	9.2%	6.2%	15.6%
Total Return: 3 year average	10.3%	10.6%	3.8%
Return on Property	7.6%	11.4%	17.4%
Return on Property: 3 year average	12.1%	14.3%	10.6%
Return on Securities	10.8%	0.0%	14.0%
Return on Securities: 3 year average	8.1%	6.9%	-1.5%
Net Assets	141,519,568	137,605,725	134,421,462

DOWNING COLLEGE, CAMBRIDGE CB2 1DQ

Patron: HRH The Duchess of Kent, GCVO

Visitor: The Crown

MEMBERS OF THE GOVERNING BODY

Master from 1 October 2013: Professor Geoffrey Grimmett, MA (Oxon), DPhil (Oxon), DSc (Oxon), ScD Professor of Mathematical Statistics

Master to 30 September 2013: 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 2013

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)
Paul Christopher Millett, MA, PhD, *Vice Master elect*, 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, FREng, Professor of the Mechanics of Materials (1985)
Catherine Lynette Phillips, BA (Queens'), MA (Toronto), PhD, R J Owens Fellow in English (1988)
Graham John Virgo, MA, BCL (Oxon), Professor of English Private Law (1989)
John Stuart Landreth McCombie, MA, MA (McMaster), PhD, *Tutor*, Professor in Regional & Applied Economics (1989)
David John Wales, MA, PhD, ScD, Professor of Chemical Physics (1989)
Trevor William Robbins, MA, PhD, FRS, Professor of Cognitive Neuroscience (1991)
Stafford Withington, BEng (Bradford), PhD (Manchester), Professor of Analytical Physics (1992)
Christopher Allim Haniff, MA, PhD, *Fellows' Steward*, 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*, Professor in Linguistics (1996)
Ian Richard James, MA, MA (Warwick), PhD (Warwick), *Tutor for Graduates*, Fellow in Modern and Medieval Languages, Reader 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, *Secretary to the Governing Body, 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, MA, PhD, *Senior Tutor*, Assistant Director of Research, 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), Senior Lecturer in Modern Japanese Studies (2007)
Jonathan Trevor, BA (Glamorgan), MA (Warwick), PhD, University Lecturer in Human Resources and Organisations (2008)
Kenneth McNamara, BSc (Aberdeen), 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, Senior Lecturer in Computer Science (2010)
Timothy James Burton, MA, MB, BChir, PhD, Clinical Lecturer in Translational Medicine & Therapeutics (2010)
Marta Morgado Correia, BA (Lisbon), PhD, *Admissions Tutor (Science)*, Fellow in Biological Sciences (2010)
Paul Linden, BSc (Adelaide), MSc (Flinders), PhD, FRS, GI Taylor Professor in Fluid Dynamics (2011)
Alicia Hinarejos, BA (Valencia), 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, *Senior Treasurer of the Amalgamation Club from Jan* 2014, Mays-Wild Research Fellow in Chemistry (2012)
Kamran Yunus, BSc (Bath), PhD (Bath), Fellow in Chemical Engineering (2012)
John Richer, MA, PhD, Reader in Astrophysics (2013)
Sarah Kennedy, BA (Melbourne), LLB (Melbourne), PhD, Research Fellow in English (2013)

Retirements and Resignations 1 July 2011 – 30 September 2012

Sarah Jane Bray, BA, MPhil, PhD, Professor of Developmental Biology (1991) (resigned 30 September 2012)
Adam Fouad Ramadan, BA, MSc (UCL), DPhil (Oxon), Fellow in Geography (2009) (resigned 30 September 2012)
Jamie Thomas Alcock, BA (Queensland), PhD (Queensland), University Lecturer in Real Estate Finance (2010) (resigned 30 September 2013)
Barry John Everitt, BSc (Hull), MA, PhD (Birmingham), ScD (Hon. Hull), DSc, DSc (Hon. Birmingham), FRS, FMedSci, *Master*,
Professor of Behavioural Neuroscience (2003) (retired 30 September 2013)

The Honorary Fellows

Giles Skey Brindley, MA (London), MD, FRS
Sir Francis Graham Smith, MA, PhD, FRS
Sir Arnold Stanley Vincent Burgen, MA, FRS
Sir Alan Bowness, CBE, MA
Dame Janet Abbott Baker, CH, DBE, Hon, MusD
Alan Norman Howard, MA, PhD, FRIC
Peter Mathias, CBE, MA, DLitt, FBA
Sir Trevor Robert Nunn, CBE, BA
Godfrey Michael Bradman, FCA
Colin Brian Blakemore MA, ScD, 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, MA, PhD, FRS
Howard Eric Jacobson, MA
The Rt Hon the Lord Justice Lewison, QC, Kt, MA
Air Chief Marshal Sir Stuart Peach, KCB, CBE
The Rt Hon the Lord Justice Lloyd-Jones, QC, Kt, MA
The Rt Hon the Lord Justice McCombe, Kt, MA
Barry John Everitt, BSc, MA, PhD, ScD, DSc, DSc, FRS, FMedSci

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

The Associate Fellows

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

Foundation Fellow

Humphrey Battcock, MA, MBA (London Business School)

The Wilkins Fellows

Julian Robin Darley, MA, FEng
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)
John Robert, MA
Louise Arnell, MA

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, FREng

Bye-Fellows

Nigel Allington, BSc (Hull)
Annela Anger-Kraavi,
Richard Berengarten, MA
Jimena Berni, MS, PhD
Ian Bucklow, PhD
Marie Buda
Aswin Chari, MA, PhD
Andrej Corovic,
George Couch
Kate Crowe
Neda Farahi, PhD
Andrew Holding
Bernadette Holmes
Vicky Jones, MA, MB, BChir
Kathleen Liddell, LLB, (Melbourne), BSc, (Melbourne), MBioeth, (Monash), DPhil, (Oxon)
Deepti Lobo
Dan Lu
Shane McCorristine, MA, PhD, FRHistS
Douglas Maslin
Kerry Maunder, PhD
Alex Morris, PhD
Jill Pearson, BA, VETMC, MRCVS
Ian Sabir, MA, PhD
William Schafer, PhD
Jane Sterling, MB, BChir, MA, PhD, FRCP
Gareth Taylor, BA, PhD
Natasha Theodosiou, Medical Sciences
Michael Wakelam, BSc (Birmingham), PhD (Birmingham)
Haixi Yan

OFFICERS AND PRINCIPAL PROFESSIONAL ADVISERS

Master from 1 October 2013: Professor Geoffrey Grimmett, MA, DPhil, DSc (Oxon), ScD
Master to 30 September 2013: Professor Barry John Everitt, BSc, MA, PhD, ScD, DSc. (Hon. Hull), DSc. (Hon. Birmingham), FRS, FMedSci
Senior Tutor: Dr Guy Williams, MA, PhD
Senior Bursar: Dr S E Lintott, MA, PhD

Actuaries

Cartwright Consulting Ltd
Mill Pool House
Mill Lane
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Architects

Caruso St John
1 Coate Street
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Robert Lombardelli Partnership
St. Luke's House
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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 Andrew's 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

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5 Young Street
London W8 5EH

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

Solicitors

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Cambridge CB5 8EP

Penningtons LLP
Clarendon House
Clarendon Road
Cambridge CB2 8FH

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

Inland Revenue Charity No: X2938

Charity Registration No: 1137455

Report of the Governing Body

REPORT OF THE GOVERNING BODY

The Financial Accounts

The accounts that follow consolidate those of the College and its wholly-owned subsidiaries, Downing College Developments Limited, Downing Cambridge Conferences Limited, and The May Ball Company Limited. The College is one of 31 autonomous, self-governing Colleges within the University of Cambridge. Granted its charter in 1800, the College is known as "the last of the old and the first of the new". A bequest from Sir George Downing 3rd Baronet led to the foundation of the College, which was originally formed for the encouragement of the study of Law and Medicine and of the cognate subjects of Moral and Natural Science. The College now accepts students in all subjects taught in the University of Cambridge. 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 Table[1], top of The Sunday Times University League Table,[2] and third in the QS World Rankings[3].

For the academic year 2012–13, the College consisted of 52 Fellows, 675 junior members, 9,040 members out of residence, and 143 permanent staff (Full-Time Equivalent: 115.1). In terms of numbers of students, Downing is placed 15th but is the 12th largest in numbers of undergraduates. The challenge that the Governing Body set itself for 2012–13 was to improve the academic performance of the College. An effort to understand the many reasons for the very small variations in the results of undergraduate examinations across the Colleges led to a number of initiatives that contributed to the eight-place rise in the College's position in the Tompkins Table. This satisfactory outcome coincided with the end of Professor Barry Everitt's tenure as Master and Professor Graham Virgo's tenure as Senior Tutor. Professor Geoffrey Grimmett, a probabilist working in the Statistical Laboratory of the Department of Pure Mathematics, was inducted as the 17th Master on 1 October 2013. Dr Guy Williams, a physicist and member of the Wolfson Brain Imaging Centre on the Cambridge Biomedical Sciences Campus, became Senior Tutor from 1 August 2013.

The first cohort of undergraduates subject to the higher rate £9,000 tuition fee matriculated in October 2012. 120 new students were admitted. Of those classed as 'Home' students for reporting purposes, 62.9% were from the Maintained Sector and 37.1%[4] were from Independent Schools, making the College intake broadly in line with that of the University as a whole (Maintained Sector 63.3%) and as required under the terms of the 2012–13 agreement with the Office of Fair Access ('OFFA'). The Agreement permits the University to charge the highest level of fee providing that it provides "a flexible and needs-based financial support package", undertakes a "minimum level of outreach activities appropriate to currently under-represented groups", and increases "the proportion of our UK undergraduate intake from particular groups without compromising the integrity of Cambridge's admissions procedures and entry standards"[5]. By 2016–17, it is estimated that the measures to improve access will cost c. 32% of the fees charged in excess of the £6,000 basic rate tuition fee, and by then the University has committed that the proportion of UK-resident students admitted from UK state-sector schools and colleges will be within the range of 61–63%, and that 4% will be from low-participation neighbourhoods. Further, the University has committed to continue to meet HESA benchmarks on retention and to offer a minimum number of places in summer schools. The OFFA targets for the University for the admission cycle in 2012–13 were that 59.3% of 'Home' students should be from the Maintained Sector (subject to a variation of +/- 1%), that 3.1% of 'Home' students should be from low-participation neighbourhoods (subject to a variation of +/- 0.5%), and that the University retain should its low drop-out rate for undergraduate students.

The College's outreach efforts contributed to a record number of applicants in the 2012 admissions round, of which 391 (44.5%) were from the Maintained Sector, 269 (30.6%) were from the Independent Schools, and 219 (24.9%) were overseas candidates. The number of applicants from low-participation neighbourhoods was 22 (2.5%). The College continues to place great emphasis on attracting qualified

1 http://www.theguardian.com/education/table/2013/jun/03/university-league-table-2014

2 http://www.thesundaytimes.co.uk/sto/University_Guide/

3 http://www.topuniversities.com/university-rankings/world-university-rankings/2013

4 http://www.study.cam.ac.uk/undergraduate/publications/docs/admissionsstatistics2012.pdf, Table 5.1

5 http://www.offa.org.uk/agreements/University%2520of%2520Cambridge%25200114%2520access%2520agreement%25202013-14.pdf candidates from the South-West, for which the College has responsibility in the University's Widening Participation and Access initiative. The percentages admitted in October 2013 were very much in line with the percentage of each category of applicants. The College's popularity in terms of applications is, of course, to be welcomed; however, interviewing 84% of those applicants in 1,234 sessions, amounting to 1,028 person hours, of which 65% were taken by College Fellows, places pressure on the Fellowship, which is one of the smaller among Cambridge Colleges. During 2012–13, emphasis in Open Days was put on the College's commitment to academic excellence. Applicants for the 2013 admissions round fell by 17% from 879 to 733 in a year when applications to the University increased in total by 4%, 12% among Home/EU students and 32% in overseas students.

Junior Members

In October 2012, 120 new undergraduates and 85 full-time graduates (including eight Veterinary and Clinical medical students and one incoming exchange student) were admitted, bringing the total number of fee-paying students to 607 (437 undergraduates and 170 graduates). In addition, there were 68 registered graduate students who were in the writing-up phase of their research, bringing the total number of students to 675 (2012: 712).

The 2013 Tripos results included some remarkable achievements, especially in Law and Economics. The Law results were the best for many years, with 14 of 50 students (including LLM students) obtaining first class results (1sts) and six of the second years gaining one-quarter of the 1sts awarded throughout the University. In Economics, ten of the sixteen candidates were awarded 1sts, as were five of the six second-year candidates. Prizes for individual success were awarded to the following 15 students, who were ranked in the top 2.5% of their class: Alice Monaghan (Part IIB, Biological Anthropology); Michael Jarman (Part IIA, Economics); Benjamin Carr (Part IIA, Engineering); Edward Chalklen (Part IA, Engineering); Kate Edwards (Part I, English); Thomas Chudley (Part IA, Geography); Antonio Ferraz de Oliveira (Part II, Geography); James Smith (Part IA, Geography); Lucy Chambers (Part II, Law); Rachel Leow (Master of Law); Joseph Marshall (Part IA, Law); Joshua Stevens (Part IB Law); Yang Li (Part IB, Mathematics); Andrew Kwok (Part IB, Medicine) ; and Maja Petek (Part IB, Natural Sciences). Of these, six students were ranked top of their respective Triposes: Thomas Chudley, Andrew Kwok, Yang Li, Alice Monaghan, James Smith, and Antonio Ferraz de Oliveira Although the number of 1sts received overall was slightly below the average achieved across the University, the number of 2:1s was higher. Seven students (2012: 12) achieved three consecutive 1sts in the first three years of their courses 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 2012, following the admission to the Fellowship of Michael Housden, MA, PhD as the Isaac Newton Research Fellow in Chemistry and of Kamran Yunus, BA (Bath), PhD (Bath), a Fellow in Chemical Engineering. In addition to their responsibilities as tutors, directors of studies, and supervisors, the academic Fellowship is fully engaged in research. A selection of their publications during the year is given on pages 21–22.

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 Tatsua Sakamoto (Keio), a philosopher and economist and former director of the International Centre at Keio University, Professor Charles Mathewes (Virginia), Professor of Religious Studies, and Professor Richard McKirahan (Pomona), Professor of Classics and Philosophy. Dr Jonathan Trevor, a University Lecturer in Human Resources and Organisations and the College's Fellow in Management Studies, visited Keio University.

Academic Societies

The intellectual life of the College is underpinned by the student-run academic societies and by events held in the Howard Theatre, which encourage undergraduates, graduates, and Fellows to interact outside the formal structure of supervisions. This year, for example, John le Carré gave a talk to the Blake Society on spying and writing; Sir Richard Thompson, the President of the Royal College of Physicians, lectured on The Future of the NHS for the Whitby Society; and David Matthews, QC and Helen Crompton discussed with the Cranworth Society their experiences in prosecuting in "A Corpse in the Cam: Prosecuting A Murder". As part of an occasional series of career talks, David Collis, a Downing alumnus and Professor at the Harvard Business School, gave a talk on 'Business Schools and Consulting'. A new engineering society, named after Austyn Mair, a long-time Fellow and former Head of the Engineering Department, was formed, creating a society for the 66 undergraduate and graduate engineers studying at Downing. Graduate students have the opportunity to present their work to their colleagues and Fellows through the graduate seminar programme. For the third year, alumni joined Fellows and students at a weekend residential conference. This year, the conference's theme was 'Space and Time'. A keynote lecture was given by the Nobel laureate, Antony Hewish, on his discovery of 'Little Green Men', or more formally, pulsars. Downing Fellows Professor Chris Haniff and Dr Duffett-Smith, who also helped to organise the conference, gave lectures on "The Luxuriant Garden: Revealing the Secrets of the Universe" and on "What's the Time, Professor Einstein?", respectively. The interdisciplinary programme also included Dr Paul Millett ("The Ancient Greeks and their Ambivalent Relationship with Time"), Steven Connor, Professor of English in the University ("About There, or Thereabouts"), and Nicky Clayton, Professor of Comparative Cognition in the University, and Mr Clive Wilkins ("The Creative Navigator's Compass"). The format of the event is designed to demonstrate the interconnected nature of the Collegiate University by including both Downing and University academics and guests. Next year's donor-recognition conference will be held on 22 March 2014 and will be called "Crisis, Which Crisis?"

Sports

Students are admitted to the College solely on the basis of their academic achievements and potential; however, Downing students continue to excel in the many extra-curricular activities that flourish in both the College and the University. Sadly, the 1st Women's VIII was caught by a very fast Clare crew and so ended the May Bumps at No. 2, although retaining the headship of the Lents. The 1st Men's VIII also retained its second place in both Bumps races, though for one historic day, Friday 14 June 2013, both the 1st Men's and 1st Women's VIIIs were at the head. This level of success is in part due to the January training camp that this year took place at Seville, in Spain. The camp also includes periods for academic study. The Club celebrated its 150th Anniversary with a 'row-past' at the Henley Royal Regatta, an honour shared with the City of Cambridge Rowing Club, the oldest town club. The boat contained supporters of the Club (Tom Brown, Charlie Green, Guy Henderson, and Gus Pope; the Captain of Boats, Zara Goozee, and four Olympians: Annie Vernon, who gained a silver in the 2008 Beijing Olympics and competed in the London 2012 games; Rod Chisholm, who rowed for Australia in Beijing and also competed in London; Kate Panter (Los Angeles, 1984); and Tom Middleton (Sydney, 2000). The camp is subsidised by contributions from former members (known as Segreants). There were team and individual successes in many other sports, with six students being awarded blues, eight half-blues, and four colours. There were notable successes in Men's Rugby, where the team enjoyed an unbeaten season, ending as champion of both the League and Cuppers.

Downing's Development

As College membership has expanded and the expectations of students have increased, buildings in the central area of the Domus have been added to by successive architects: first by Barry, then by Baker, Scott, Howell, 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 its income. Almost all such development comes about because of the generosity of alumni and friends of the College. In the Michaelmas Term, the Butterfield Building, situated within the newly remodelled car park, was transformed into the Lord Butterfield Bar and Cafe, a place where students and guests can relax in contemporary shabby chic splendour. The next project will fulfil the College's ambition to house all of its students on the Domus. Planning consent was obtained for the conversion of office space within Parker's House, which will create a third range (parallel to William Wilkins' West and East ranges) containing 79 rooms, comprising 77 en-suite rooms for graduates and two rooms for non-resident Fellows. The obligation to contribute to public art inspired a series of decisions that have yet to be finalized but may result in the creation of an art gallery, designed by Caruso St John, in the former stables within a new court.

Development is not confined to buildings. During the last year, the funding for the Everitt–Butterfield Research Fellowship in Biomedical and Biological Sciences reached its half-way mark. Following the 2008 financial crisis, it was necessary to pare back all activities to those that were essential to the mission of educating undergraduates. With help from the Cambridge Philosophical Society and the Isaac Newton Trust, it has been possible to continue the research fellowship competition without using general funds that are needed elsewhere. A research fellowship is often the first appointment in an academic career. Constraints in the funding of higher education have made these positions particularly valuable. An endowed fund, with a return capable of supporting this post, will protect the competition from future cuts, thus ensuring that the College can fulfil its mission as a place of education and research.

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 to be taken up by students from the maintained sector, and so it 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.

During 2012–13, the School and College Liaison Officer made 30 individual visits to schools and colleges throughout the South-West, visited two HE/Careers fairs and three UCAS HE Conventions, in addition to organising six Oxford and Cambridge Information Days at host schools across Cornwall, Devon, and Dorset. The College hosted six visiting school groups and three residential visits to Cambridge, and welcomed 49 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 a history of sending pupils to Cambridge.

As the aim of this programme is to encourage students who may otherwise not consider higher education to look at all of the university options available to them, it is impossible for the College accurately to judge its success. In the 2012 admissions round, Downing received applications from 40 South-West students, of which 27 came from 18 different maintained-sector non-selective schools in Cornwall, Devon, and Dorset. Of applicants from non-selective schools, places were offered to three, of which two accepted and are now undergraduates at Downing; twelve were placed in the Winter Pool, and three were offered places by other Colleges. Since 1999, when the programme began, 54 students from target schools in the South-West have taken up places at Downing.

Once here, students have access to several sources of financial aid. In 2012–13, 111 home and EU undergraduates (of a Home and EU undergraduate population of 380) received on average £2,508 through the Cambridge Bursary Scheme, which is operated in common with the University, other Colleges, and the Isaac Newton Trust. The Scheme forms part of the University's agreement with 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 £3,500 per year in addition to any government means-tested grants. Those with incomes of up to £42,611 receive amounts that taper to £50. Fifty-five students (2011–12: 64) students received the maximum award under this Scheme. For students who will matriculate in October 2013, the Cambridge Bursary Scheme will continue to provide the same level of support.

This year, the College paid out 336 grants totalling £399,469 (2011–12: £396,906) to support the purchase of books and equipment; attendance at conferences; travel; studentships; and bursaries in cases of financial hardship. Trust and other restricted funds provided £145,965, £8,258 was met from general funds, and £245,246 was paid through the Cambridge Bursary Scheme (2011–12: £281,085). Undergraduates received £324,427 of the total payments made, which amounted to 17.4% of the Tuition Fee. The remainder, £75,042, was paid to graduates, which amounted to 20.1% 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, 2013 and 2014. Approval for this level of fee was conditional on the signing of an Access Agreement with OFFA).[6] This financial year was the first of the new system. Under the College Fee Agreement between 1999–00 and 2011–12, the University passed over a portion of the funds that it received from the Higher Education Funding Council ('HEFCE'), calculated on a *per capita* basis, to the Colleges. From 2012–13, the tuition fee for new students is paid either by the students themselves or on behalf of the students through the Student Loan Company. The Colleges collect these fees and pass half over to the University. The Colleges and the University now 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 until it falls within the range 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. This 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 overleaf lists the functions that the University and the 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.

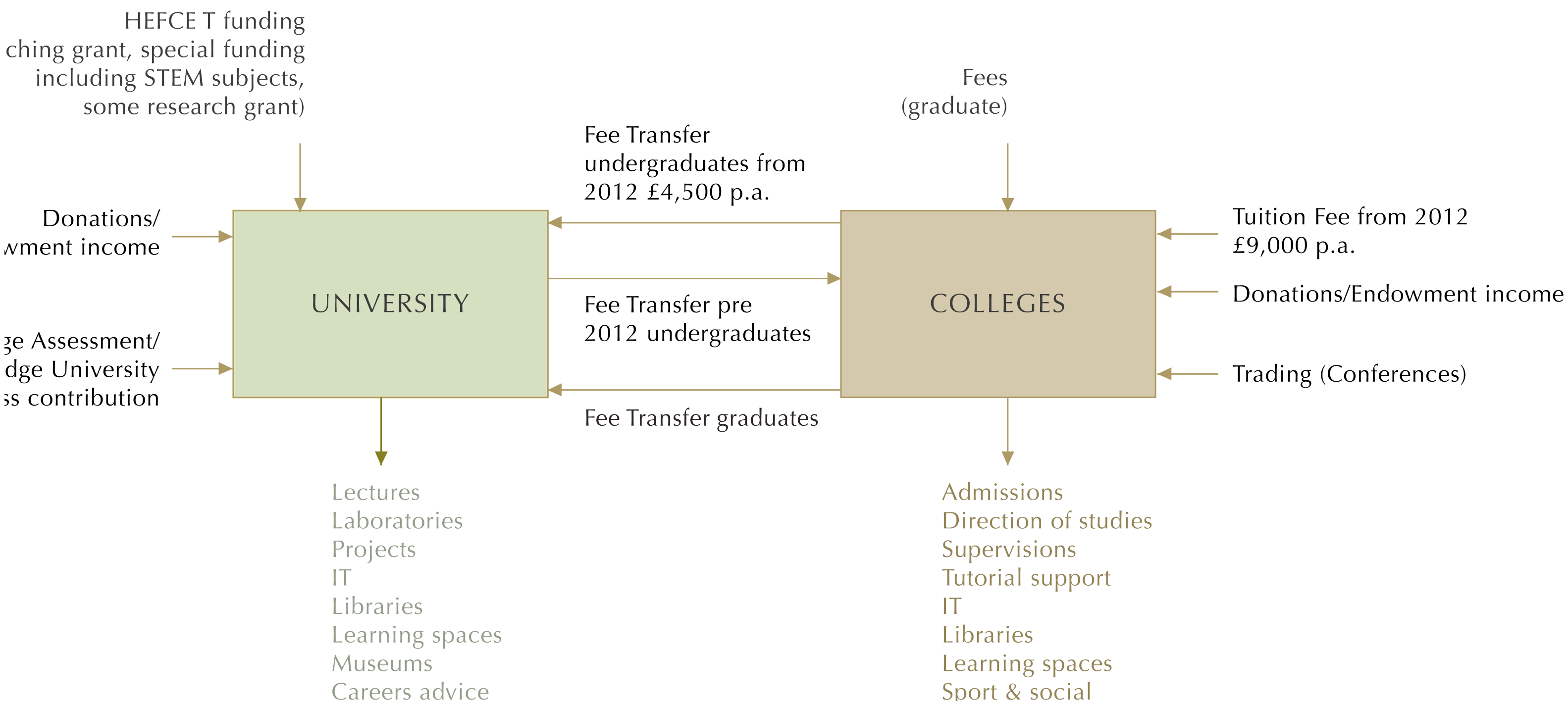
The distinguishing feature of an education at Cambridge or Oxford is the emphasis on small-group teaching, the costs of which are borne by the Colleges. The maximum number of supervisions per year is 80, depending on the year and subject, approximately 10% of which involve just one student, but most (33%) involve groups of two. The basic rate is from £27.03 for supervision of one student, up to £41.16 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 per year, and contributes up to £300 towards academic expenses. This year, 20 Fellows received this enhancement of supervision pay. However, provision of 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 2012–13 was £8,182 (2011–12: £7,347) 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. In order to counter diseconomies of scale and to promote efficiency, Colleges collaborate to provide various services, and 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 £3.8 million in 2013, but of this £2.2 million went in support of predominantly graduate Colleges. Colleges at Cambridge, more so than at other Universities, have historically

6 http://www.offa.org.uk/agreements/University%20of%20Cambridge%200114%20access%20agreement%202013-14.pdf been supported by philanthropic gifts from founders and alumni who appreciate the benefits of the costly education that they have received.

In 2012–13, Downing spent £4.0 million on Education, of which £3.5 million, or £8,182 per capita, was for undergraduates. Of the total amount, 51% was spent on Teaching, 12% on Tutorial, 10% on Admissions, 4% on Research, 11% on Scholarships and Awards and 12% on other Educational Facilities.

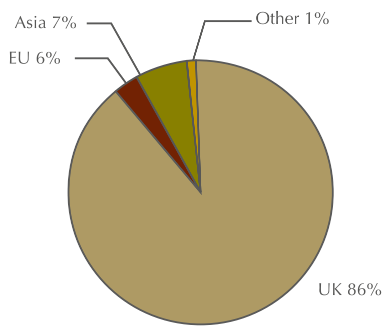
UNIVERSITY AND COLLEGES: A SYMBIOTIC RELATIONSHIP



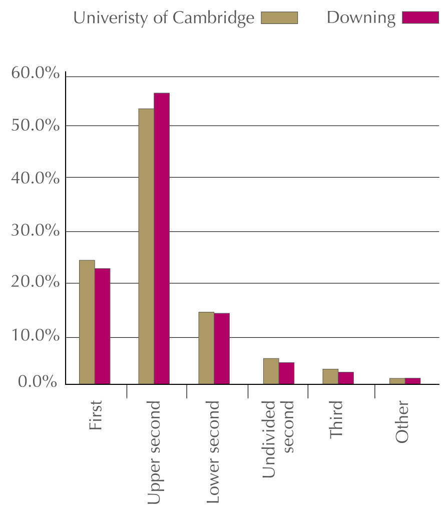
UNDERGRADUATE NUMBERS 2012-13 AS OF 1 OCTOBER 2012

Subject	Year 1	Year 2	Year 3	Year 4	Years 5-7	Total 2012-13	Total 2011-12
Anglo-Saxon	0	1	0	0	0	1	1
Archaeology & Anthropology	2	1	2	0	0	5	5
Architecture	2	2	2	0	0	6	5
Asian & Middle Eastern Studies	1	2	2	2	0	7	6
Chemical Engineering	0	1	1	2	0	4	2
Chemical Engineering via Engineering	0	1	0	0	0	1	2
Chemical Engineering via Natural Science	0	0	0	0	0	0	0
Classics	4	3	3	0	0	10	10
Classics – 4yr	0	0	1	1	0	2	4
Computer Science	1	2	0	0	0	3	4
Economics	6	6	5	0	0	17	17
Education	1	0	0	4	0	5	5
Engineering	8	10	14	11	0	43	45
English	5	4	8	0	0	17	19
Geography	6	5	5	0	0	16	16
History	6	5	6	0	0	17	17
History of Art	1	0	1	0	0	2	1
Land Economy	3	1	2	0	0	6	3
Law	15	16	17	2	0	50	66
Linguistics	2	1	2	2	0	7	2
Management Studies	0	0	0	1	0	1	2
Manufacturing Engineering	0	0	0	1	0	1	4
Mathematics	6	6	4	5	0	21	17
Medical Sciences	13	15	16	7	12	63	69
Modern Languages	6	7	3	4	0	20	22
Music	1	1	1	0	0	3	4
Natural Sciences (Biological)	12	12	12	4	0	40	36
Natural Sciences (Physical)	13	14	15	7	0	49	49
Philosophy	3	2	1	0	0	6	5
Politics, Psychology and Sociology	2	4	3	0	0	9	11
Theology	2	3	3	0	0	8	8
Theology BTh	2	2	2	0	0	6	4
Veterinary Medicine	2	1	1	2	4	10	10
Total	125	128	132	55	16	456	471

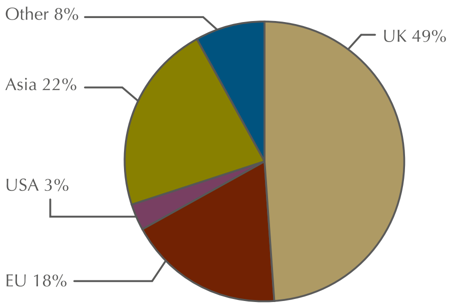
UNDERGRADUATES BY REGION



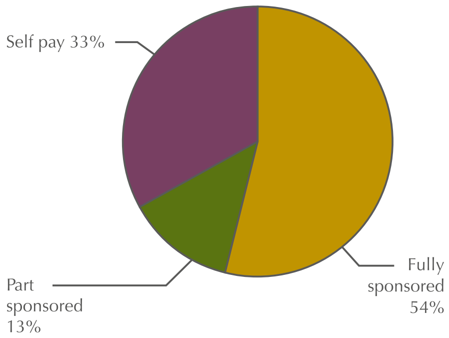
UNDERGRADUATE DEGREE CLASSIFICATIONS



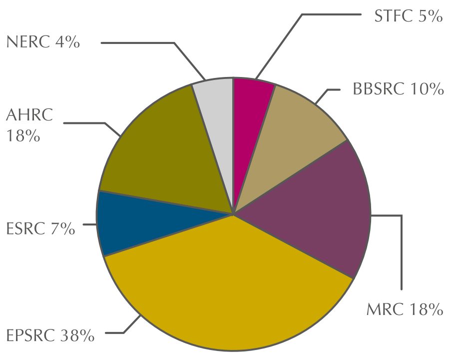
GRADUATES BY REGION



GRADUATES BY FEE TYPE



GRADUATES BY PUBLICLY–FUNDED BODY (Cambridge University 2010)



PHD THESES SUCCESSFULLY DEFENDED BY DOWNING GRADUATE STUDENTS 2012-13

Amaral, PVMD	PhD	Land Economy (Spatial structure of health equipment in Brazil)
Barry, B	PhD	Management Studies (A dream we can believe in: A cross-cultural analysis of consumers' responses to models and promotional copy in fashion advertising)
Bayliss, A L	PhD	Biological Science @ Babraham (The characterisation of a-adrenergic-like G Protein-Coupled receptors from amphioxus)
Brown, J R	PhD	Plant Sciences (A design framework for self-organised turing patterns in microbial populations)
Cavalcante, A T M	PhD	Land Economy (Regional financial development and economic growth)
Chang, B K	PhD	Materials Science (Computational studies of the properties of metal-organic frameworks)
Cheke, L G	PhD	Experimental Psychology (Episodic Cognition: What is it, where is it, and when Does it develop?)
Choong, C L	PhD	Engineering (Electrochemical deposition of polymeric nanostructures and their biosensing applications)
Croucher, N J	PhD	Biological Science (Functional and evolutionary analysis of pneumococcal genome variation)
Damoulakis, G	PhD	Biological Science (The role of RhoG in neutrophil biology)
Di Pietro, R	PhD	Physics (Charge accumulation spectroscopy of organic semiconductors)
Ernst, A S	PhD	Biotechnology (Molecular Analysis of Preclinical Models for Mental and Metabolic Disorders)
Fang, S E	PhD	Politics and International Studies (The diffusion of shariah-based knowledge in Global Finance: a cognitive investigation among western economic agents)
Gillan, C	PhD	Psychology (Aberrant habit formation in obsessive-compulsive disorder: Understanding the OC cycle)
Gillen, R	PhD	Engineering (Band structure and defect calculations within a screened-exchange hybrid functional scheme)
Grein, M	PhD	Economics (The role of the financial sector in Macroeconomic Modelling)
Iqbal, M M-H	PhD	Engineering (On the static performance of lateral high voltage MOSFETs and novel nanoscale accumulation mode MOSFETs)
Jethwa, S A	PhD	Biological Science (Exosomes: Vesicular carriers of autotaxin, a novel mechanism of LPA signalling)
Kennedy, B W C	PhD	Biochemistry (Probing tissue metabolism in a murine model of lymphoma with hyperpolarised ^{13}C-labelled substrates)
Koh, C Y E	PhD	Engineering (Managing change propagation in the development of complex products)
Kreysing, M K	PhD	Physics (Optics of the retina: Novel tools, new insights)
Lopez Gomez, C E	PhD	Engineering (National value capture in modern industrial systems: Insights for Policy development)
Mak, W Y	PhD	Physics (Transport experiments in undoped GaAs/A1GaAs heterostructures)
Nicoll, M P	PhD	Pathology (The role of the herpes simplex virus type 1 latency-associated Transcripts during the establishment and maintenance of latency)
Palmer, J R	PhD	Geography (Science and politics in European energy and environmental policy: The wicked problem of biofuels and indirect land-use change (ILUC))
Qureshi, Z	PhD	Engineering (Vertical cavity surface emitting lasers in high speed optical data communications)
Seereeram, V	PhD	Engineering (Compliant shell mechanisms)
Sparkes, R B	PhD	Materials Science (Marine sequestration of particulate organic carbon from Mountain belts)
Stead, N J Y	PhD	Biological Science (Characterisation of the chromatin-associated factor, AT02, and investigation of its role in the genome)
Thaithara Balan, S	PhD	Physics (Bayesian methods for astrophysical data analysis)
Turnbull, A K	PhD	Oncology (Exploiting microRNA regulation of a toxin and antitoxin pair to achieve selective cancer cell killing)
Ustok, F I	PhD	Biotechnology (Molecular analysis of Bacillus megaterium spore cortex lytic enzymes)
Wanaguru, M K	PhD	Biological Science @ Sanger Institute (Biochemical investigations of Plasmodium falciparum erythrocyte invasion pathways using recombinant merozoite surface proteins produced in a mammalian expression system)
Zhang, L	PhD	Pure Maths and Math Statistics (Stylised facts study, least action method and Diffusion simulations)
Zhu, M	PhD	Chemistry (Computational Studies of the Alzheimer's Amyloid-ß Pepide: From Structural Ensembles to Therapeutic Leads)

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

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Barber, Dr Zoe
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Berni, Dr Jimena
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Bravo, Dr Michael
Sutherland, W J, Bellingan, L Bellingham, J R Blackstock, J J Bloomfield, R M, Bravo, M Zimmern, R L, 'A collaboratively-derived science-policy research agenda', *PLoS One*, 7(3), e31824DOI: 10.1371/journal.pone.003182 (2012)

Clyne, Professor William
L K Mirelman, J A Curran & T W Clyne, 'The production of anatase-rich photoactive coatings by plasma electrolytic oxidation', *Surface and Coatings Technology*, 207:66–71(2012)

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Murray M J, Saini H K, Siegler C A, Hanning J E, Barker E M, van Dongen S, Ward D M, Raby K L, Groves I J, Scarpini C G, Pett M R, Thornton C M, Enright A J, Nicholson J C, Coleman N, 'LIN28 expression in malignant germ cell tumors downregulates let-7 and increases oncogene levels', *Cancer Research*, 73:4872–84 (2013)

Correia, Dr Marta Morgado
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Evans, Dr Peter
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Feldman, Professor David
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Goymour, Miss Amy
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Haniff, Professor Chris
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Harle, Dr Robert
R Faragher, R Harle, 'The Smart Swiss Army Knife: Navigation Beyond GNSS', Navigation News, *The Magazine of the Royal Institute of Navigation* (2013)

Hinarejos, Dr Alicia
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Ledgeway, Professor Adam
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Li, Dr Jie
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McNamara, Dr Ken
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Fang L, Lupoi R, Cockburn A, Sparkes M, O'Neill W and Jian-hua Y, 'Characteristics of Stellite 6 Deposited by Supersonic Laser Deposition Under Optimized Parameters', *Journal of Iron and Steel Research International*, 20:52–57 (2013)

Pesci, Dr Adriana
Raymond E Goldstein, H Keith Moffatt, and Adriana I Pesci, 'Topological Constraints and Their Breakdown in Dynamical Evolution', *Nonlinearity* 25:R85–R98 (2012)

Phillips, Dr Cathy
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Pratt, Dr David
Pratt, D, 'Demesne Exemption from Royal Taxation in Anglo-Saxon and Anglo-Norman England', *English Historical Review*, 128:1–34 (2013)

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Nikolic, B, Bolton, R C, Graves, S F, Hills, R E, & Richer J. S, 'Phase correction for ALMA with 183 GHz water vapour radiometers.' *Astronomy and Astrophysics*, 552:104 (2013)

Robbins, Professor Trevor
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Roberts, Professor Ian
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Steger, Dr Brigitte
Steger B, Koch A (ed), *Manga Girl Seeks Herbivore Boy: Studying Japanese Gender at Cambridge*, Lit Publisher, (2013)

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Tomalin, Dr Marcus
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Trevor, Dr Jonathan
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Virgo, Professor Graham
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Wales, Professor David
J W R Morgan, Chakrabarti D, Dorsaz N and Wales D J, 'Designing a Bernal Spiral from Patchy Colloids', *ACS Nano*, 7:1246–1256 (2013)

Webster, Dr Joseph
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Williams, Dr Guy
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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).

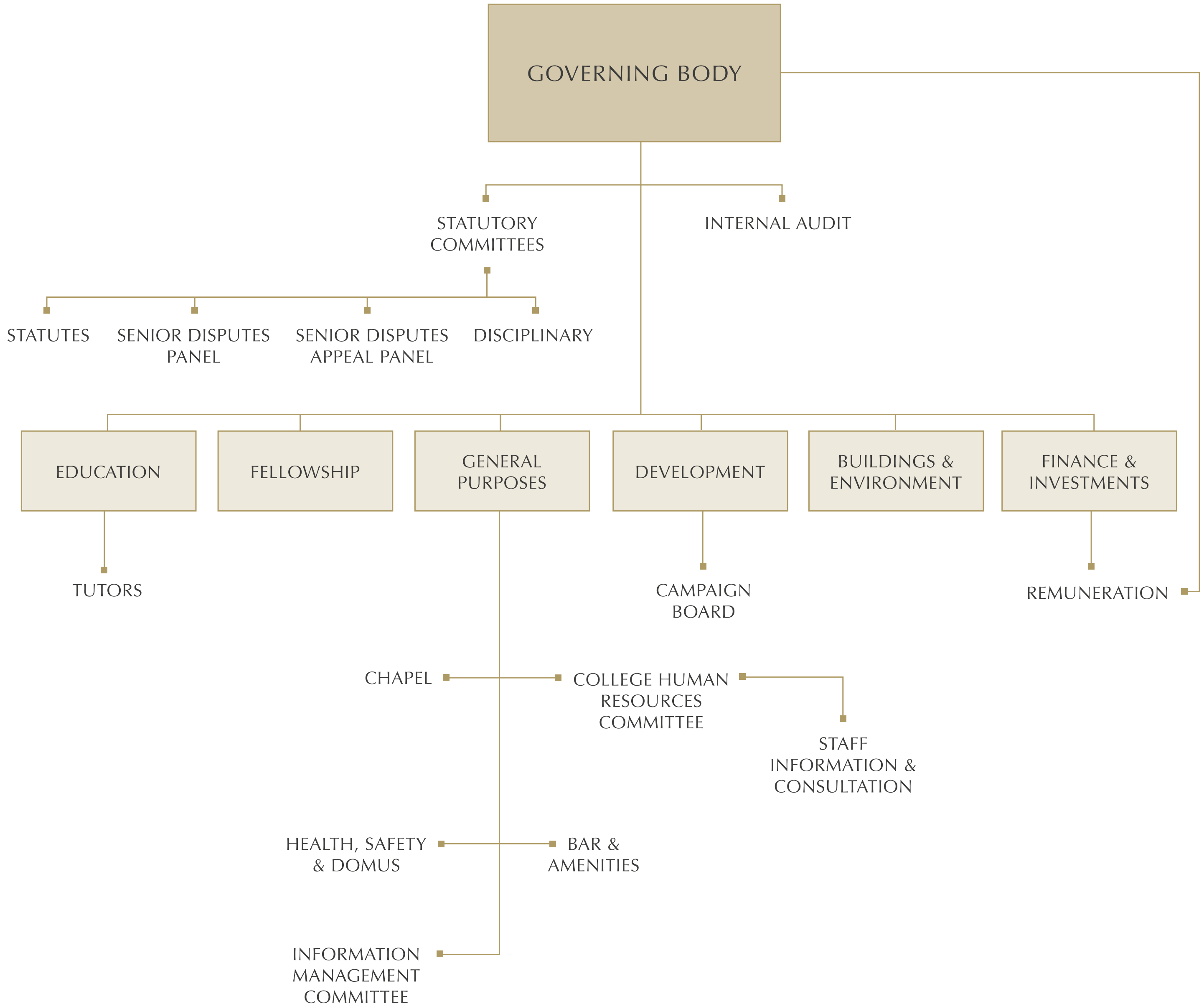
The Statutes that set out the arrangements for governance of the College were last completely revised during 2005 and approved by Her Majesty, with the advice of Her Privy Council on 9 May 2006, with approval given to amendments on 18 March 2009. The Master is Chairman of the Governing Body; the Senior 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 2 and 3. 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 per 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, to act in the College's interests without regard to their own private interests, and to manage the affairs of the College prudently, balancing long-term and short-term considerations. The direct cost of governance for 2012–13 was £34,528 (2011–12: £32,603).

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



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 tuition fees payable by or on behalf of undergraduates. For students matriculating in October 2012, the College collected the £9,000 Tuition Fee from Home/EU students, passing on an agreed amount to the University (see separate section on p.17–18). The University paid the College £1,554,613 from its HEFCE grant towards the cost of admitting and supervising publicly funded undergraduates and providing tutorial support and social and recreational facilities. The total fees that the College received for educating undergraduates, including the private fees payable by overseas students, was £1,863,895, which amounted to 19.3% of total income (2011–12: £1,823,336 and 19.7%). The fee for Home/EU students was £4,500 for those matriculating in 2012 and £3,951 for all others. Privately funded undergraduates paid a tuition fee of £6,999. The fee payable by all graduate students was £2,349. An increase in costs, together with reduced student numbers, resulted in an increase of 31.2% in the shortfall per student, from £1,995 to £2,630 (on a fully-allocated basis[7]). Using a methodology that allocated costs between undergraduates and graduates, the College recently calculated the cost for 2012–13 as £8,182 (2011–12: £7,347) per undergraduate and £3,308 (2011–12: £2,828) 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.

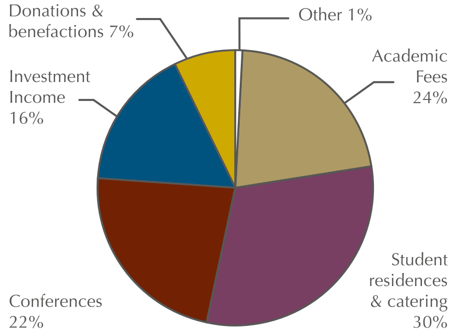
The Colleges Fund

The Colleges Fund, which is funded through the intercollegiate taxation system, makes grants to Colleges with insufficient endowments[8]. The College received a grant of just £72,000 in 2012–13 (£15,000 in 2011–12) on the basis of the return submitted for 2011–12, 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 2012–13 for an hour's supervision of two students was £33.12. The College Statutes permit Official Fellows to reside within the College: at present, five 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 2012–13, the cost per square metre of providing space was £173.40, compared with £177.12 in 2011–12, a decrease of 2.0%. From time to time,

BREAKDOWN OF INCOME
2012/13
Total £9.7 million



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

8. In 2012, the size of the endowment (net of loans) placed Downing at 22nd of 31 (2011: 22nd) in terms of this measure of wealth. Colleges of a similar sized student body (+/- 50) have endowments ranging between £17.3 million and £125.6 million. The median of all Colleges was £50.9 million (2011: £52.5 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. At present there are two full-time (English and History) and one quarter-time (Social and Political Science) College Teaching Officers funded by the College. Approximately £3.5 million of the College's £35 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 £17.3 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, and Robert John has provided funding to support a Fellowship in Experimental Psychology. 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, Humphrey Battcock has contributed to the conversion of Parker's House, and Christopher Bartram to the creation of an art gallery. Friends of Downing have also made major contributions to support the College's educational mission: the Ferreras Willetts family has endowed a Fellowship in Neuroscience and Gifford Combs has sponsored the Catalysis Conference and contributed to the new Court. 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, £12.6 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 £446,714 of which £193,210 was provided by Restricted Funds including Trust Funds, £8,258 was met from general funds and £245,246 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 2012–13, £20,000 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 University Bursaries Scheme, whereby a portion of the top-up fee is set aside to fund bursaries of up to £3,500. In 2012–13, the College received £245,246 (2011–12: £281,085) to offset its obligations under the Scheme. In the past, the Trust has also paid the College for the release of College Teaching Officers' time for teaching for the University, supporting Fellows with postdoctoral research posts, and contributing towards Research Fellow costs with the Isaac Newton Trust Research Fellowship Scheme. This year, it paid £26,250, being half the cost of the Graham Robertson Research Fellow and the Mays Wild Research Fellow.

The Isaac Newton Trust has recently announced its withdrawal from the Cambridge Bursary Scheme from 2016–17 in order to focus on funding graduate studentships.

SIGNIFICANT POLICIES

1. RESERVES

1. Total Funds stood at £141.5 million at 30 June 2013. Of this amount, £78.4 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 (2013: £1,825,322; 2012: £1,463,180).
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 2013, free reserves (General Reserve less pension liability) stood at £13.4 million (2012: £11.5 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 + 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 2012–13, for performance measurement purposes, the benchmark consisted of Equities: 31%, MSCI World Index (in local currency); Fixed Income: 14%, FTSE A British Government All Stocks; Hedged Funds: 30%; HFRI Fund of Funds Composite; Cash: 2%, UK three-month LIBOR Index; Inflation Linked Bonds: 6%, FTSE A (Index Linked) British Government All Stocks; 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%; Hedge Funds: 20–33%; Equities: 18–42%; Private Equity: 8–15%; Commodities: 2–5%; 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 £7,547,659 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 minimise problems.

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 ‘13/13’ Commitment. The College aimed to use 13% less energy in 2012/13, compared with that used in 2010
- reducing *per capita* water consumption by 10% by 2012/13 (baseline 2009)
- reducing carbon consumption by between 34% and 50% by 2020 (baseline 2005)
- reducing carbon consumption between 80% and 100% by 2050 (baseline 2005)

Recycling and Waste Management

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

This reduction will be achieved by:

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

Greater Environmental Awareness

The College will actively promote environmental awareness among Fellows, students, staff and 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 & 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

Green Transport Policy

The College encourages responsible travel arrangements:

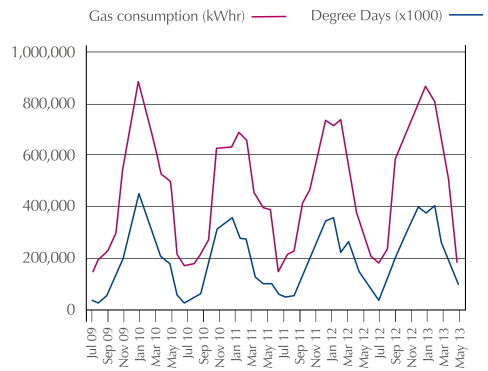
- generally, students may not bring motor vehicles to Cambridge
- Fellows, students, and staff are encouraged to walk or bicycle to work more frequently
- by publicising information on routes, conference and non-conference guests will be encouraged to come to the College by public transport
- work patterns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

Actions and Targets

The College will:

- aim to reduce gross energy consumption by 13% in 2013, 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 2012/13 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.

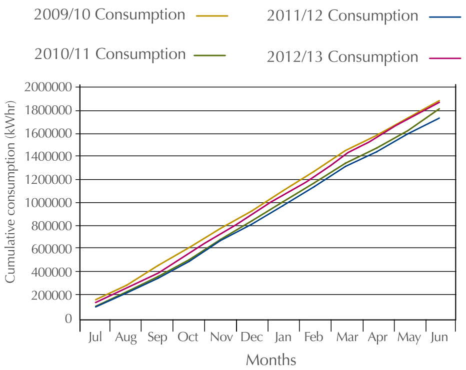
GAS CONSUMPTION/ DEGREE DAYS COMPARISON



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

ELECTRICITY CONSUMPTION by FY 2009 to 2013



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, and we are seeking recertification for 2014
- On 1 April 2010, the Climate Change Act 2008 came into force, which imposed a mandatory carbon trading scheme. Downing was a leader in defining the processes for the Cambridge Colleges to participate jointly
- 2010, Quentin Blake (1953–56: English), an Honorary Fellow and 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 came top (equal with Jesus) in the Colleges' Environmental League Table
- In March 2013, Downing again topped the Colleges' Environmental League Table
- 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
- In 2012–13, the College kept heating running for an additional six weeks because of cold weather, which meant that we used more gas than in any of the preceding three years. Electricity use, while unacceptably high, was lower than that in 2009
- A further four BMS systems were retrofitted to boilers on the Domus
- In 2012, Solar PV was installed on the East Range, contributing 1.76MWh during the first eight months of operation
- Solar PV was installed in the newly converted Griphon House, increasing daily 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 obtained English Heritage support for retrofitting Georgian windows in room C03 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
- In 2013, the College signed up to the 'Student Switch Off' Campaign, designed to emphasise energy savings initiatives; Downing had the highest percentage sign-up rate among the Colleges, and came third overall. We are signed up again for the 2013 Campaign

RESULTS IN THE FORMAT REPORTED TO THE CHARITY COMMISSION

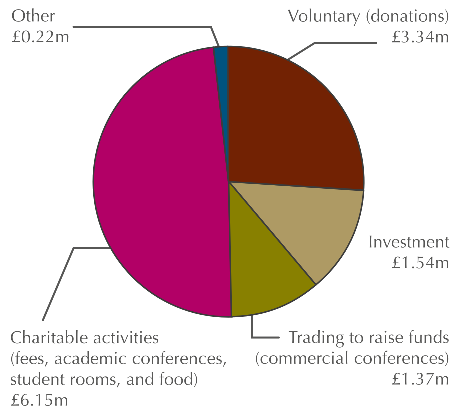
The *Summary Information Return* ('SIR') that is made annually to The Charity Commission is based on *The Charities Statement of Recommended Practice*, which has a different emphasis from that of the standard profit and loss model of accounts that informs *The Statement of Recommended Practice: Accounting 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 (26% of Income) to support its £7.95 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.

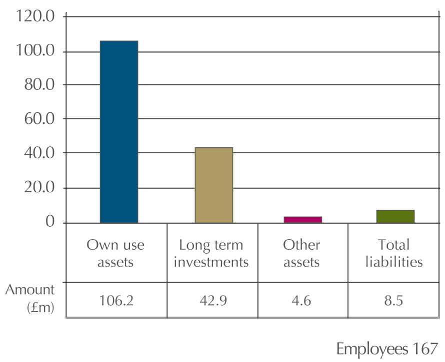
A further chart shows the extent to which funds have been used to support the current year's activities and the extent to which they have been retained for future use, although in many cases that division reflects the terms of the donations.

Compared with 2011–12, income for 2012–13 increased by 13.4% to £12.63 million, principally as a result of increased donations to endowment. Income from charitable activities increased by 7.6%, with the most significant rise being from student charges. Income from commercial conferences was £1.37 million, up 22.1% from last year's £1.12 million; however, there was no change in charitable (i.e. academic) conferences, which remained at £0.8 million. Spending on charitable activities increased by 6.3% to £7.95 million. Of the £3.34 million in donations received during 2012–13, £3.08 million were retained for future use.

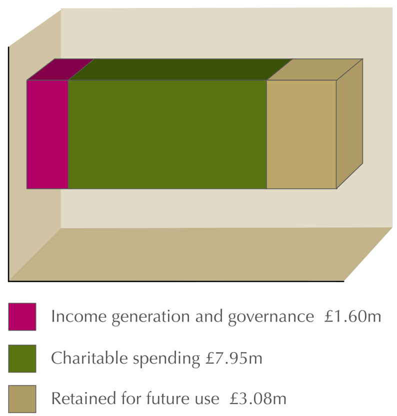
INCOME £12.6 million



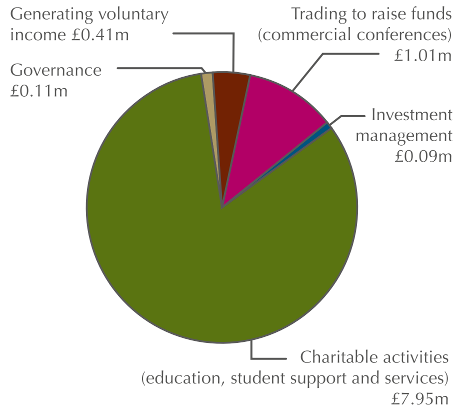
ASSETS, LIABILITIES & PEOPLE



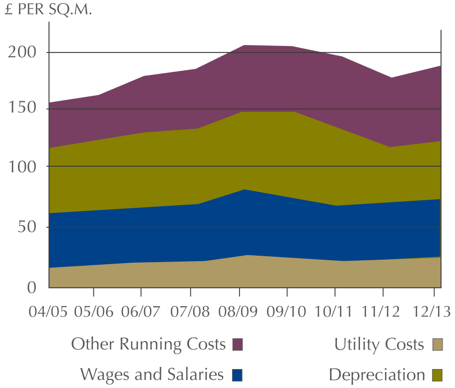
CHARITABLE SPENDING



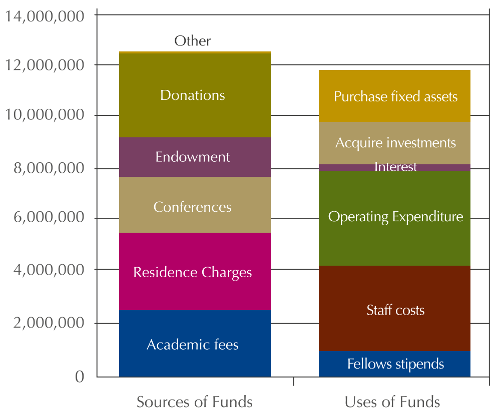
SPENDING £9.5 million



ESTABLISHMENT COSTS



SOURCES AND USES OF FUNDS 2012/13



FINANCIAL REVIEW

Income and expenditure

- Surplus of £0.3 million
- Income up by 4.6%
- Conference Income up by 13.6%
- Premises Expenditure up by 18.3%

Despite a substantial reduction in student numbers, which impacted the level of fee income and rents from unanticipated vacancies, the College achieved a surplus of £0.3 million. Identified as one of the key risks to the College's financial health, a drop in student numbers affects not only academic fees but also the rent roll and catering sales. At the margins, the overall loss on each undergraduate (£3,225) and graduate (£959) is increased, rather than reduced, by any shortfall as the biggest contributor to the costs of providing academic services is the expenditure on the provision of space (20%), which is a fixed cost. One of the most popular Colleges in terms of admissions, Downing had 818 applicants in the admissions round that principally determined the number of undergraduates who matriculated in October 2012. Very few, if any, undergraduates decline their offers; however, inevitably some do not achieve the A level and STEP grades that are a condition of their offers. Unusually, and for a variety of reasons, 8 undergraduates degraded during the year, but have returned this year. Undergraduate numbers are determined by the number that the College is able to accommodate, and that target is static at approximately 125 new entrants in each year. While the total number of undergraduates at the census date on 1 December 2011 was 455, on 1 December 2012 only 436 were registered, leading to a shortfall of £83,000 in anticipated revenue in fees, £68,000 in rents, and an estimated £22,000 in catering sales.

Graduate numbers, however, are set to rise by 2% per year in line with the University's aspiration for expansion. Those numbers are, however, much more difficult to predict due to multiple applications to competitor universities across the world and pressures on grants for students. Further, the College places a value on community, which it believes is best served by continuity within it: this means PhD applicants in the first cohort are prioritised over candidates for one-year courses. The success of this strategy is seen in the chart below in the higher proportion of PhD to MPhil students, relative to the overall proportion in the University numbers. Nevertheless, it introduces an extra element of volatility in a process whose outcome is already unpredictable. The total number of graduate students in residence on 1 December 2012 was 154, whereas in 2011 it was 169. Fees, therefore, fell by £32,000 from year to year and rental voids resulted in a lower increase in the rent roll than would have been achieved through the 8.3% increase in average rents.

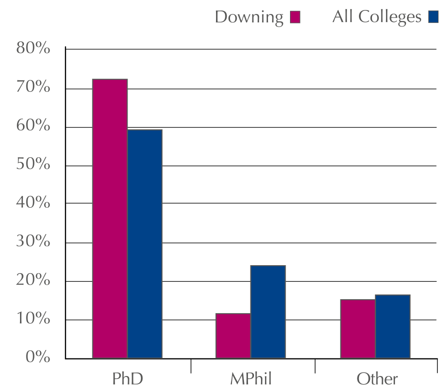
With the introduction of the £9,000 tuition fee for Home/EU undergraduates in October 2012, the College's funding streams changed substantially. Over a 14-year period, education, once seen as a public good has been redefined as a private good for which the recipient must pay. The slashing of funding for undergraduate education in the grant to the University from the Higher Education Funding Council required a re-examination of the respective costs of the Colleges and the University, leading to an agreement that each would receive half of the tuition fee and pay half of the costs associated with the OFFA Agreement in terms of bursaries and the promotion of widening participation. Special funding streams for STEM (Science, Technology, Engineering, and Mathematics) subjects and seed funding for mandated initiatives remains with the University. The transition will be completed when those students on six-year courses graduate in 2018. Despite a rise in RPI from September 2012–13 of 3.2%, there has been no inflationary increase for October 2013, and neither will there be in October 2014.

Some progress was made towards realistic charging for non-academic services; however, the costs of providing student accommodation within a Grade 1 Listed site are in excess of the amount that it is reasonable to charge students, given that the maximum maintenance loan, first introduced in 1990–91 and all but frozen since 2009, is £3,575, against an average rent of £3,598 for 30 weeks and £4,557 for 38 weeks. From 2008–09 to 2013–14, the maximum maintenance loan has reduced in real terms by £427. While those students whose household income is below £25,000 and who are entitled to a maximum Cambridge Bursary of £3,500 are well provided for, students whose household income is above £42,875, who may also have siblings at University at the same time, often struggle, given the prohibition on term-time working. During the year, £278,400 was paid out under the Cambridge Bursary Scheme and £8,978 in response to specific needs.

The College endeavours to compensate for the losses incurred in providing non-economic services by exploiting its assets to the full for the benefit of the beneficiaries of its charitable purposes. During term time, the Howard Conference Centre and public rooms throughout the College are available for day conferences and, when the students are not in residence, the rooms are used for residential conferences with spare capacity used to accommodate bed and breakfast guests. This business generated over £2 million in revenue in 2012–13, yielding an estimated net profit of £0.5 million, but contributing approximately £0.9 million towards fixed expenditure.

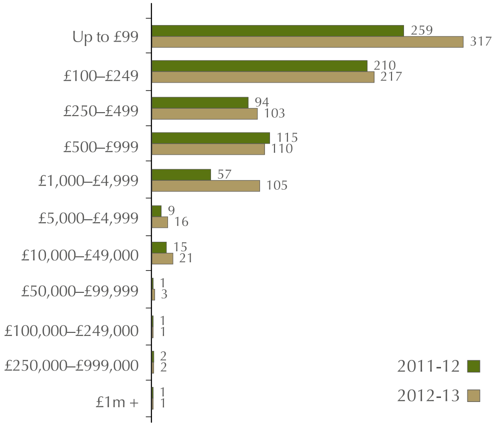
Although the commercial business helps offset operating expenditure, there is nevertheless an intractable gap between the income generated by operations and their cost, which is funded by returns on the investment of the College's endowment. That gap increased in 2012–13 from £1.7 million to £1.9 million. Alumni and other friends of the College have added substantially to the endowment over the years, with an additional £12.6million received to date from the Catalysis Campaign. In order to develop, as well as to sustain, the College, it is necessary to continue to call on the loyalty of old members. In 2012–13, 18% responded to the call, and of the 9,040 living alumni, 34% have given at some point. As the current level of funding education is inadequate, all development depends, in effect, on the recognition of former students of the value of their own College experience and their willingness to ensure that future students can benefit from the same level of individual supervision and pastoral care.

POSTGRADUATE COURSE ANALYSIS

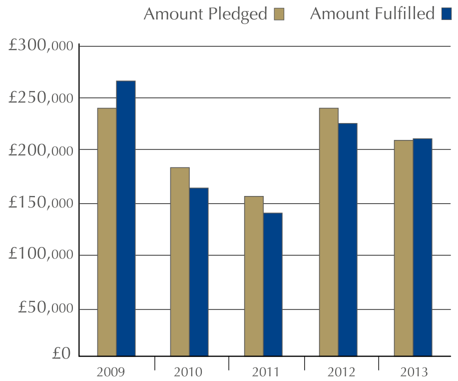


DEVELOPMENT: ALUMNI RELATIONS AND FUNDRAISING

NUMBER OF GIFTS RECEIVED



TELEPHONE FUNDRAISING DONATIONS 2009-2013



- Pledges made and cash received: £4.3 million
- Total Gifts recorded in the accounts: £3.1 million
- Telephone Fundraising Campaign: £0.2 million
- Legacies: £0.6 million
- Participation rate: 20%
- Number of Gifts received: 896

The goal at the beginning of 2012–13 was to reach the midway point of the Catalysis Campaign. In fact, it was not only reached, but also exceeded by £3 million to finish the year at £13 million raised towards the goal of £20 million. This was an unusual year for fundraising in Downing. It was one of the most successful years with donations pledged and received totalling just over £4.3 million. However, what made it unusual was not the total, but the nature of the donations received. In other years with particularly good results, there were usually one or two very large donations or legacies. In 2012–13, this was not the case: there was one particularly large donation and another pledged, but there was also much-needed growth in donations in the middle of the spectrum.

This growth in mid-sized gifts is illustrated in the chart Number of Gifts Received, which shows the number received sorted by size of gift. Gifts in the range £1,000–4,999 nearly doubled and gifts in the £5,000–49,999 range increased substantially in number. This trend is important and augurs well for the future success of campaigns beyond Catalysis.

There are a number of reasons for this growth in mid-level gifts. The Everitt Butterfield Fellowship Committee, chaired by Kate Panter (1981, Medicine) and Luke Nunneley (1981, Law), has a goal of just over £1 million to endow the Fellowship. From the outset, it was agreed that it would be a broad-based project with wide support at all levels. Consequently, most donations to The Everitt Butterfield Fellowship have been between £100 and £10,000. The fund now stands at £650,000, with donations from over 260 alumni. In February 2013, a special reception for the Everitt Butterfield Fellowship was held at the Queen's Gallery at Buckingham Palace with the Duke of Edinburgh in attendance.

The introduction of The 1800 Circle also contributed to this trend. Launched in March 2012 as the newest recognition for donors, and named for the year of the founding of the College, this circle recognises donors who have made a net gift of £1,800 or more in one financial year. Other arrangements in the College recognise cumulative giving over many years, but The 1800 Circle recognises everyone who made a special effort for the College's Catalysis Campaign in that particular year. Members of The 1800 Circle are recognised by a special listing in the List of Donors and invited to an annual lunch hosted by the Master on Alumni Weekend. In 2011–12, 45 such donors were eligible for The 1800 Circle. In just one year, the number of 1800 Circle members increased to 75 members.

Twenty-one alumni events were held. While most were held in College, some were held in London, the United States of America, and Hong Kong. The telephone campaign in April was one of the most successful. Results from the introduction of the 'young giving programme' for alumni donors under 27 years old were pleasing. Commitments were received from two alumni to match donations from this group, so young alumni were offered a 3-to-1 match for their donations. In 2012–13, legacies, usually one of the largest segments of a year's total, amounted to £644,000. Although this amount is lower than that raised in past years, several sizeable legacies, one of £2million, will be realised in 2013–14.

2012–13 also marked the 150th Anniversary of the Downing College Boat Club. Special events in celebration included a reception at the Waterman's Hall and an Honorary Row Past at Henley. The boat included four Olympians. Building on the shared enthusiasm in this special year, the anniversary has been coupled with an effort permanently to endow the Director of Rowing position. Over £200,000 has been pledged with an ultimate goal of £750,000. Special 150th DCBC ties and bracelets were designed for the occasion and have been offered to DCBC members with the proceeds supporting the Director of Rowing endowment.

The tables below show the total funds recognised for the years 2012–13, 2011–12 and 2010–11; the Status of Donors and Members out of Residence in 2012–13, 2011–12 and 2010-11; and attendance at Alumni and Donor events in 2013–14, 2012–13, 2011–12 and 2010–11.

Actual funds recognised during the year

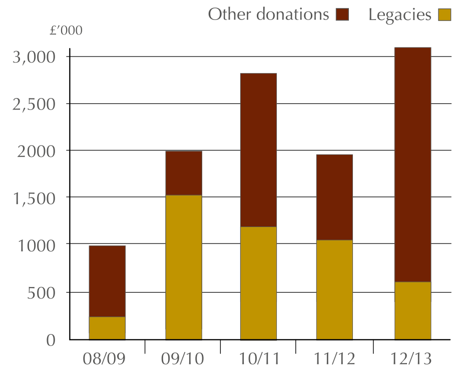
	2012-13 £	2011-12 £	2010-11 £
Unrestricted			
Endowment	857,984	1,287,809	382,846
Annual Fund	150,156	145,679	97,111
	1,008,140	1,433,488	479,957
Restricted			
Student Accommodation	11,583	4,457	4,296
Hall Restoration	5,438	8,274	28,713
Howard Foundation Projects	—	333,060	1,885
Parker's House	1,079,025	850	812,500
Teaching and Research	523,125	265,706	253,046
Student Support	422,218	144,617	1,137,872
Sports & Cultural (incl. Boat Club)	58,290	63,863	59,711
Downing Enterprise Scheme	16,667	50,000	20,000
Other	—	50	44,741
	2,116,344	870,877	2,362,764
TOTAL	**3,124,484**	**2,304,365**	**2,842,721**

In addition, The Segreants Trust (formerly the Boathouse Centenary Trust) received donations of £26,222 during the year, bringing the total it has raised to £1,191,767. Alumni clubs, such as The Segreants, The Griffins, and the Downing College Alumni Association, also raise funds to support members in residence.

CATALYSIS CAMPAIGN

	Cash Received	Further Pledges	Committed Funds
Teaching & Learning	£3.1m	£0.8m	£3.9m
Research & Discovery	£0.3m	–	£0.3m
Heritage & Environment	£2.3m	£0.5m	£2.8m
Support & Services	£0.7m	£0.1	£0.8m
Culture & Community	£0.2m	–	£0.2m
General Endowment	£3.5m	£0.6m	£4.1m
Annual Fund	£0.4m	£0.1m	£0.5m
TOTAL	£10.5m	£2.1m	£12.6m

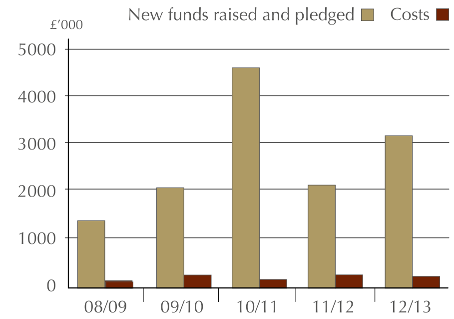
DONATIONS & LEGACIES



Note: Excludes Howard Theatre Donation

Totals over 5 years:
Legacies: £4.7million
Other Donations: £6.3million

NEW FUNDS PLEADGED AND FUNDRAISING COSTS



Note: Excludes Howard Theatre Donation

Status of Members out of Residence and Donors

MEMBERSHIP DATABASE	2012-13	2011-12	2010-11
Number of Members (living and deceased)	10,919	10,685	10,424
including former undergraduates	9,223	9,160	9,015
including former graduates	1,696	1,525	1,408
Deceased	1,879	1,826	1,768
Living Members	9,040	8,859	8,656
Address known (Members in Contact)	7,254	6,998	6,770
including former undergraduates	6,127	5,983	5,839
including former graduates	1,127	1,015	930
% Address known	80%	79%	78%
Email address known	5,835	5,479	5,077
% Email address known (of those whose address is known)	80%	78%	74%
Address unknown	1,786	1,861	1,886
Request not to be mailed	80	117	283

PARTICIPATION RATES			
Living donors this financial year	1,358	1,262	1,147
including former undergraduates	1,220	1,147	1,033
including former graduates	97	84	84
including others	41	31	30
Members who have ever contributed to the College	3,639	3,547	3,463
Living members in contact who have contributed	3,054	2,982	2,934
% of total living members	**34%**	**34%**	**34%**
% of members in contact	**42%**	**43%**	**43%**
Participation Rate this financial year of living members	15%	14%	13%
Participation Rate this financial year of living members in contact	19%	18%	17%
% former undergraduates	**20%**	**19%**	**18%**
% former graduates	9%	8%	9%

Events and other Forms of Contact

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

	2013-14		2012-13		2011-12		2010-11	
	Total	Alumni	Total	Alumni	Total	Alumni	Total	Alumni
1749 Reception: July	103	45	62	39	52	27	59	31
Alumni Day: September	232	143	168	94	171	94	155	110
Association Dinner: September	170	110	148	88	162	96	145	104
Parents Lunch: November	149	1	79					
London Event: October/November	147	121	158	133	107	85	131	120
150th Anniversary of DCBC			158	106				
Griffins' Dinner: January			21	14	16	16	43	23
Year Reps Meeting: January			26	19	28	22	34	27
Catalysis Conference			103	40	98	51	76	49
Reunion Dinner: March/April			141	134	154	148	130	125
Segreants Dinner: April			133	82	38	38	115	66
MA Awards Dinner: May			100	80	109	158	149	130
Donors Garden Party: June			188	72	128	70	221	114
Graduands Reception: June			224		228		300	
Other events			481	341	430	419	464	299
TOTAL			**2,190**	**1,242**	**1,612**	**1,194**	**1,843**	**1,187**

twitter

www.twitter.com/downingcollege
Followers: 1,961
Tweets: 1,051

flickr™

www.flickr.com/photos/downingcollege
Photos: 1,179
Views: 12,032

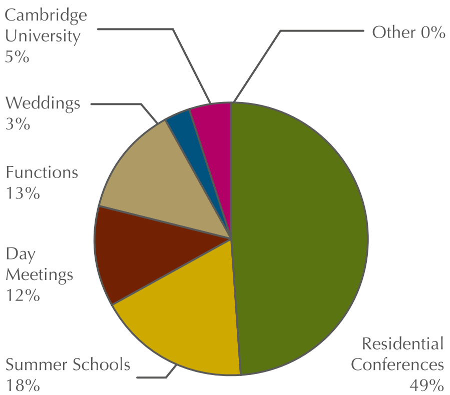
facebook

www.facebook.com/downingcollege
Fans: 3,070

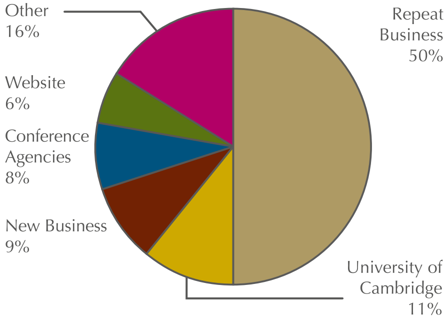
LinkedIn®

Downing College LinkedIn Group
Members: 938

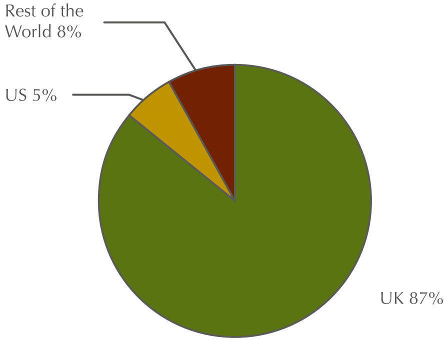
INCOME BY BUSINESS SECTOR



INCOME BY BUSINESS SOURCE



INCOME BY REGION



CONFERENCE SERVICES

- Conference Services income: £2.1 million – up 13.6%
- Charitable Conferences: £0.8 million - flat
- Total roomnights increased from 14,696 to 16,849 – up 14.7%

Conference income increased by 13.6% to over £2.1 million. This growth was driven primarily by corporate bookings rather than by academic conferences, which were flat during the year. Income from both residential and day corporate conferences increased, by 38% and 35%, respectively. This level of business is a possible indication that the cutbacks during the recession have bottomed out and that confidence is returning. The College is also investing more in the marketing of its facilities and the initial marketing of the Howard Theatre is now bearing fruit, another driver of the growth. Furthermore, the additional 22 superior bedrooms in Griphon House have increased residential capacity. The level of repeat business is a satisfying 50% of the total and the College's relationship with University departments, and especially the Judge Business School, is a continuing source of reliable income. The College intends to undertake a major refurbishment of the 30-year-old Howard Building in 2014, thereby improving further the facilities that the College can offer. The project, partly funded by the Howard Foundation, is programmed to take six months. Inevitably, the absence of this major facility will have a negative impact on results for the financial year 2013–14. It is hoped that the partnerships that the College has fostered with its most significant clients will ensure that business lost between January and June 2014 will not be lost permanently.

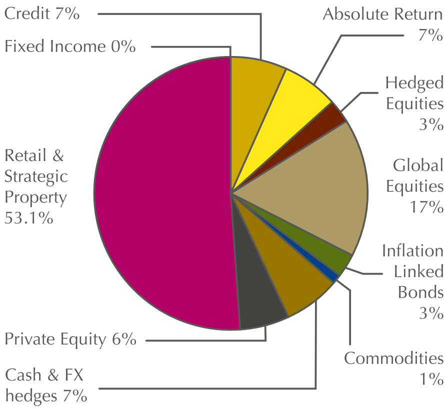
Colleges, the University, nearby conference centres, and local hotels compete to attract conferences, which inevitably puts downward pressure on margins, which the staff are encouraged to resist. Without a river, Downing has had to create a brand that differentiates the College from others. With the advent of the Howard Theatre, the elegant restoration of the Hall, and the modernisation of the Howard Building, 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 among Colleges 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.

REPRESENTATIVE EVENTS IN THE COLLEGE – 1 JULY 2012 TO 30 JUNE 2013

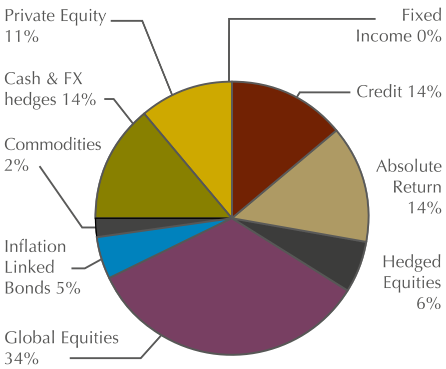
2012	**Group**	**Title**
8–29 July	The Cambridge Shakespeare Festival	The Taming of the Shrew
20 August	ACE	ACE Cultural Tour
30 September	The Blake Society	The Blake Society Freshers' Meeting
3 October	IMS Prussia Cove	Concert
10 October	The Honourable Society of Lincoln's Inn	Presentation and Drinks Reception
11 October	Local World Ltd	Cambridge News Community Awards
29 October	CU HR Equality and Diversity	Annual Race Equality Lecture
31 October	Cambridge Public Policy	Cambridge Public Policy Lecture
13 November	CU Development Office	SQ Symposium (Sultan of Quaboos)
30 November	TIEC	Let's Talk Africa

2013		
16 January	Harvard Business School	Talk by Professor David Collis
6 February	The Blake Society	Talk by John Le Carré
7 February	The Royal Aeronautical Society	The RAeS Cambridge Branch – The 13th Sir Arthur Marshall Lecture
8 February	RAG Committee	RAG Comedy Smoker
19–23 February	Downing Drama Society	Pseudolus: The Liar
4 March	Ecobuild – Dick Taplin	Russian Architects Tour
11 March	Downing College Students	Music Recital
14 March	CUECS	Presentation
1 May	Downing College Music Society	A Concert for Professor Barry Everitt
2 May	THRiVE	WT-CCGHR Inaugural Lecture (GAVI CEO)
18 June	Downing College May Ball	Eastern Odyssey
24–25 June	CU Personal Professional Development	Welcome to Cambridge

ASSET ALLOCATION AT 30 JUNE 2013 (Inc. property)



ASSET ALLOCATION AT 30 JUNE 2013 (Exc. property)



INVESTMENTS

- Total Return: 9.2%
- £17.8 million in securities: 10.8% total return
- £17.1 million in property: 7.6% total return
- Endowment Drawdown: £1.5 million

A College endowment is traditionally held to be a measure of financial resilience and soundness of stewardship. The Downing model is more complex. Under-endowed from its beginning, the College, relative to the size of its student body, has a small endowment, well below the median of £51 million. Given the vicissitudes of the financial markets, the College has chosen to develop its commercial business over which it can exert greater direct control. Significant investments have been made in facilities that attract high-end conferences, but also benefit the student community. In its calculation of a College's endowment, the intercollegiate taxation system recognises this contribution to financial strength, by taxing an assumed profit: a comparison of College endowments does not tell the whole story.

Nevertheless, the College remains in a poverty trap. The endowment supports core activities, and it is able to make use not only of unrestricted funds, but also of restricted funds: decreases in value that can result from the volatility inherent in assets with the potential for high returns can, therefore, have unacceptable consequences. To counter this risk, the securities portfolio is constructed to limit losses, theoretically protecting the College from two-thirds of any fall in value; this cautious approach necessarily also moderates the size of gains, with a theoretical sacrifice of one-third of a rise in worldwide equity markets. In the last three-year period in which the FTSE All Share declined in only 3 quarters, the portfolio gained 8.1% (net of fees and expenses) compared with a return of 12.8% in the FTSE All Share, 18.4% in the S&P 500 and 12.0% in the MSCI AC World, from which no fees and expenses are deducted. Applying the typical fee of 0.3% charged on a passive index reduces the FTSE All Share return from 12.0% to 11.6%. Disappointment in missing out on the returns achievable by perfect market timing must be countered by the recognition that the College is not in a position to call the market.

By the end of the year to June 2013, while the FTSE All Share had gained 17.9% and the S&P 500 returned 20.6%, the securities portfolio returned only 10.9% but contributed £1.6 million. This result was in line with the 11% returned by the Partners Capital Charitable Endowment Peer Group[9] Index ('CEPI') but more than the 9.5% returned by The Partners Capital Charitable Endowment Asset Allocation Index ('CEAAI'). During the same period, the Harvard Management Company, the Yale Endowment, and the University, all of which include property, achieved 11.3%[10], 12.5%, and 20%, respectively. The five-year average returns on each portfolio were: Harvard 1.7%, Yale 3.4%, and the University 8.3%. Over the same period, the College's overall portfolio returned 5.3%

Partners Capital, on whom the Investment Committee relies for advice on asset allocation, choice of fund managers, and, on occasion, other financial advice, resists market timing, believing that it is more prudent to focus on constructing a portfolio consisting of diverse assets with low correlation to each other, expressing the level of risk by calculating the Equity Net Equivalent Beta ('ENEB') across all investments, excluding the College's property holdings, and the relationship of risk to return measured by the Sharpe Ratio. For the majority of 2012–13, the ENEB was just under 60%. The Committee reviews the portfolio's performance against a series of different benchmarks. It keeps under review whether the returns justify the level of fees demanded by managers of some asset classes; the extent to which exposure to foreign currencies should be moderated by foreign exchange hedges, given that the College's liabilities are in sterling; the volatility that the College can sustain, balancing immediate needs with an infinite investment horizon; and the requirement for liquidity within the portfolio.

9 The peer group consists of £1.3 billion of invested assets across 21 institutions.

10 http://www.hmc.harvard.edu/docs/Final_Annual_Report_2013.pdf

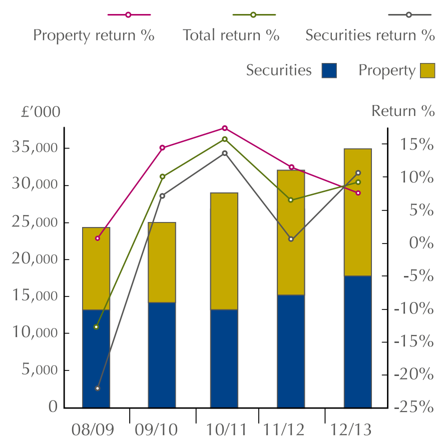
During the year, the portfolio's most significant contributionin terms of gains was from global equities of £1.0 million, 20.1% in percentage terms. The most disappointing investment was in commodities, which lost 5.8% on a much smaller stake (£0.4 million)

As at the most recent measurement date of 30 September, the portfolio had an ENEB of 66% and an expected standard deviation of 11.2%, in line with an ENEB of 67% and expected standard deviation of 11.3% in the Strategic Asset Allocation ('the SAA'). For this most recent quarter, the portfolio returned 1.7%, bringing the calendar year-to-date return to 7.4%, compared with a return of 8.8% in the SAA. The underperformance is attributable to a 3% overweight position in emerging market equities relative to the SAA, as emerging market equities have fallen in value relative to developed market equities. Since inception the portfolio has returned 6.8%, while the SAA has returned 7.9%. The underperformance of 1.1% reflects the effects of an underweight position in gilts in the second half of calendar 2011, together with fees.

Property

The core property portfolio consists of shops, restaurants, and offices on Regent Street and forms the east border of the College grounds. As a result of the buying back of the head lease on Parker's House, improvements in the quality of tenants, the reduction in voids, and an overall improvement in the Cambridge economy, its value has increased by 57.3% from £10.9 million at 30 June 2008 to £17.1 million at 30 June 2013. The portfolio yields £1.2 million in rents, thus providing a substantial part of the liquidity necessary to meet the College's spending needs and enabling the securities portfolio to benefit from the inclusion of more illiquid assets. However, some £4.2 million of this value will be transferred into operational assets on the conversion of the upper floors of Parker's House into student accommodation, resulting in a reduction of commercial rents of £0.3 million, only partly offset by the net yield on student rents. To compensate for this shortfall, the College is actively fundraising for this project.

ENDOWMENT & TOTAL RETURN

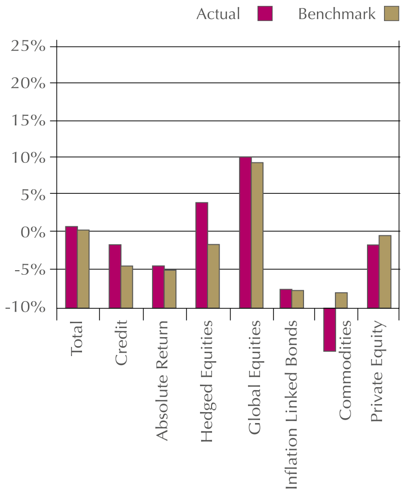


Securities

2004-05 to 2008-09: Discretionary Fund Manager

From 2009-10: Advised by Partners Capital

SECURITIES RETURN AGAINST BENCHMARKS

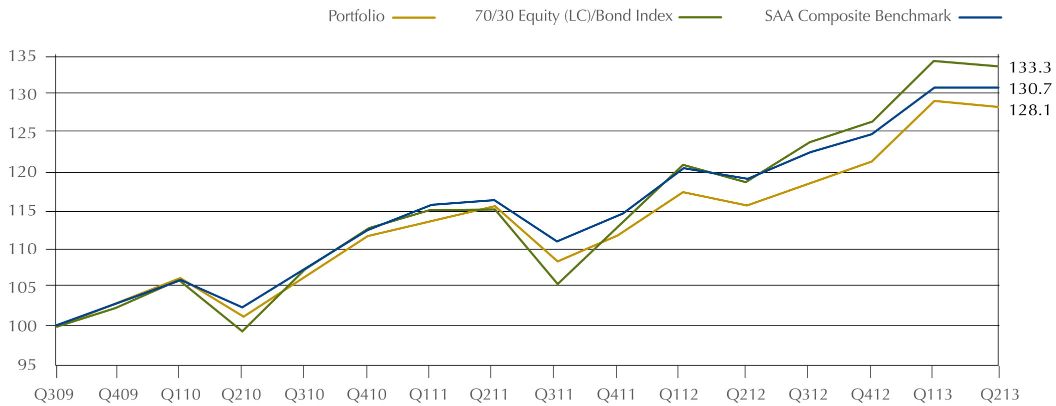


Distributions for Spending

The spending rule ensures that investment returns are smoothed to protect operations from the volatility of returns and that the amount available for spending is known in advance. This year, the drawdown amount of £1.5 million was broadly similar to that in previous years, adjusting the amount taken out to compensate for the overspend between 2009 and now in times of portfolio losses.

Since 2011, the calculation for the distribution for spending for all funds has included the total return from the property portfolio, whereas before property returns were assigned for general purposes. The formula applies a weight of 70% to the previous year's distribution, increased by RPI+1% (a standard measure of inflation for the education sector) and 4.5% of the average for the last twelve quarters of endowment capital values. The distribution for 2013–14 increased to £1.01 per unit (on a unit value of £22.17) versus £0.99 per unit for 2012–13 (on a unit value of £21.39). The distribution for 2013–14 represents a yield of 4.70% on the three year average fund unit value and 4.56% on the closing fund unit value as at 30 June 2013. When the yield falls to 4.5% in both calculations, the portfolio's value will have recovered from the overspend from 2009 to the present, which was one consequence of the 2008 financial crash. If the yield drops, the portfolio retains returns as a cushion against future downturns. In setting the spending rule, the Committee is conscious of the need to balance the claims of present with future beneficiaries and aims to preserve the purchasing power of the endowment. Since the inception of this portfolio in the fourth quarter of 2009, educational inflation has run at 20.2%, while the total return on the portfolio has been 30.2%. However, adjusting for a spend rate of 4.5%, the purchasing power of the portfolio has been eroded by £0.4 million.

CUMULATIVE PERFORMANCE SINCE INCEPTION - value of £100 invested



Composition of Investment Portfolio

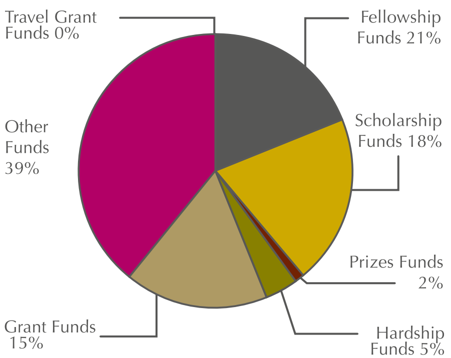
	30 June 2013 £	30 June 2012 £	30 June 2011 £
1. Securities			
Core Portfolio Cash*	2,568,000	1,150,120	143,808
Forward Foreign Exchange Hedges	(130,556)	20,179	(34,448)
Fixed Income	—	977,115	846,090
Credit	2,445,001	1,749,672	1,288,258
Hedged Equities	1,034,564	3,516,628	3,614,725
Global Equities	6,050,458	4,314,086	4,096,841
Private Equity	2,065,922	1,930,040	1,898,207
Inflation Linked Bonds	979,154	801,863	784,816
Commodity Fund	399,767	424,219	518,786
Total	17,838,533	14,883,921	13,157,083
Other Private Equity**	—	12,098	15,878
TOTAL SECURITIES	17,838,533	14,896,019	13,172,961
2. Property			
Office	10,209,966	10,151,704	9,707,776
Retail	6,869,294	6,737,556	6,371,484
TOTAL PROPERTY***	17,079,260	16,889,260	16,079,260
TOTAL PORTFOLIO	34,917,793	31,785,279	29,252,221

** 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 £5,235,000 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.*

ENDOWMENT RESERVES



CAPITAL AND RESERVES

- £141.5 million in capital and reserves - up 2.8%
- £104.5 million in buildings
- £34.9 million in investment assets – up 9.9%
- £1.7 million in benefactions and donations transferred to Partners Capital
- £13.4 million in general reserves – up 16.3%

During the year the College's capital base increased by 2.8%. This improvement was the result of (i) a surplus on operations of £0.4 million, (ii) benefactions and donations £1.7 million, and (iii) unspent returns on the investment portfolio of £1.2 million. These additions to reserves, however, were once again offset by further actuarial losses on the closed staff pension scheme, Cambridge Colleges Federated Pension Scheme ('CCFPS') (£0.4 million). The benefactions of £1.7 million added to the endowment, were in addition to contributions of £1.1 million to building projects and of £0.2 million to 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 a return of 10.8% in the Securities Portfolio and 7.6% in the Property Portfolio, led to an overall increase of £3.1 million in Investment Assets. At the end of the year, therefore, Investment Assets stood at £34.9 million, an increase of 9.9%.

General reserves have increased by 16.3% (£1.9 million), which at year end stood at £13.4 million. The value of investments held by general reserves increased by 5.5% (£0.6 million). There was a further increase of 11.4% (£1.3 million) due to the transfer from the designated buildings reserve as a result of deferred capital donations largely for the Parker's House project.

Taken together, these transactions accounted for an addition of £3.9 million for an ending balance on capital and reserves of £141.5 million.

CASH FLOW

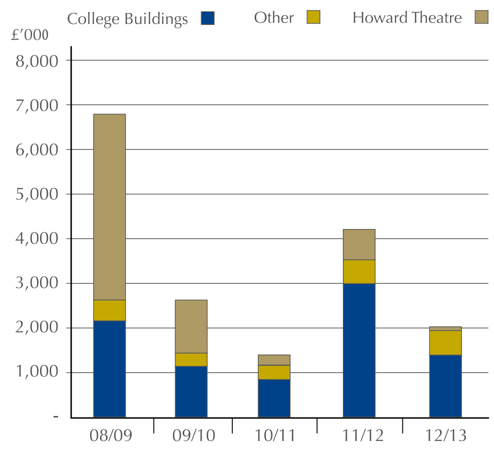
- Cash generation: £1.3 million
- Cash flow from earnings before depreciation and interest expense: £1.6 million
- Total capital expenditure excluding donor-funded and special projects: £1.4 million

Cash generated by all activities resulted in an increase of £1.3 million in cash balances, with cash held at year end of £3.6 million. Cash generation from operating activities before the effects of working capital, however, covered expenditure to achieve break even, which was slightly down on last year's result, reflecting the limits of cost control programmes. Endowment income less interest payable contributed a further £1.3 million of cash.

The sale of 65 Lensfield Road, completed in September 2012, contributed £1.2 million, which repaid general funds that had been used to convert an office block on the College perimeter into 22 en-suite rooms, the funding of which had been predicated in part on the sale of this property. Excluding this special project and other works funded by donations, from the total capital expenditure of £2.0 million, leaves a balance of £1.4 million, which was covered by earnings before depreciation of £1.7 million. For the third 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 £3.1 million, demonstrates the College's reliance on the generosity of alumni both to develop and to sustain its activities. Of this, £1.1 million was received for the Parker's House project, resulting in cash of £1.6 million held specifically for the project, and £1.7 million was passed over to Partners Capital for investment, compared with £2.1 million last year.

CAPITAL EXPENDITURE



INVESTMENT FOR THE FUTURE

On completion of Griphon House, attention turned to student facilities. During the summer of 2012, the Lord Butterfield Cafe and Bar was completely remodelled. While some elements of the College are timeless, the Bar is subject to frequent makeovers in response to student demands. This time, not only did fashion dictate "shabby chic", but major structural work increased the useable space and integrated the upstairs and downstairs. A licence to sell Costa Coffee and the invitation to passers-by using the rat-run between Regent Street and the Downing site laboratories have helped make the venue both popular and profitable. The permanence of listed architecture limits the College's ability to respond to contemporary trends, which gives the Butterfield Building an importance that its location within the car park might not otherwise claim. The most significant investments are not necessarily in the grandest buildings. Just as the provision of informal meeting space has enhanced the student experience, better parking arrangements with easy access through number-recognition technology have improved the facilities for Fellows, staff, and visitors.

Planning permission for the conversion of the Parker's House office space into 77 student rooms (71 ensuite) was granted in March, which was a pleasing outcome for the considerable expenditure of money and resources in reaching that stage. Although there are opportunities to gauge the likelihood of gaining consent, investment in the early stages of a building project are necessarily speculative. The application for planning consent for the ancillary parts of the project – the Art Gallery, the Workshop, and the Pavilion – has yet to be determined.

TEN YEAR CAPITAL PROGRAMME

At 1 October 2013

Net current rooms refurbished or acquired in last ten years (2004–2013): 180 (37%)

Total Student Rooms: 488

Restoration and Major Refurbishment

Year	Building	Number of Student Rooms if Applicable
2004	N Staircase	18
	24 Lensfield Road	16
	J and M Kitchens	
2005	28 Lensfield Road	8
	Kitchen Refurbishment	
2006	54 Lensfield Road	7
	Parlour Extension and Offices	
2007	50 Lensfield Road	7
	Hall	
	U Staircase	
2008	Howard Lodge	32
2009	V Staircase	
2010	Howard Theatre	
	Boathouse Flood prevention	6
	Master's Lodge Flat	
	H Stair Bathrooms and Kitchen	
2011	Master's Lodge Roof	
	Parker's House Top Floor (Conference use)	
	K and L Staircase Bathrooms (12)	12
	Howard Lodge bathrooms	
2012	Griphon House (formerly 14 Regent St)	22
	Butterfield Building	
2013	Chapel Ramp	
	Rose Garden Flat (part)	
	40/42 Lensfield Road	19
Total		**147**

New and Acquired Buildings, Land, and Leases

Year	Location	Number of Student Rooms (if Applicable)
2004	65 (a-d) Devonshire Road (Collins Court)	20
2005	96a Regent Street (Flats)	3
2006	76 Regent Street	4
2009	70 Regent Street	6
	Howard Theatre	
	Groundsman's Store (Barton Road)	
2010	14 Regent Street (conversion to 22 student rooms)	
2011	Parker's House (top floor change of use)	
2012	Nil	
2013	Barton Road Development Consortium	
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
2013	1, 2 and 3 Gonville Place (leases terminated)	26
Total		**55**

FINANCIAL OUTLOOK

Measures taken as a consequence of the effects of the financial crisis of 2008 have helped the College return a surplus on its activities. The painful decision taken to appoint stipendiary Research Fellows only if externally funded or funded from restricted funds and to limit the number of College Teaching Officers to those already established has freed up £136,000 annually in general funds, which equates to £3.4 million in capital. Targeted fundraising will help increase contributions to the funds endowed for this purpose, which, if all were deployed for this use, currently stand at £4.2 million. However, some multi-use but subject-specific funds that are currently used for general educational purposes may be required to meet a need for new Fellows, for example, in Law. The need to continue to meet intercollegiate standards for the educational and pastoral care of students acts as a constraint on other activities. In order to meet these obligations, the College is limited in its ability to expand its commitment to research.

The successful issuance of the long-term bond will help advance some of the plans for refurbishment, some of which – such as the imminent works to the 30-year old Howard Building – will help preserve the College's position in the Cambridge conferencing business and generate new revenue. The cost of providing the establishment, of housing 515 students and of providing office space for the Fellowship and support staff represents 49.6% of the cost base and continues to rise. This year, the cold weather and the unit price rise in gas added £52,186, and there is every reason to expect these costs to rise again, despite the many improvements to energy efficiency. Because of the rise in the cost of living, there are pressures for annual increases in pay beyond the 1% that has been awarded to academics for the past 5 years and to support staff for 5 years (on average).

Alumni and friends have responded generously in providing funds to underpin existing activities and to enable initiatives, and the Catalysis Campaign has been a success. However, its goal was set, it seems, almost in a different era, in what in retrospect looks like a period of optimistic expansion. Tuition fees have been frozen for a second year, but student expectations increase; the conference business is highly competitive, with new entrants; costs are rising, with limits on the College's ability to pass them on either to conference guests or to students; but the one bright spot is the recognition on the part of alumni that the education that they received has in many cases underpinned their success and that the institution that provided it is worth their support.

PLANS FOR THE FUTURE

The College continues to raise funds to ensure that its endowment is sufficient to withstand the vicissitudes in the funding of higher education. It is nevertheless necessary to develop and shape the future. The conversion of Parker's House will not only mean that all students who wish to do so may live within the Domus: it will also create a new court, First Court, which commemorates the link with Harvard through Sir George Downing, 1st, and include within it an Art Gallery. The Gallery will contribute to the visual arts within Cambridge and extend the College's cultural activities beyond those made possible by the Theatre and the new organ.

On behalf of the Governing Body:

Prof G R Grimmett, Master

Dr Susan Lintott, Senior Bursar

Date: 18 December 2013

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

Financial Year End:	2013	2012	2011	2010	2009
1. Education					
Tompkins Tables[11]	12	20	17	15	15
Undergraduate classification of degrees					
1st	87	82	76	81	82
2:1	228	219	217	209	202
2	17	34	45	41	31
2:2	50	60	50	47	61
3	8	14	8	14	11
Pass	14	13	15	16	17
DDH	5	4	8	9	6
Ordinary	0	0	1	0	0
Fail	2	1	1	0	3
Nos. of Special Prizes[12]	14	13	9	6	17
Graduate degrees awarded:					
PhD (including MB PhD)	35	38	42	38	33
MPhil, LLM, MBA et al	47	65	54	38	35
MB BChir [*CLIN Medics Graduating as a group in Nov 09]	9 (inc 2xVetMB)	12(inc2x VetMB)	12(inc2x VetMB)	2*	9
2. Admissions					
Number of Open Days					
College Open Days	5	3	4	4	4
University Open Days	2	2	2	2	2
South West Open Days	1	1	1	1	1
Numbers visiting Open Days	1,046	1,022	1,041	1,195	1,121
% subsequently applying to Downing (in October following)	19%	19%	19%	21%	21%
Applicants from South–West initiative (October following)	40	31	44	44	33
Applicants from South-West non-selective schools (included above)	27	23	38	31	23
Admissions from South-West non-selective schools	4	4	8	1	4
Extenuating Circumstances Scheme (formerly Cambridge Special Assess Scheme: CSAS) Applicants	32	34	35	32	25
Extenuating Circumstances Scheme Admissions	5	3	4	5	6

11 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.

12 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:	2013	2012	2011	2010	2009
2. Admissions continued					
Total Number of Applicants for Undergraduate Courses (in October following)	879	818	769	719	686
% Women: % Men	47:53	44:56	43:57	45:55	45:55
Applicants from Maintained Schools	391	383	381	358	356
% Maintained/ % Independent	59:41	61:39	62:38	60:40	61:39
Admissions (Including Summer Pool)	120	125	132	128	130
% Women: % Men	43:58	45:55	42:58	38:62	47:53
Admissions from Maintained Schools	63	61	72	69	72
% Maintained/ % Independent	59:41	56:44	58:42	58:42	59:41
Applications by subject					
Asian & Middle Eastern Studies	6	6	4	3	1
ASN&C	1	2	2	4	—
Archaeology & Anthropology	—	4	3	6	4
Architecture	28	24	18	24	29
Chemical Engineering via Engineering	16	11	—	—	8
Chemical Engineering via Natural Sciences	20	18	—	—	—
Classics	12	13	9	12	13
Computer Science	17	15	10	5	4
Economics	77	70	77	78	37
Education	5	1	1	—	—
Engineering	111	105	91	59	72
English	21	27	20	31	26
Geography	42	26	31	29	38
History	21	19	13	23	33
History of Art	2	4	3	6	2
Human, Social & Political Sciences	35	—	—	—	—
Land Economy	17	13	19	13	12
Law	81	77	70	103	74
Linguistics	1	3	4	3	—
Mathematics	35	38	30	37	26
Medicine	91	102	125	82	113
Modern & Medieval Languages	17	25	19	21	26
Music	4	3	2	1	2
Natural Sciences (Biological)	77	75	67	68	60
Natural Sciences (Physical)	84	88	94	59	70
Philosophy	5	6	5	8	7

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2013	2012	2011	2010	2009
2. Admissions continued					
Psychological & Behavioural Sciences	24	—	—	—	—
Theology	9	5	5	3	5
Veterinary Medicine	20	8	13	13	5
Ratio of Applications to Offers	6.0:1	5.7:1	5.3:1	4.9:1	4.8:1
% Applicants who are admitted	14.1%	14.7%	16.3%	18.4%	18.7%
% South West Applicants who are admitted	7.4%	17.4%	10.5%	25.8%	4.4%
Total University Full-Time Undergraduates[13]	11,820	11,948	11,945	12,192	12,006
% Female: % Male	47:53	47:53	47:53	48:52	49:51
Total Full-Time Downing Undergraduates	436	455	446	445	442
% Female: % Male	41:59	41:59	43:57	44:56	47:53
Numbers of Undergraduates leaving before graduating	4	2	0	0	1
Total University Full-Time Postgraduates[13]	6,451	6,246	6,346	5,795	5,521
% Female: % Male	44:56	45:55	45:55	46:54	45:55
Total Downing Full-Time Postgraduates[13]	154	169	163	165	183
% Female: % Male	39:61	42:58	36:64	39:61	34:66
Total University numbers entering course for the first time which attract undergraduate fees[13]	3,536	3,663	3,630	3,951	3,999
% Female: % Male	48:52	47:53	48:52	47:53	47:53
Downing numbers entering courses for the first time which attract undergraduate fees[13]	130	133	141	148	145
% Female: % Male	40:60	41:59	44:56	39:61	46:54
Total University numbers admitted to full-time postgraduate courses in the previous twelve months[13]	3,930	3,794	3,962	3,346	3,101
% Female: % Male	46:54	47:53	47:53	49:51	48:52
Downing numbers admitted to full-time postgraduate courses in the previous twelve months[13]	76	94	80	72	91
% Female: % Male	33:67	45:55	38:62	40:60	35:65

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

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2013	2012	2011	2010	2009
3. Composition of Full-time Students[13]					
Undergraduates					
Home	370	397	403		
EU	26	24	15		
Overseas	40	34	28		
Total	**436**	**455**	**446**		
Postgraduates					
Home	61	59	53		
EU	40	42	44		
Overseas	53	69	66		
Total	**154**	**170**	**163**		
4. Financial Support for Students: Number of Students Receiving Grants					
Cambridge Bursary Scheme (formerly Isaac Newton Grants)	111	111	105	92	79
Cambridge Commonwealth Trust	4	12	8	12	9
Cambridge European Trust	1	5	8	12	12
Cambridge Overseas Trust	12	24	21	9	20
Gates Cambridge Trust	-	3	5	4	6
Average value of Cambridge Bursary Scheme Grants	£2,508	£2,585	£2,435	£2,099	£1,809
5. Accommodation					
Average Weekly Rent Undergraduate Study Bedroom	£119.92	£109.14	£103.33	£96.46	£90.41
Average Weekly Rent Graduate Study Bedroom	£115.46	£112.29	£106.62	£99.69	£94.57
Undergraduates Housed in College Accommodation	378	384	389	379	373
Graduates Housed in College Accommodation	120	117	101	106	117
Total Units of Student Accommodation	515	505	505	502	498
6. Student Catering Income					
Lunch	£79,144	£88,728	£102,142	£90,991	£71,700
Dinner	£90,412	£90,584	£92,525	£94,625	£83,495
Café	£74,890	£41,502	£56,201	£65,367	£71,449
Formal Hall	£54,250	£53,520	£49,590	£42,459	£35,278

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2013	2012	2011	2010	2009
7. Conference & Functions					
Conference and Function Income	£2,130,084	£1,875,620	£1,886,940	£1,616,911	£1,214,086
Total Room nights	16,849	14,696	14,743	11,410	13,927
Capacity Utilisation Total Conference Rooms	35.0%	32.6%	—	—	—
En—suite Rooms	33.2%	33.0%	—	—	—
Average Price Achieved per Room Used	£52.46	£50.65	£46.08	£49.57	£39.82
8. Development and Fundraising					
Development Campaign Cash Recognised (including by The Segreants Trust)	£3,150,706	£2,325,775	£2,856,898	£2,721,334	£1,794,462
Living donors as a % of members in contact	42.1%	42.6%	43.3%	43.9%	44.6%
Participation Rate this Financial Year of Living Members in Contact	19%	18%	17%	18%	19%
Direct Fundraising Costs:					
Donations Raised excluding Legacies and the Howard Gift	7:1	3:1	7:1	1:1	2:1
Donations Raised including Legacies but excluding the Howard Gift	9:1	6:1	11:1	6:1	3:1
Donations Raised including Legacies but excluding the Howard Gift (5 year average)	7:1	6:1	6:1	4:1	4:1
9. Income and Expenditure					
% Surplus (Deficit) Turnover	2.8%	3.0%	(4.4%)	(10.0%)	(16.2%)
% Surplus (Deficit) Free Reserves[14]	2.0%	2.4%	(2.7%)	(53.7%)	(53.7%)
Staff costs as a % of Turnover	44.2%	43.6%	45.1%	48.7%	51.3%
£ per sq.metre cost of upkeep of Buildings	£173.40	£177.01	£193.93	£202.85	£204.77

14 Definitions changed in 2010-11

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2013	2012	2011	2010	2009
10. Charitable Funds					
Charitable Funds Invested (including Works of Art, etc.)[14]	£42,860,536	£39,732,187	£36,425,533	£30,408.247	£28,740,332
Endowment Assets less loans per Full-Time Students[14]	£63,323	£54,771	£50,781	£40,844	£37,197
Capital Value per Unit	£22.17	£21.39	£21.02	£19.37	£19.16
Spending Rule Amount[15]	£1,543,197	£1,505,631	£1,467,740	£1,497,688	£1,830,995
Spending Rule Amount as % Income	16.0%	16.3%	16.6%	18.1%	23.2%
Spending Rule Amount as % Income (Five Year Average)	17.9%	19.3%	20.7%	21.6%	22.1%
Spending Rule Amount as % Investment Portfolio	4.4%	4.7%	5.0%	5.9%	7.6%
Total Actual Endowment Withdrawal[16]	£1,630,510	1,243,975	2,704,863	1,637,621	3,732,923
Total Actual Endowment Withdrawal as % of Charitable Funds	3.8%	3.1%	7.4%	5.4%	13.0%
Performance of Core Securities Portfolio (net of fees)	10.8%	0.0%	14.0%	7.2%	(21.71%)
Annual Three-year Cumulative	8.1%	6.9%	(1.5%)	(6.7%)	(6.0%)
Annual Five-year Cumulative	1.2%	(1.6%)	0.3%	(0.5%)	0.8%
Performance of Property Portfolio	7.6%	11.4%	17.4%	14.1%	1.1%
Annual Three-year Cumulative	12.1%	14.3%	10.6%	2.4%	(0.4%)
Annual Five-year Cumulative	10.2%	7.0%	5.8%	5.5%	4.4%
11. Inflation Measurements					
RPI	3.3%	2.8%	5.0%	5.0%	(1.6%)
RPIX	3.3%	2.8%	5.0%	5.0%	1.0%
HEPPI – now discontinued	—	—	—	2.2%	4.9%
Tender Price Inflation (October – October) Davis Langdon Tender Price Index	2.0%	0.5%	(0.5%)	(2.0%)	(10.4%)

15 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).

16 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:	2013	2012	2011	2010	2009
12. The Fellowship					
Fellowship **(as of 1 October 2013)**	50	52	53	52	52
University Principal Employer	36	38	39	37	39
Professors	14	14	13	12	13
Readers	4	2	4	4	3
Senior Lecturers	7	6	6	6	5
Lecturers	8	11	12	12	13
Other	3	5	4	3	5
College Teaching Officers	2	2	4	4	4
Research Fellowships	3	3	2	3	3
Stipendiary	3	3	2	3	2
Non-stipendiary	-	-	-	-	1
Administrative + Chaplain	4	4	4	3	3
Female	14	14	16	16	16
Male	36	38	37	36	36
Resident	5	7	8	8	7
Non-Resident	45	45	45	44	45
13. Support Staff					
Support Staff Headcount	143	139	135	137	138
Female	81	82	78	81	81
Male	62	57	57	56	57
Turnover					
Appointments	22	30			
Retirements	2	3	2	2	3
Resignations	13	18	21	18	21
Deceased	1	1	—	—	—
Dismissal/Redundancy	2	4	4	1	—
Days Sickness		895	1,123	1,508	1,264
Reports under RIDDOR	944	1	1	—	2
Members in the USS Pension Scheme	74	78	86	95	60
Members in the CCFPS Pension Scheme At the Triennial Actuarial Valuation 31 March	2	4	4	4	38
Pensioners	—	—	27	—	—
Male	—	—	12	—	—
Female	—	—	15	—	—
Deferred	—	—	59	—	—

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2013	2012	2011	2010	2009
13. Support Staff continued					
Male	—	—	31	—	—
Female	—	—	28	—	—
Active Members	—	—	4	—	—
Average Age	—	—	51.7	—	—
Male	—	—	2	—	—
Average Age	—	—	59.5	—	—
Female	—	—	2	—	—
Average Age	—	—	43.8	—	—
Members in Money Purchase Scheme	7	5	3	2	—
Members of Previous College Staff Scheme (Retired)	5	5	6	7	7
14. Pensions					
Pension fund Assets (CCFPS) at Trienneal Valuation Assets	—	—	£3,551,000	—	—
Past Service Funding Level Deficit	—	—	(£274,000)	—	—
Funding Level %	—	—	93%	—	—
15. Environmental Measures					
Colleges Environmental League Table	1	1=	6	1	5
Management Rank	2=	1	6	2	4
Management Score	86%	NA	71%	73.6%	61.4%
Energy Rank	7	NA	4	7	10
Energy Score	42.6kWh/p/day	30.0kWh/p/day	57.0kWh/p/day	60.0kWh/p/day	72.0kWh/p/day
Water Rank	2	NA	5	6	5
Water Score	166 litres/p/day	<250 litres/p/day	279 litres/p/day	275 litres/p/day	297 litres/p/day
Recycling Rank	2	NA	12	1	15
Recycling Score	64%	92.1%	65%	97.6%	56.5%
Water Use	£84,706	£78,662	£62,460	£76,630	£71,989
Gas Use	£180,292	£163,061	£140,637	£128,415	£233,969
Electricity Use	£192,065	£157,110	£163,981	£201,318	£178,971
Gas unit price (p/kWh)	2.32p	2.548p	1.9804p	1.9804p	3.402p
Electricity unit price (p/kWh)	9.236p	7.905p	7.905p	10.533p	10.533p

COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS CONTINUED

Financial Year End:	2013	2012	2011	2010	2009
15. Environmental Measures continued					
Scope 1 Carbon Emissions					
Gas (Tonne/CO2e)	1070	1,198	903	1,006	1,175
Fuel (Tonne/CO2e)	<1	<6	<1	<1	<1
Scope 2 Carbon Emissions					
Electricity (Tonne/CO2e) ** (adjusted for inclusion of Howard Theatre)	950	990	979	1,002	1,008
16. Governance					
Freedom of Information requests	25	14			

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 2012–13, the College received £142,489 in refunds on purchases of £5.5 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[17] .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.

17 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 2013 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 66, 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 2013 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

Peter

Date: 19 December 2013

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 2013. 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 2013 when measured against the previous year's market value was 4.7%.

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 2013.

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 £72,000 (2012: £15,000) which is credited to permanent endowment.

PENSION SCHEMES

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

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

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

Principal Accounting Statements

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

	Note	2013 £000	(Restated) 2012 £000
Income			
Academic Fees and Charges	1	2,596	2,662
Residences, Catering and Conferences	2	5,044	4,582
Endowment and Investment Income	3	1,548	1,529
Donations	4	468	434
Other Income		229	31
Total Income		9,885	9,238
Expenditure			
Education	5	4,025	3,747
Residences, Catering and Conferences	6	5,369	5,053
Other (Investment and Property Management)		155	131
Total Expenditure	8	9,549	8,931
Surplus on Continuing Operations before Contribution under Statute G, II		336	307
Contribution under Statute G,II	7	—	—
Surplus on Continuing Operations after Contribution under Statute G, II		336	307
Surplus for the year transferred to Accumulated Income in Endowment Funds		(70)	(27)
Surplus for the year retained within General Reserves		266	280

All items dealt with in arriving at the Surplus for 2013 and Surplus 2012 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 FOR THE YEAR ENDED 30 JUNE 2013

	Note	Restricted Funds £000	Unrestricted Funds £000	Total Funds 2013 £000	Total Funds 2012 £000
Surplus on income and expenditure account		—	266	266	280
Unspent endowment fund income		70	—	70	27
Total Return not recognised in the Income & Expenditure Account	3b	421	796	1,217	550
Increase in market value of fixed asset investments excluded from Total Return		—	25	25	1,163
Capital grant from Colleges Fund	19	—	72	72	15
New endowments	19	886	858	1,744	1,690
Transfers		—	—	—	(98)
Actuarial loss in respect of pension schemes		—	(409)	(409)	(738)
Total recognised gains relating to the year		1,377	1,608	2,985	2,889
Reconciliation					
Opening reserves and endowments	28	11,729	108,001	119,730	116,840
Total recognised gains for the year		1,377	1,608	2,985	2,889
Closing reserves and endowments		13,106	109,609	122,715	119,729

CONSOLIDATED BALANCE SHEET

	Note	2013 £000	2012 £000
Fixed Assets			
Tangible Assets	10	106,228	106,629
Investments	11	22,759	22,106
		128,987	128,735
Endowment Assets	12	20,106	17,632
Current Assets			
Stock		171	171
Debtors	13	922	750
Cash	14	3,573	2,279
		4,666	3,200
Creditors: amounts falling due within one year	15	(4,915)	(4,998)
Net Current Liabilities		(249)	(1,798)
Provisions for Liabilities and Charges		—	—
Creditors: amounts falling due after more than one year	16	(5,500)	(5,500)
Net Assets excluding Pension Liability		143,344	139,069
Pension Liability	17	(1,825)	(1,463)
Net Assets including Pension Liability		141,519	137,606

CONSOLIDATED BALANCE SHEET CONTINUED

	Note	Restricted Funds £000	Unrestricted Funds £000	Total 2013 £000	Total 2012 £000
Capital and Reserves					
Deferred Capital Grants	18	18,804	—	18,804	17,877
Endowments					
Expendable endowments	19	1,197	—	1,197	1,122
Permanent endowments	19	11,909	7,000	18,909	16,510
		13,106	7,000	20,106	17,632
Reserves					
General reserves excluding pension reserve	20	—	93,637	93,637	92,713
Pension reserve	20	—	(1,825)	(1,825)	(1,463)
Operational property revaluation reserve	20	—	7,314	7,314	7,389
Fixed asset revaluation reserve	20	—	3,483	3,483	3,458
		—	102,609	102,609	102,097
Subtotal of Endowment & Reserves		13,106	109,609	122,715	119,729
Total		31,910	109,609	141,519	137,606

These accounts were approved by the trustees on 29 November 2013 and are signed on their behalf by:

Geoffrey Grimmett

Prof G R Grimmett, Master

CONSOLIDATED CASH FLOW STATEMENT

	2013 £000	2012 £000
A. Operating Activities		
Operating Surplus Before Tax	336	307
Profit on disposal	(221)	(1)
Depreciation	1,393	1,297
Less: Investment Income	(1,548)	(1,530)
Movement in Pension Deficit	(47)	(40)
Interest payable	268	269
Donation Income expended in year	(203)	(196)
Increase in Stocks	—	(7)
Increase in Debtors	(102)	(3)
Decrease in Creditors	(342)	(25)
Net Cash (Outflow)/ Inflow from Operating Activities	(466)	71
B. Returns on Investments and Servicing of Finance		
Income from Endowments	1,543	1,506
Other interest received	5	23
Interest paid	(268)	(269)
Net Cash Inflow from Returns on Investments and Servicing of Finance	1,280	1,260
C. Contribution to Colleges Fund	—	—
D. Capital Expenditure and Financial Investment		
Purchase of tangible fixed assets	(771)	(4,185)
Donations and other deferred capital grants received	2,947	2,099
Net purchase of long term investments	(1,697)	(2,064)
Net Cash Inflow/(Outflow) from Capital Transactions	479	(4,150)
Net Cash Inflow/(Outflow) before Financing	1,293	(2,819)

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	2013 £000	2012 £000
E. Decrease in Cash		
Increase/(Decrease) in Cash in the Period	1,293	(2,819)
Net Funds brought forward at 1 July 2012	(3,221)	(402)
Net Funds carried forward at 30 June 2013	(1,928)	(3,221)

F. Analysis of Changes in Net Debt

	At 1 July 2012 £000	Cashflows £000	At 30 June 2013 £000
Cash at bank and in hand	2,279	1,293	3,572
Bank loan	(5,500)	—	(5,500)
	(3,221)	1,293	(1,928)

Notes to the Accounts

NOTES TO THE ACCOUNTS

1. Academic Fees and Charges

	2013 £000	2012 £000
College fees:		
Fee income paid on behalf of undergraduates at the Publicly-funded Undergraduate rate (per capita fee £3,951-£4,500) (2012: £3,951)	1,555	1,599
Privately-funded Undergraduate fee income (per capita fee £5,970 - £6,999) (2012: £5,601 - £6,000)	309	224
Fee income received at the Graduate fee rates (per capita fee £2,349) (2012: £2,289)	373	405
	2,237	2,228
Research/Teaching grants	105	142
Other income	11	9
Cambridge Bursary Scheme	245	281
Total	2,596	2,662

2. Residences, Catering and Conferences Income

		2013 £000	2012 £000
Residential Accommodation	College Members	2,321	2,153
	Conferences	1,062	908
	International programmes	114	97
Catering	College Members	593	553
	Conferences	904	819
	International programmes	50	52
Total		5,044	4,582

3. Endowment and Investment Income

	2013 £000	2012 £000
3a. Analysis		
Total return contribution (see note 3b)	1,543	1,506
Cash	5	23
	1,548	1,529

NOTES TO THE ACCOUNTS CONTINUED

3b. Summary of Total Return

	2013 £000	2012 £000
Income from:		
Investment portfolio and investment properties	1,314	1,222
Gains/(losses) on endowment assets:		
Investment portfolio and investment properties	1,531	902
Investment management costs (see note 3c)	(85)	(68)
Total return for year	2,760	2,055
Total return transferred to income and expenditure account (see note 3a)	(1,543)	(1,506)
Total return for year included within statement of total recognised gains and losses	1,217	550
Total Return recognised within statement of total recognised gains and losses at beginning of year	6,331	5,781
Total Return recognised within statement of total recognised gains and losses at end of year	7,548	6,331

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

	2013 £000	2012 £000
Freehold land and buildings	18	18
Quoted and other securities and cash	67	50
Total	85	68

4. Donations

	2013 £000	2012 £000
Unrestricted donations	172	170
Restricted donations	93	68
	265	238
Released from deferred capital grants (see Note 18)	203	196
Total	468	434

NOTES TO THE ACCOUNTS CONTINUED

5. Education Expenditure

	2013 £000	2012 £000
Teaching	2,031	1,986
Tutorial	497	480
Admissions	418	406
Research	160	134
Scholarships and Awards	450	452
Other Educational Facilities	469	289
Total (Note 8)	4,025	3,747

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £278,400 (2012: £286,900).

6. Residences, Catering and Conferences Expenditure

		2013 £000	2012 £000
Residential Accommodation	College Members	2,228	1,975
	Conferences	1,362	1,446
Catering	College Members	828	739
	Conferences	951	893
Total		5,369	5,053

Conferences expenditure is included above on a fully costed basis, however on a direct cost basis the conferences profit would be £914,769 (2012: £760,063).

7. Contribution under Statute G, II

	2013 £000	2012 £000
University Contribution relating to 2012/13	—	—
University Contribution relating to 2011/12	—	—
	—	—

8. Analysis of Expenditure by Activity

8a) Analysis of 2012/13 Expenditure by Activity

	Staff Costs (Note 9) £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education (Note 5)	1,810	1,861	354	4,025
Residences, Catering and Conferences (Note 6)	2,391	1,942	1,036	5,369
Other	71	80	4	155
	4,272	3,883	1,394	9,549

The above expenditure includes £351,964 as the direct cost of fundraising (2012: £353,552).
This expenditure includes the costs of alumni relations.

8b) 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

8c) Auditors' remuneration

	2013 £000	2012 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	17	16
Other fees payable to the College's external auditors	3	6
	20	22

NOTES TO THE ACCOUNTS CONTINUED

9. Staff Costs

Staff Costs	College Fellows £000	Other Academics £000	Non-Academics £000	Total 2013 £000	Total 2012 £000
Emoluments	869	—	2,900	3,769	3,531
Social Security Costs	52	—	168	220	215
Other Pension Costs	78	—	205	283	286
	999	—	3,273	4,272	4,032

Average Staff Numbers (Full-time Staff Equivalents)					
Academic	49	—	—	49	49
Non-Academic	3	—	115	118	121
Total	52	—	115	167	170

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.

10. Tangible Fixed Assets

Group and College	Library Books £000	College Buildings & Site £000	Information Technology £000	Furniture & Equipment £000	Catering Equipment £000	2013 Total £000
Cost or valuation						
At beginning of year	728	105,902	854	4,093	240	111,817
Additions	30	1,500	88	305	44	1,967
Disposals	—	(985)	—	—	—	(985)
Revaluation	—	—	—	—	—	—
At end of year	758	106,417	942	4,398	284	112,799
Depreciation						
At beginning of year	248	890	766	3,070	214	5,188
Charge for the Year	28	984	88	276	18	1,394
Disposals	—	(11)	—	—	—	(11)
Revaluation	—	—	—	—	—	—
At end of year	276	1,863	854	3,346	232	6,571
Net Book value						
At end of year	482	104,554	88	1,052	52	106,228
At beginning of year	480	105,012	88	1,023	26	106,629

The insured value of freehold Land and Buildings at 30 June 2013 was £112,229,688 (2012: £112,229,688).

NOTES TO THE ACCOUNTS CONTINUED

11. Investments

Group and College	2013 £000	2012 £000
Balance at beginning of year	22,106	20,765
Additions	—	1
Disposals	(1)	(1)
Change in market value	629	178
Revaluation	25	1,163
Balance at end of year	22,759	22,106

Represented by:	2013 £000	2012 £000
Works of art / silver	4,453	4,453
Capital Expendable Investments (Note 12)	17,901	17,272
Loan to Joint College's Nursery Scheme	5	6
Land	400	375
Total	22,759	22,106

Investments held by the College also include an additional £5,002 (2012: £5,002) investment in the subsidiary undertakings at cost (see Note 24).

12. Endowment Assets

Group and College

	2013 £000	2012 £000
Long term investments:		
Balance at beginning of year	17,632	15,666
Additions	3,354	3,044
Disposals	(3,168)	(2,385)
Movement in over distribution of Market Value to Funds	(93)	120
Movement in due from Expendable Capital	64	(510)
Movement in amount included in Investment Assets	(629)	(177)
Change in market value	1,531	929
Change in cash held by fund managers	1,415	945
Total Long term investments	20,106	17,632

Represented by:

	2013 £000	2012 £000
Property	17,079	16,889
Securities – Equities / Hedge Funds	13,625	11,506
Securities – Fixed Interest	1,617	2,209
Cash with Agents	2,596	1,181
Over distribution of Market Value to Funds	1,538	1,631
Due from Expendable Capital	1,552	1,488
Total	38,007	34,904
Less amounts included as Investment assets (Note 11)	(17,901)	(17,272)
Total	20,106	17,632

NOTES TO THE ACCOUNTS CONTINUED

13. Debtors

	Group 2013 £000	College 2013 £000	Group 2012 £000	College 2012 £000
Members of the College	177	177	93	93
Rents	140	140	221	221
Conferences	203	47	175	62
Fees	1	1	4	4
Other debtors	401	439	257	337
Total	922	804	750	717

14. Cash and bank balances

	Group 2013 £000	College 2013 £000	Group 2012 £000	College 2012 £000
Short-term money market investments	560	560	800	800
Bank deposits	2,012	2,012	570	570
Current accounts	1,000	524	908	325
Cash in hand	1	1	1	1
Total	3,573	3,097	2,279	1,696

15. Creditors: amounts falling due within one year

	Group 2013 £000	College 2013 £000	Group 2012 £000	College 2012 £000
Due to tradesmen & others	787	787	715	715
Members of the College	167	167	161	161
University Fees	1	1	3	3
Other creditors	2,408	2,446	2,631	2,019
Due to permanent capital	1,552	1,552	1,488	1,488
Total	4,915	4,953	4,998	4,386

16. Creditors: amount falling due after one year

Group and College	2013 £000	2012 £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	2013 £000	2012 £000
Balance at beginning of year	1,463	764
Movement in year:		
Current service cost including life assurance	19	10
Contributions	(106)	(68)
Other finance cost	40	19
Actuarial loss recognised in statement of total recognised gains and losses	409	738
Balance at end of year	1,825	1,463

NOTES TO THE ACCOUNTS CONTINUED

18. Deferred capital grants	2013 £000	2012 £000
Balance at beginning of year		
Buildings	17,873	17,576
Equipment	4	5
Donations received		
Buildings	1,105	393
Equipment	25	—
Transfer from designated funds	—	98
Released to income and expenditure account		
Buildings	(196)	(194)
Equipment	(7)	(1)
Balances at end of year		
Buildings	18,782	17,873
Equipment	22	4
Total balance at end of year	18,804	17,877

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.

19. Endowments

Group and College

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	2013 Total £000	2012 Total £000
Balance at beginning of year						
Capital	5,903	10,547	16,450	1,002	17,452	15,515
Unspent Income	—	60	60	120	180	151
	5,903	10,607	16,510	1,122	17,632	15,666
Income receivable from endowment asset investments	1,010	488	1,498	46	1,544	1,505
Expenditure	(1,010)	(449)	(1,459)	(14)	(1,473)	(1,478)
Net transfer from income and expenditure account	—	39	39	32	71	27
New endowments received	930	886	1,816	—	1,816	1,705
Increase in market value of investments	167	384	551	36	587	373
Transfer to General Reserves (see note 20)	—	(7)	(7)	7	—	(139)
Balance at end of year	7,000	11,909	18,909	1,197	20,106	17,632
Comprising:						
Capital	7,000	11,824	18,824	1,038	19,862	17,453
Unspent Income	—	85	85	159	244	179
Balance at end of year	7,000	11,909	18,909	1,197	20,106	17,632

NOTES TO THE ACCOUNTS CONTINUED

19. Endowments continued

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	2013 Total £000	2012 Total £000
Representing:						
Fellowship Funds	—	4,206	4,206	—	4,206	3,588
Scholarship Funds	429	3,101	3,530	151	3,681	3,517
Prize Funds	18	286	304	11	315	265
Hardship Funds	—	970	970	7	977	847
Travel Grant Funds	—	34	34	—	34	33
Grant Funds	8	2,420	2,428	651	3,079	2,953
Other Funds	6,545	892	7,437	377	7,814	6,429
	7,000	11,909	18,909	1,197	20,106	17,632

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	2013 Total £000	2012 Total £000
Balance at beginning of year	12,963	79,750	7,389	3,458	(1,463)	102,097	101,174
Surplus retained for the year	220	—	—	—	47	267	280
Actuarial loss	—	—	—	—	(409)	(409)	(738)
Transfer of depreciation on revalued operational properties	75	—	(75)	—	—	—	—
Revaluation of works of art	—	—	—	—	—	—	1,118
Increase in market value of investments	629	—	—	25	—	654	222
Transfer to deferred capital	—	—	—	—	—	—	(98)
Transfer to /(from) endowment	1,311	(1,311)	—	—	—	—	139
Balance at end of year	15,198	78,439	7,314	3,483	(1,825)	102,609	102,097

21. Capital Commitments

	2013 £000	2012 £000
Capital commitments at 30 June 2013 are as follows -		
Authorised and contracted	768	606
Authorised but not yet contracted for	399	—

NOTES TO THE ACCOUNTS CONTINUED

22. Financial Commitments

At 30 June 2013, the College had annual commitments under non-cancellable operating leases as follows	2013 £000	2012 £000
Land & Buildings		
Expiring within one year	6	70
Expiring between two and five years	—	—
Expiring in over five years	7	7
Other		
Expiring within one year	—	4
Expiring between two and five years	5	1
Expiring in over five years	—	—

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions

The College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pensions Scheme (CCFPS). The assets of the schemes are held in separate trusteeadministered funds. The total pension cost for the year was £282,132 (2012: £286,108).

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 appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, the actuary carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2013 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.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

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

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

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

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

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

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

23. Pensions continued

Since the valuation effective date there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

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

Normal pension age - the Normal pension age was increased for future service and new entrants, to age 65.

Flexible retirement - flexible retirement options were introduced.

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

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

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

The actuary has estimated that the funding level as at 31 March 2013 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 2013 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2013 was 68%. As estimate of the funding level measured on a historic gilts basis at the date was approximately 55%.

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.

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

At 31 March 2013, USS had over 148,000 active members and the College had 74 active members participating in the scheme.

The total pension cost for the College was £269,790 (2012: £277,569). The contribution rate payable by the College was 16% of pensionable salaries.

Cambridge Colleges' Federated Pension Scheme

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

A full valuation was undertaken as at 31 March 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:

	2013	2012
Discount rate	4.6%	4.7%
Expected long-term rate of return on Scheme assets	6.2%	5.6%
Rate of increase in salaries	2.8%	2.2%
Retail Price Index (RPI) assumption	3.3%	2.7%
Consumer Price Index assumption	2.3%	1.7%
Rate of increase in pensions (RPI linked)	3.3%	2.7%

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)

23. Pensions continued

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2013 (with comparative figures as at 30 June 2012) are as follows:

	2013 £000	2012 £000
Present values of Scheme liabilities	(5,304)	(4,603)
Market value of Scheme assets	3,479	3,140
Deficit in the Scheme	(1,825)	(1,463)

The amounts to be recognised in the profit and loss account for the year ended 30 June 2013 (with comparative figures for the year ended 30 June 2012) are as follows:

	2013 £000	2012 £000
Current service cost	19	10
Interest on Scheme liabilities	214	238
Expected return on Scheme assets	(174)	(220)
Total	59	28
Actual return on Scheme assets	370	(410)

Changes in the present value of the Scheme liabilities for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Present value of Scheme liabilities at the beginning of the period	4,603	4,375
Service cost (including Employee contributions)	22	13
Interest cost	214	238
Actuarial losses	605	108
Benefits paid	(140)	(131)
Present value of Scheme liabilities at the end of the period	5,304	4,603

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

Changes in the present value of the Scheme assets for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Present value of Scheme assets at the beginning of the period	3,140	3,610
Expected return	174	220
Actuarial gains	196	(630)
Contributions paid by the College	106	68
Employee contributions	3	4
Benefits paid	(140)	(132)
Market value of Scheme assets at the end of the period	3,479	3,140

The agreed contributions to be paid by the College for the forthcoming year are 11.73% of Contribution Pay plus £9,620 p.a. to cover expenses plus £85,671p.a. subject to review at future actuarial valuations. These rates exclude PHI

The major categories of Scheme assets as a percentage of total Scheme assets for the year ending 30 June 2013 (with comparative figures for the year ended 30 June 2012) are as follows:

	2013	2012
Equities and Hedge Funds	68%	66%
Property	8%	25%
Bonds and cash	24%	9%
Total	100%	100%

The expected long-term rate of return on the Scheme assets has been calculated based upon the major asset categories in the above table and an expected rate of return on equities and hedge funds of 7.0% (2012: 6.4%), property 6.0% (2012: 5.4%) and an expected rate of return on bonds and cash of 4.0% (2012: 3.7%).

23. Pensions continued

Analysis of amount recognisable in the Statement of Total Recognised Gains and Losses (STRGL) for the year ending 30 June 2013 (with comparable figures for the year ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Actual return less expected return on Scheme assets	196	(630)
Experience gains and losses arising on Scheme liabilities	(13)	(75)
Changes in assumptions underlying the present value of Scheme liabilities	(592)	(33)
Actuarial loss recognised in STRGL	(409)	(738)

Cumulative amount of actuarial gains and losses recognised in the STRGL for the year ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Cumulative actuarial loss at beginning of period	(1,534)	(796)
Recognised during the period	(409)	(738)
Cumulative actuarial loss at end of period	(1,943)	(1,534)

Movement in deficit during the period ending 30 June 2013 (with comparative figures for the year ending 30 June 2012) are as follows:

	2013 £000	2012 £000
Deficit in Scheme at beginning of year	(1,463)	(764)
Service cost (Employer Only)	(19)	(10)
Contributions paid by the College	106	68
Finance cost	(40)	(19)
Actuarial loss	(409)	(738)
Deficit in Scheme at the end of the year	(1,825)	(1,463)

NOTES TO THE ACCOUNTS CONTINUED

23. Pensions continued

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

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Present value of Scheme liabilities	(5,304)	(4,603)	(4,374)	(4,361)	(3,782)
Market value of Scheme assets	3,479	3,140	3,610	3,203	2,823
Deficit in the Scheme	(1,825)	(1,463)	(764)	(1,158)	(959)
Actual return less expected return on Scheme assets	196	(630)	240	206	(441)
Experience gain/(loss) arising on Scheme liabilities	(13)	(75)	8	192	(18)
Change in assumptions underlying present value of Scheme liabilities	(592)	(33)	127	(591)	181

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.

NOTES TO THE ACCOUNTS CONTINUED

25. Related Party Transactions

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

26. Revised Accounting Policies

The College has adopted the new RCCA guidelines 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 in respect of the Isaac Newton Trust for Cambridge Bursaries are now shown within Academic fees and charges and the prior year comparative figures have been restated accordingly.

27. Contingent liability

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.

28. 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 2012	4,833	199
Income	153	9
Expenditure	—	(9)
Change in Market Value of Investments	117	7
Closing Balance at 30 June 2013	5,103	206

NOTES TO THE ACCOUNTS CONTINUED

29. Analysis of Movement in Total Funds

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
Restricted Permanent Funds					
Alcan Prize Fund	9	—	—	—	9
Angharad John Fellowship	100	—	—	91	191
Alwyn W Heong Fund	227	—	—	8	235
Barry Moore Economics – Prize Fund	—	—	—	1	1
Battey Fund	8	—	—	1	9
Benian Lu Fund	2	—	—	—	2
Bill Willetts Fund	—	—	—	—	—
B J Everritt Prize Fund	9	—	—	5	14
Blankenship Book Fund	12	—	—	—	12
Blankenship Law Fund	20	—	—	17	37
Bradbrook Fund	11	—	—	—	11
Buchanan Fund	220	—	—	8	228
Charles Campbell Book Fund	3	—	—	—	3
Chris Haniff Physics Fund	—	—	—	6	6
Cockerell Fund	21	—	—	—	21
Collins Fund	173	—	—	6	179
Darley Fund	271	—	—	10	281
Downing Association Fund	35	—	—	1	36
Edward Collins Fund	102	—	—	4	106
Ernest William Denham Fund	24	—	—	1	25
Everitt Fund	1	—	—	—	1
Everitt Butterfield Fund	108	—	—	330	438
Fahrenwaldt Fund	11	—	—	1	12
Ferreras Willetts Fund	248	—	—	10	258
Carried forward	1,615	—	—	500	2,115

29. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
Restricted Permanent Funds continued					
Brought Forward	1,615	—	—	500	2,115
Florence & David Jacobs Memorial Prize	—	—	—	6	6
Fritsch Fund	352	—	—	9	361
Fu Fund	4	—	—	—	4
Gamlingay Fund	69	—	—	3	72
Geoffrey Grimmett Prize	—	—	—	5	5
Graystone Fund	156	—	—	6	162
Gulbenkian Fund	1	—	—	—	1
Hall Fund	10	—	—	—	10
Harris Fund	395	—	—	15	410
Harrison Fund	—	—	—	—	—
Harrison Prize Fund	2	—	—	—	2
Hopkins Parry Fund	948	—	—	35	983
Hugh Brammer fund	18	—	—	2	20
Ivor Evans Fund	19	—	—	(1)	18
Jan Hruska Fund	127	—	—	4	131
Jean Ruhman Fund	9	—	—	—	9
John Hawkins May Wild Fund	7	—	—	—	7
Johnston Fund	1	—	—	—	1
Judy Petty Book Prize & Scholarship	19	—	—	1	20
Lander Fund	206	—	—	13	219
Landrum & Brown Scholarship Fund	6	—	—	4	10
Lord Butterfield	139	—	—	4	143
Mays Wild Fund	417	—	—	71	488
Carried forward	4,520	—	—	677	5,197

NOTES TO THE ACCOUNTS CONTINUED

29. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
Restricted Permanent Funds continued					
Brought Forward	4,520	—	—	677	5,197
Moullin Fund	2	—	—	—	2
Oon Khye Beng Ch'hia Tsio Memorial Fund	300	—	—	18	318
Oon Khye Beng Ch'hia Tsio Memorial Prize Fund	97	—	—	8	105
Osler Fund	89	—	—	3	92
Owens Fund	335	—	—	12	347
Peter Mathias Economics Prize Fund	5	—	—	4	9
Pilley Fund	317	—	—	11	328
Platt Fund	26	—	—	1	27
Professor Audus Botanical Fund	—	—	—	15	15
Richards Fund	47	—	—	2	49
Robertson Research Fellowship Fund	538	—	—	30	568
Robson Physics Prize	—	—	—	6	6
Saint Fund	37	—	—	1	38
Saunders Fund	38	—	—	1	39
Savile Fund	117	—	—	4	121
Schreiner Fund	56	—	—	2	58
Seton Fund	66	—	—	2	68
Seton Cavendish Fund	1,614	—	—	59	1,673
Sir Arthur Watts Choral Awards	11	—	—	—	11
Stevens Fund	3	—	—	1	4
TG Jones Fund	649	—	—	24	673
Thomas Fund	19	—	—	—	19
Thrower Fund	3	—	—	2	5
Carried forward	8,889	—	—	883	9,772

29. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
Restricted Permanent Funds continued					
Brought Forward	8,889	—	—	883	9,772
Treherne Fund	77	—	—	3	80
Treherne Prize Fund	2	—	—	(2)	—
Unwin Fund	53	—	—	1	54
Verjee Fund	241	—	—	8	249
Verney Fund	2	—	—	—	2
Warner-Lambert Fund	178	—	—	14	192
Whitby Memorial Fund	335	—	—	14	349
White Fund	6	—	—	—	6
Whitelegg Fund	50	—	—	2	52
Wicks Travel Fund	12	—	—	—	12
Wyatt Fund	1	—	—	—	1
Student Hardship Endowment	279	—	—	13	292
Student Support Endowment	102	—	—	27	129
1970's Grant Fund	—	—	—	68	68
Alumni Sport Fund	43	—	—	3	46
Fundraising - Teaching	154	—	—	5	159
Fundraising – Access	16	—	—	251	267
Catalysis – Teaching & Learning	66	—	—	(4)	62
Catalysis – Research & Discovery	6	—	—	3	9
Catalysis – Heritage & Environment	6	—	—	11	17
Catalysis – Support & Services	20	—	—	8	28
Catalysis – Culture & Community	2	—	—	4	6
Other	67	—	—	(10)	57
	10,607	—	—	1,302	11,909

NOTES TO THE ACCOUNTS CONTINUED

29. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
Restricted Expendable Funds					
Bartram Fund	111	—	—	5	116
Colin Hill Fund	1	—	—	—	1
Colonel Anderson Trust Fund	91	—	—	3	94
Goodey Fund	146	—	—	5	151
Richens Fund	516	—	—	19	535
Treherne Prize Fund	—	—	—	11	11
Student Hardship Endowment	—	—	—	8	8
Catalysis Conference Fund	—	—	—	26	26
Catalysis Research Fund	96	—	—	4	100
Fundraising – Buildings	41	—	—	2	43
Other	120	—	—	(8)	112
	1,122	—	—	75	1,197
Total Restricted Funds	11,729	—	—	1,377	13,106

29. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
Unrestricted Permanent Funds					
Clark Fund	2	—	—	—	2
French Fund	29	—	—	1	30
Jarvis Fund	36	—	—	1	37
Library Endowment Fund	985	—	—	35	1,020
Richmond Fund	184	—	—	7	191
Stenning Fund	49	—	—	2	51
Stevenson Fund	1	—	—	—	1
Whalley-Tooker Fund	14	—	—	1	15
Yates Fund	8	—	—	—	8
Young Fund	165	—	—	6	171
Singer Fund (Pension Trust)	199	—	—	7	206
Smyth Bequest	443	—	—	16	459
Fleet Bequest	48	—	—	1	49
Deryk Prosser Fund	—			395	395
Corporate Capital Fund	744	—	—	100	844
General Capital	2,996	—	—	525	3,521
	5,903	—	—	1,097	7,000
Total Endowment funds	17,632	—	—	2,474	20,106

NOTES TO THE ACCOUNTS CONTINUED

29. Analysis of Movement in Total Funds continued

	Opening Balance £000	Net Income & Expenditure £000	Transfers £000	Other Gains/(Losses) £000	Closing Balance £000
General Reserve Funds					
Designated Buildings	79,745	—	(1,300)	—	78,445
Corporate Capital Fund	13,305	594	—	437	14,336
Singer Fund (Will Trust)	4,833	153	—	117	5,103
General Capital and Other	(5,170)	(531)	1,386	68	(4,247)
Revaluation Reserves	10,847	—	(74)	25	10,798
Pension Reserves	(1,463)	47	—	(410)	(1,826)
Total General Reserves	102,097	263	12	237	102,609
Deferred Capital Funds	17,877	—	—	927	18,804
Total Reserves	137,606	263	12	3,638	141,519

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