

NEWNHAM COLLEGE
CAMBRIDGE

Consolidated Financial Statements
for the Year Ended 30 June 2011

Royal Charter Company number RC000384

Registered Charity number 1137512

NEWNHAM COLLEGE
Consolidated Financial Statements
for the Year Ended 30 June 2011

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Corporate Governance and Public Benefit

The College is a corporate body consisting of the Principal and Fellows. It was an exempt charity during the year ended 30 June 2010, with its registered office at Sidgwick Avenue, Cambridge CB3 9DF. The College is also a Royal Charter Company number RC000384. On 17 August 2010 the Charity Commission confirmed the College as a registered charity with registration number 1137512. The formal name of the College is The Principal and Fellows of Newnham College; and it is also known as a) Newnham College in the University of Cambridge; and b) Newnham College (Cambridge). Its principle address is: Newnham College, Sidgwick Avenue, Cambridge CB3 9DF, United Kingdom.

The Trustees

The following persons served as Trustees (as members of the College Council) in 2010-11:

Dame Patricia Hodgson (Principal) (*ex officio*, elected by the Governing Body)
Dr Catherine Seville (Vice-Principal) (*ex officio*, elected by the Governing Body)
Mr Ian Mark Le Mercier Du Quesnay (Bursar) (*ex officio*, appointed by the Governing Body)
Dr Terri Apter (Senior Tutor) (*ex officio*, appointed by the Council)

Elected by the Governing Body

Dr Kate Fleet
Professor Katarzyna Jaszczołt
Dr Emma Mawdsley
Dr Judith Quinn
Dr Rachael Padman
Dr Jacqueline Rose
Dr Kimberley Natasha Trapp
Mrs Katy Edgcombe until 4 February 2011
Dr Samantha Lucy from 4 February 2011

Elected by the Junior Members of the College

Ms Sarah Winfield until 29 October 2010
Ms Adele Pearson from 29 October 2010
Ms Eleanor McDonald until 21 January 2011
Ms Rosalind Meehan from 21 January 2011
Miss Marina Constanti until 6 May 2011
Miss Aimee Price from 6 May 2011

Those elected by the Junior Members do not participate in the decision making for Reserved Business.

The Council delegates much of its business to its sub-committees. The membership and terms of reference of sub-committees are determined for the most part by the Council to whom the subcommittees report and make recommendations. Where appropriate the subcommittees may be set up by the Governing Body and report accordingly. Junior Members are represented on most subcommittees.

Induction and training of Trustees

All charity trustees of the College are given on appointment or election copies of the Statutes and Ordinances of the College together with a set of documents including the College's policy on the management of conflicts of interest and copies of the relevant guidance issued by the Charity Commission. Annually the trustees are reminded of their core responsibilities and required to check and update their declaration of interests.

Governing documents

The College was founded in 1871. The provisions which regulate the purposes and administration of the College are set out in its Charter dated 12 April 1917 and modified by the Supplemental Charter (1958 when the College was received into the University of Cambridge) and in its original Statutes as variously amended between 1917 and 1996.

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Corporate Governance and Public Benefit (continued)

Organisational structure of the College and its subsidiary undertakings.

The College comprises the following:

a) the **Governing Body**, the powers of which are defined in the Charter.

The Governing Body is responsible for the long-term strategic vision of the College, and also provides the policy context in which the Council's management takes place.

b) The powers and responsibilities of **Council**, are defined in the Charter and Statutes.

The College Council has the 'the general control and management of the administration of the College' and its members serve as the Trustees of the College as a registered Charity. As the Trustees they have ultimate responsibility for directing the affairs of the charity, ensuring that it is solvent and well-run, and that it is delivering the charitable outcomes for the benefit of those which it was set up to serve as a College for women in the University of Cambridge.

c. Those **College Officers** who are *ex officio* members of the Council are the Principal, the Vice-Principal, the Bursar, and the Senior Tutor and they meet regularly during Term to review the management of College business.

d. **Junior Members** comprise the students of the College both undergraduate and graduate. They have elected representatives on both the Council (where they serve as Trustees for Open Business) and on the Governing Body and are represented on many of the College's Committees. They serve in part as representatives of the largest group of potential beneficiaries.

Subsidiary Companies

Three subsidiary companies have been established to undertake work for the benefit of the College.

- Newnham College Ltd sells College related memorabilia
- Newnham College Management Ltd organises maintenance and construction projects
- Newnham College Library Co Ltd provides the College with library services

External advisors

Auditors

Prentis & Co LLP
Chartered Accountants
115c Milton Road
Cambridge CB4 1XE

Solicitors

Taylor Vinters
Merlin Place
Milton Road
Cambridge CB4 4DP

Ashton KCJ
Chequers House
77-81 Newmarket Road
Cambridge CB5 8EU

Mills and Reeve
112 Hills Road
Cambridge CB2 1PH

Bankers

NatWest Bank
Cambridge Market Street Branch
23 Market Street
Cambridge CB2 3PA

Investment Managers

Partners Capital Investment Group Ltd
5th Floor
5 Young Street
London W8 5EH

Cambridge Associates Limited
105 Wigmore Street
London W1U 1QY

Cambridge Associates LLC
100 Summer Street
Boston
Massachusetts 02110-2112
USA

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Corporate Governance and Public Benefit (continued)

Objects and purposes

The objects of the College as defined by its Charter (where they are listed along with its powers) and as registered with the Charity Commission are:

- a) to establish or maintain at or near Cambridge a house or residence or residences in which female students may reside and study; and
- b) to provide a liberal education for women carrying on the work of the Old Association with such modifications and changes as may from time to time appear desirable either in its present situation or elsewhere in the town of Cambridge or County of Cambridge

Since its reception into the University of Cambridge in 1958, the College has discharged these objects through the advancement of education, learning and research, particularly but not exclusively through the provision of a college for women within the University of Cambridge.

Public benefit

The Trustees on appointment are provided with copy of "Charities and Public Benefit: Summary Guidance for Charity Trustees"; and are reminded at least annually of its recommendations and requirements.

The College provides an education for some 550 undergraduate and graduate women students, in conjunction with the University of Cambridge, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate tutorial systems;
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research mainly by:

- providing Research Fellowships (and Teaching Fellowships) to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;

The College maintains an extensive Library (including special collections), so providing a valuable resource for students and senior members of the College, members of other Colleges and the University of Cambridge more widely, external scholars and researchers.

1. The Trustees are satisfied that the College remains compliant with their duty in regard to public benefit. The primary beneficiaries are the resident members of the College, both students and academic staff, all of whom are directly engaged in education, learning or research. Other beneficiaries include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and visiting schoolchildren and alumnae of the College who have an opportunity to attend educational events at the College or use its academic facilities. The general public are also able to attend various educational activities in the College (such as public lectures). As a College in

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Corporate Governance and Public Benefit (continued)

the University of Cambridge the primary beneficiaries are academics and students of the University, all of whom need to meet high academic standards to be appointed or admitted and that requirement stands at the core of its nature. The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

2. In order to assist undergraduates the College participates in and contributes to the Cambridge Bursary Scheme, which is approved by the Office of Fair Access.
3. To support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages.
4. The College also provides to students additional grants for the alleviation of hardship and for other purposes such as travel.

Management of risk

The College maintains a strong system of financial and management controls. The detailed estimates for the year ahead and a rolling five year forecast are scrutinised by the Finance Committee prior to consideration and approval by the College Council in June each year. Monthly departmental management accounts are produced including comparison of budget with actual for each cost centre. Revised Forecasts of Outturn are produced mid-year to allow for an overall review of the progress of each year's finances. The College, through its senior management and committees reporting to the College Council, is active in identifying, reviewing and documenting its exposure to other major risks with a view to eliminating, reducing and/or controlling them.

NEWNHAM COLLEGE

Financial Statements

for the Year Ended 30 June 2011

Financial Review

During the year the College continued to pursue its charitable aims in promoting learning, study and teaching as a college for women and a self-governing community of scholars in the University of Cambridge. Our students are expected to achieve the highest academic standards and do so: the continued provision of small group teaching and the individual support provided through the tutorial system. Newnham alumnae who themselves had the benefit of the college system understand those pressures, and the need for financial resources to meet them. Newnham's endowment resources (in the general sense) are increasingly vital if we are to maintain our high standards and they are provided by our alumnae, through their donations and bequests. Cambridge stands high in the global league tables of various kinds. We believe that is in no small part due to the benefits of being a collegiate University. Newnham is determined to play its part in contributing to that success in the future. The full cost of the College's educational provision last year was £3.99m of which £1.90m (47.6%) was received in fees and £2.09m (52.4%) derived from the College's endowment, which, in turn depends for its long term growth on the generosity of benefactors.

Substantial changes to Higher Education funding and student finance are being introduced from 2012/13. The precise impact of these changes on applications, student hardship during their course, and their interest or willingness to postgraduate work subsequently remain to be seen. One immediate effect is the prospect of revised fee arrangements for publicly funded undergraduates, larger expenditure in widening participation, and an increased concern about debt among our students. We anticipate a need to increase bursary provision, hardship funds and other kinds of grants to enable students to make the most of their time with us. And we anticipate in the near future a need for more generous provision of graduate studentships to enable the most highly achieving to go on to fulfil their potential through a further three or four years of graduate study and research.

Doubts about the future make it essential for Newnham to reach a self-financing position. The College aims in its new fundraising campaign to raise sufficient funds from benefactors to preserve small-group teaching for undergraduates, to support graduate study and also to provide bursaries in support of Newnham undergraduates from low income backgrounds and play a full part in the commitments of Cambridge to widening participation. This will entail a significant challenge in raising additional income streams, while continuing to exercise tight constraints on spending.

Financial Results

The College and subsidiary companies achieved a Net Surplus of £283,391, as set out in the Income and Expenditure Account on page 14. This included £304,235 of donations of an unrestricted revenue nature. In addition, new legacies and donations amounting to £788,355 were received and added to the endowment. A further £3,566 in capital donations have been added to the Deferred Capital Reserve.

The financial results over the last five years were:

	2006/7	2007/8	2008/9	2009/10	2010/11
	£'000	£'000	£'000	£'000	£'000
Income	8,261	8,815	8,712	8,828	9,232
Expenditure	(6,627)	(7,090)	(7,546)	(7,482)	(7,753)
	1,649	1,725	1,166	1,346	1,479
Net Transfers to funds	(1,915)	(2,212)	(1,379)	(1,416)	(1,196)
Net (Deficit) / Surplus	(266)	(487)	(213)	(70)	283

The College's financial position is slowly and steadily improving but is as yet far from being comfortable. There is still much to be done in providing for graduate students where the University sees most of its expansion in the medium term and in which Newnham hopes to participate; maintaining, refurbishing, and improving the historic buildings particularly in regard to reducing energy consumption and upgrading bathrooms; raising sufficient bursary and scholarship funds to support students both undergraduate and graduate in hardship; and raising funds to underpin and ensure the continued provision of small group teaching through the supervision system and individual pastoral support through our tutorial provision.

NEWNHAM COLLEGE

Financial Statements

for the Year Ended 30 June 2011

Financial Review (continued)

Benefactions and Donations

The College continues to be extremely grateful for the generous and loyal support of its alumnae. The traditional system of intensive teaching in small groups, backed by strong pastoral support, is inadequately supported by fee income (over which the College has almost no control) and increasingly requires a strong Endowment to enable it to continue. The total received in 2010-11 was £1.1 million including the recovery of Gift Aid

Just under 23% of our addressable alumnae made a donation to the College. This is the highest participation rate amongst Colleges in Cambridge and is twice the overall average across Cambridge Colleges. This support reflects the high level of engagement of Newnham alumnae and the College's sustained investment in development.

The donations and fund raising costs over the last five years were:

	2006/7 £'000	2007/8 £'000	2008/9 £'000	2009/10 £'000	2010/11 £'000
Legacies and Donations	2,298	1,961	1,421	1,090	1,093
Development office costs	195	212	246	281	234
Costs as a percentage of funds received	8.5%	10.8%	17.3%	25.8%	21.4%

Main Endowment

The market value of the investment portfolio at 30 June 2011 was £57.8 million, invested in equities and private equities (58%), fixed interest and bonds (18%), property (19%) and commodities (5%). At the end June 2011 the value of the College's portfolio was £57.8m representing a total return of 4.3% (2009/10: 4.5%), as set out below:

	2006/7 £m	2007/8 £m	2008/9 £m	2009/10 £m	2010/11 £m
Investment Assets	57.4	58.7	49.2	53.2	57.8
Actual net income	1.9	0.6	0.6	0.4	0.3
Gains / (losses)	6.7	(1.2)	(10.2)	4.0	5.0
Total Return	8.6	(0.6)	(9.6)	4.4	5.3
Endowment Drawdown	1.9	2.4	2.5	2.4	2.5
	3.3%	4.1%	5.1%	4.5%	4.3%

The College's Investments

The College's investments are held in a unitised portfolio which is under the advisory management of Partners Capital. The value of the portfolio at 30th June 2011 stood at £52.6 million (up 11.7% on 2010). The unit value rose from £10.57 (2010) to £11.26, however the five year trailing average fell from £11.98 to £11.84. The College also has a very small amount of commercial property from which rental income rose to £215,315 from £155,779 as a result of the letting of the new flats on Clare Road for a full year.

Ethical Investment Policy and Investment strategy

The College's Ethical Investment Policy states:

The College keeps under regular review the ethical investment of its funds. In line with the findings in the Harries case (Bishop of Oxford v. Church Commissioners, 1992) the overriding principle guiding the College's investments (though not the only one) is the financial return of the portfolio, and in principle we avoid investments in areas which are contrary to the College's Charitable purposes. Those companies or shares likely to be excluded would be those whose activities violate human rights, the environment, or are otherwise contrary to the charitable objectives of the College. The College has 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.

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Financial Review (continued)

Within this framework, the College seeks to make best use of its Endowment while securing its value for the long term. The securities portfolio is unitised so that the College is able to see the change in value attributable to the management of the portfolio as distinct from the nominal total value of the investment assets which is impacted both negatively by disposals and by capital expenditures, and also positively by additional capital received in bequests and donations. The College applies a 'spending rule' as part of a Total Return policy and under this, income of 4.25% of the trailing five year averaged value of the portfolio is taken to the Income and Expenditure account. So far this smoothing rule has enabled the College to maintain the cash flow from the portfolio through the recent recession.

The average value is calculated from June 2006 to June 2011. In June 2006 the Unit value was just over £12; in June 2009, at its low point, the Unit value was £10.20 but by June 2011 it had risen again to £11.26. At June 2011, after the transfer of the £2.5m to the Income and Expenditure Account, the value of the notional average trailing five-year securities portfolio was just under £55m while the actual value of the investment securities at June 2011 was £52.5m. There is no room for complacency and the College will review its spending rule and its smoothing mechanisms during the course of 2011-12 to ensure that we are in as good a position to face the next decade as possible with the apparent increasing likelihood that dramatic volatility with greater variations between peaks and troughs, longer durations and more frequent occurrences seem set to be features in a global and computer driven market place for the foreseeable future. Certainty about the future in any aspect that impacts the College is simply impossible: we can only seek to be as well placed as we can be to deal with whatever emerges.

Capital Expenditure and Buildings Renewals

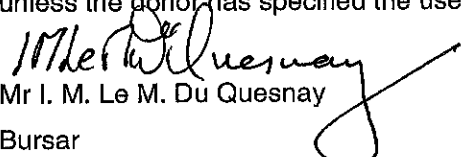
Expenditure on building maintenance has been at a lower level than usual over the previous two years but during 2010/11 spending rose by 55.7% to more normal levels (£1,026k including staff costs). This partly reflected a decision to move more work in-house which required an increase in the number of staff of that Department but avoids VAT on contracted services as well as contractors' overheads and profits. The guide-figure provided by the Royal Institute of Chartered Surveyors for prudent levels of spending to maintain historic buildings (1.8% of reinstatement costs) would indicate annual spending of £1.7m. Taking into account the College's recent high levels of capital spending on new buildings and refurbishment of property it is believed that the College is meeting that guide level over the medium to long term and expects to be in a position to return to major projects in the near future.

Reserves Policy

The College has total Capital and Reserves of £134.6m. Of this, £70.7m is the Revaluation Reserve which represents the value, in excess of cost, of the College's operational land and buildings. These are used primarily for teaching and residential purposes and there are no related debts apart from the long term loan of £5.3m (originally £6m) used to help construct the new Kitchen/Buttery. Legacies and Gifts of almost £5m helped fund the recent Library project and are held as Deferred Capital Donations of £4.5m and released over the expected 100 year life of that building. Of the remaining reserves (£59.4m), £21.2m were restricted funds and £38.2m were unrestricted.

Almost all these funds were backed by the investments of £58.2m which the College regards as its true endowment since this supports the work of the College in providing income to pay for the work of providing high quality and intensive higher education.

The College takes a long-term view of the investment portfolio and uses a total return basis for deciding on the appropriate amount to draw down each year. This is intended to protect the value of the investment portfolio in real terms and, as a result, to strike an equitable balance between the interests of the present members of the College and future generations. Any new bequests received during the year are added to unrestricted funds unless the donor has specified the use of the funds in some other way.


Mr I. M. Le M. Du Quesnay
Bursar

29th October 2011

NEWNHAM COLLEGE

For the year ended 30 June 2011

Responsibilities of the College Council

The College Council is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In accordance with the College's Statutes, the College Council is responsible for the administration and management of the College's affairs.

It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept which disclose with reasonable accuracy at any time the financial position of the College. It is required to prepare financial statements for each financial year, prepared in accordance with the Statutes of the University which show a true and fair view. The Governing Body, which appoints the auditors, receives the audited financial statements from the Council.

In causing the financial statements to be prepared, the College Council has ensured 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 College Council 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 College Council 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 and other irregularities.

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

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

NEWNHAM COLLEGE

Auditors' Report to the College Council and Governing Body of Newnham College

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

This report is made solely to the College's Council as the body of trustees, and the Governing Body in accordance with College Statutes and the Statutes of the University of Cambridge. Our audit work has been undertaken so that we might state to the College Council and Governing Body those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College, the Governing Body and the College Council as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees College Council and auditors

As explained more fully in the College Council's Responsibility Statement set out on page 9 the College Council is responsible for the preparation of financial statements which give a true and fair view.

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

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's and group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the College Council and the overall presentation of the financial statements. In addition, we read all the financial information in the Council's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

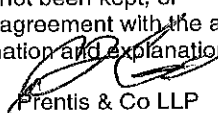
In our opinion

- The financial statements give a true and fair view of the state of the group's and the College's affairs as at 30th June 2011 and of the group's income and expenditure for the year then ended;
- The financial statements have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice;
- The financial statements have been prepared in accordance with the requirements of the Charities Act 1993, the College's Statutes and the Statutes of the University of Cambridge;
- The contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- The information given in the College Council's 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.


Prentis & Co LLP
115c Milton Road
Cambridge CB4 1XE

2nd November 2011

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

NEWNHAM COLLEGE

for the year ended 30 June 2011

Statement of Principal Accounting Policies

(i) Basis of preparation

The accounts have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom Accounting Standards. In addition, the financial statements comply with the "Statement of Recommended Practice: Accounting for Further and Higher Education 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 7.

(ii) 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.

(iii) Basis of consolidation

The consolidated financial statements consolidate the financial statements of the College and its three wholly owned subsidiary undertakings for the year ended 30 June 2011. Inter-group balances are eliminated on consolidation. The activities of student societies have not been consolidated.

(iv) Recognition of income

Academic fees are recognised in the period to which they relate and include all fees chargeable to students and their sponsors.

Donations and bequests are recognised on receipt and accepted on condition that only the income may be spent are credited to the balance sheet as permanent capital funds. Unrestricted funds and bequests received are designated as capital or as income in the year of receipt by the College Council.

Donations received for the purpose of helping fund the construction of tangible, depreciating assets such as buildings, are credited to the Deferred Capital Reserve. When the related capital expenditure has been incurred, funds are released from this Reserve over the estimated useful life of the assets in line with the depreciation policy for those assets.

From 1st July 2007 a total return policy has been applied in relation to the College's investment in securities. Under this policy 4.25% of the trailing 5 year quarterly average values of the investments has been taken to the Income and Expenditure Account. The remainder of the change in value of the investments is shown in the Statement of Recognised Gains and Losses.

(v) Pension schemes

The College participates in the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). These are both defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). The funds are valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary.

The assets of the USS are held in a separate trustee-administered fund. The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17: 'Retirement Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The assets and liabilities of the CCFPS are held separately. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

NEWNHAM COLLEGE

for the year ended 30 June 2011

Statement of Accounting Policies - continued

(vi) Tangible fixed assets

a. Land and buildings

The buildings on the College's main site have been treated as tangible fixed assets and valued on the basis of their depreciated replacement cost. The valuation on 30 June 2011 was carried out by Carter Jonas, Chartered Surveyors. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 100 years. Freehold land is not depreciated and, in a change of policy, the value of the land comprising the College's main site has been included in the balance sheet.

Where land and 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.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to the Balance Sheet date. They are not depreciated until they are brought into use.

b. Maintenance of premises

The cost of routine maintenance is charged to the Income and Expenditure account as it is incurred. The College also sets aside sums to meet major maintenance costs which occur on an irregular basis. These are disclosed as designated funds.

c. Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Books, furniture and fittings	5% and 10% per annum
Catering heating and ventilation equipment	5% per annum
Major computer software	10% per annum
Computer equipment	25% per annum

Where equipment is acquired with the aid of specific bequests or donations the income is credited to a deferred capital account and income released to the Income and Expenditure Account over the same period of depreciation as the furniture or equipment to which it relates.

d. Heritage Assets

The College holds and conserves a number of collections, artefacts and other assets of historical, artistic or scientific interest. In accordance with FRS15 and FRS30 heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available in a cost-benefit basis. Acquisitions since then have been capitalised to the extent to which they are material. They have not been depreciated since their long economic life and high residual value mean that any depreciation would not be material.

NEWNHAM COLLEGE
for the year ended 30 June 2011

Statement of Accounting Policies - continued

(vii) Investments

Fixed asset and endowment asset investments are included in the balance sheet at market value. All College properties off the main site are treated as investment assets and shown as estate properties. They are valued at market value once every five years by a professional valuer (Gerald Eve) and revalued on the balance sheet accordingly. Investments in subsidiaries are held at cost in the College's Balance Sheet. Their value is reviewed annually and provision made for any impairment identified.

(viii) Stocks

Stocks are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks

(ix) Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(x) 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. The main foreign currencies contained within the investment portfolio are hedged to limit the College's exposure to fluctuations, and reviewed on a quarterly basis.

(xi) Taxation

The College is a registered charity and accordingly 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.

(xii) Contribution under Statute G,II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants.

NEWNHAM COLLEGE

Consolidated Income and Expenditure Account

for the Year Ended 30 June 2011

		2010/11 £	2009/10 £
INCOME	Note		
Academic Fees and Charges	1	2,009,270	1,875,664
Residences, Catering, and Conferences	2	3,374,319	3,222,163
Endowment Income	3a	3,621,669	3,535,377
Other Charges and Income	4	227,226	194,977
Release of Capital Grants from Deferred Capital Reserve	18	49,395	49,651
Total Income		<u>9,281,879</u>	<u>8,877,833</u>
EXPENDITURE			
Education	5	3,985,664	3,981,442
Residences, Catering and Conferences	6	3,293,848	3,017,414
Other		199,685	195,941
Total Expenditure		<u>7,479,197</u>	<u>7,194,797</u>
Operating Surplus before Loan Interest Payable		1,802,682	1,683,036
Loan Interest		301,013	314,108
Operating Surplus		1,501,669	1,368,927
Contribution to Colleges Fund Under Statute G,II		(22,000)	(23,000)
NET SURPLUS before transfers		<u>1,479,669</u>	<u>1,345,927</u>
Transfers to and from Reserves		(1,196,278)	(1,416,038)
NET SURPLUS / (DEFICIT) to General Capital		<u>283,391</u>	<u>(70,111)</u>

NEWNHAM COLLEGE

Consolidated Statement of Total Recognised Gains and Losses

for the Year Ended 30 June 2011

	Restricted Funds £	Unrestricted Funds £	Total 30 June 11 £	Total 30 June 10 £
Balance brought forward 1 July	<u>25,734,461</u>	<u>97,752,985</u>	<u>123,487,446</u>	<u>120,702,433</u>
Appreciation of Investment Assets (Note 3b)	1,383,446	1,432,816	2,816,262	1,917,220
Revaluation of College Property (Note 20)		6,578,000	6,578,000	-
Actuarial gain / (loss) on CCFPS pension deficit provision	-	304,971	304,971	(411,452)
Capital donations for Library project put to Deferred Capital Reserve (Note 18)	3,566	-	3,566	9,506
Transfers	442,394	762,113	1,204,507	1,389,500
Retained Income and Expenditure Account deficit for the year	-	283,391	283,391	(70,111)
Release of capital grants from Deferred Capital Reserve to I&E Account (Note 18)	(49,395)	-	(49,395)	(49,651)
Total Recognised Gains / (Losses) for the year	<u>1,780,011</u>	<u>9,361,291</u>	<u>11,141,302</u>	<u>2,785,012</u>
Balance carried forward at 30 June	<u>27,514,472</u>	<u>107,114,276</u>	<u>134,628,748</u>	<u>123,487,445</u>

NEWNHAM COLLEGE

Consolidated Balance Sheets

At 30 June 2011

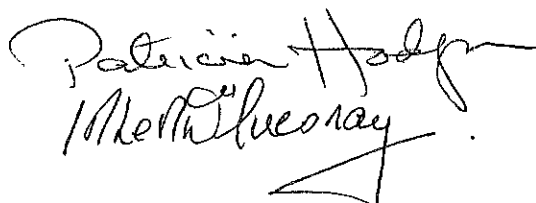
	Note	2011		2010	
		£	£	£	£
FIXED & ENDOWMENT ASSETS					
Tangible Assets	9		82,414,616		76,472,964
Fixed Asset Investments	10	17,823,524		15,466,050	
Endowment Asset Investments	10	<u>39,962,190</u>		<u>37,777,666</u>	
			57,785,714		53,243,716
			<u>140,200,330</u>		<u>129,716,680</u>
CURRENT ASSETS					
Stock	11	175,528		178,168	
Debtors	12	406,921		298,179	
Cash at bank		<u>406,207</u>		<u>398,849</u>	
		988,656		875,196	
CURRENT LIABILITIES					
Creditors: Amounts Falling Due Within One Year	13	<u>(764,521)</u>		<u>(837,615)</u>	
Net Current Assets			224,135		37,581
Total Assets less Current Liabilities			140,424,465		129,754,261
Creditors: Amounts Falling Due In More Than One Year	14		(5,326,447)		(5,473,610)
Pension Liability	21b		<u>(469,270)</u>		<u>(793,206)</u>
NET ASSETS			<u>134,628,748</u>		<u>123,487,445</u>
CAPITAL AND RESERVES					
		Restricted Funds	Unrestricted Funds	Total 2010/11	Total 2009/10
		£	£	£	£
Deferred Capital Donations	18	<u>4,547,568</u>		<u>4,547,568</u>	<u>4,593,397</u>
Endowments	19				
Expendable endowments		4,755,162		4,755,162	4,357,409
Permanent endowments		<u>18,211,742</u>	<u>16,995,286</u>	<u>35,207,028</u>	<u>33,420,257</u>
		22,966,904	16,995,286	39,962,190	37,777,666
Reserves	20				
General Reserves			19,872,810	19,872,810	17,772,143
Revaluation Reserve			70,715,450	70,715,450	64,137,450
Pensions Reserve			<u>(469,270)</u>	<u>(469,270)</u>	<u>(793,206)</u>
			<u>90,118,990</u>	<u>90,118,990</u>	<u>81,116,387</u>
TOTAL		<u>27,514,472</u>	<u>107,114,276</u>	<u>134,628,748</u>	<u>123,487,445</u>

These financial statements were approved by Newnham College Council on 28th October 2011

and signed on its behalf by:

Dame Patricia Hodgson (Principal)

Mr Ian M. Le M. Du Quesnay (Bursar)



NEWNHAM COLLEGE

College Balance Sheet

At 30 June 2011

		2011		2010	
	Note	£	£	£	£
FIXED & ENDOWMENT ASSETS					
Tangible Assets	9		82,161,616		76,217,911
Fixed Asset Investments	10	18,203,530		15,846,059	
Endowment Asset Investments	10	<u>39,962,190</u>		<u>37,777,663</u>	
			58,165,720		53,623,722
			<u>140,327,336</u>		<u>129,841,633</u>
CURRENT ASSETS					
Stock	11	164,425		165,919	
Debtors	12	405,386		300,970	
Cash at Bank		<u>400,465</u>		<u>396,429</u>	
		970,276		863,318	
CURRENT LIABILITIES					
Creditors: Amounts Falling Due Within One Year	13	<u>(912,346)</u>		<u>(987,570)</u>	
Net Current Assets / (Liabilities)			57,930		(124,252)
Total Assets less Current Liabilities			<u>140,385,266</u>		<u>129,717,381</u>
Creditors: Amounts Falling Due In More Than One Year	14		(5,326,447)		(5,473,610)
Pension Liability	21b		<u>(469,270)</u>		<u>(793,206)</u>
NET ASSETS			<u><u>134,589,549</u></u>		<u><u>123,450,565</u></u>
CAPITAL AND RESERVES					
		Restricted Funds	Unrestricted Funds	Total 2010/11	Total 2009/10
		£	£	£	£
Deferred Capital Donations	18	<u>4,547,568</u>		<u>4,547,568</u>	<u>4,593,397</u>
Endowments	19				
Expendable endowments		4,755,162		4,755,162	4,357,409
Permanent endowments		18,211,742	16,995,286	35,207,028	33,420,254
		<u>22,966,904</u>	<u>16,995,286</u>	<u>39,962,190</u>	<u>37,777,663</u>
Reserves	20				
General Reserves			19,833,611	19,833,611	17,735,261
Revaluation Reserve			70,715,450	70,715,450	64,137,450
Pensions Reserve			<u>(469,270)</u>	<u>(469,270)</u>	<u>(793,206)</u>
			<u>90,079,791</u>	<u>90,079,791</u>	<u>81,079,505</u>
TOTAL		<u><u>27,514,472</u></u>	<u><u>107,075,077</u></u>	<u><u>134,589,549</u></u>	<u><u>123,450,565</u></u>

These financial statements were approved by Newnham College Council on 28th October 2011 and signed on its behalf by:

Dame Patricia Hodgson (Principal)

Mr Ian M. Le M. Du Quesnay (Bursar)

Patricia Hodgson
Mr Ian M. Le M. Du Quesnay
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NEWNHAM COLLEGE

Consolidated Cash Flow Statement

for the Year Ended 30 June 2011

	2010/11 £	2009/10 £
Reconciliation of operating deficit to net cash inflow from operating activities		
Operating Surplus / (Deficit)	283,391	(70,111)
Add: Depreciation	681,120	675,390
Capital Grants released in year	(49,395)	(49,651)
Transfers	1,204,506	1,389,499
Actuarial loss on pension provision	304,971	(411,452)
Investment income and interest received	(2,221,591)	(2,125,548)
(Increase) / Decrease in Stocks	2,640	(8,764)
(Increase) / Decrease in Debtors	(108,742)	(37,795)
Increase / (Decrease) in Creditors	(73,094)	(57,031)
Increase / (Decrease) in Pension Liability	(323,936)	364,469
Net Cash Outflow from Operating Activities	(300,130)	(330,994)

CASH FLOW STATEMENT

Net Cash Outflow from Operating Activities	(300,130)	(330,994)
Returns on Investments and Servicing of Finance		
Investment Income	2,518,763	2,433,233
Interest Received	3,842	6,423
Interest Paid	(301,013)	(314,108)
Net cash inflow from returns on investment	2,221,592	2,125,548
Capital Expenditure and Financial Investment		
Receipts from sale of investment properties	14,680	38,000
Receipts from capital donations to Library project	3,566	9,506
	18,246	47,506
Expenditure on tangible fixed assets	(44,772)	(21,419)
Expenditure on investment assets	(1,740,416)	(2,109,956)
Capital paid off loan	(147,162)	(140,262)
	(1,932,350)	(2,271,637)
Net Cash Outflow from Investing Activities	(1,914,104)	(2,224,131)
Decrease in Cash in the year	7,358	(429,577)

Reconciliation of net cash flow to movement in net liquid assets

Decrease in Cash in the year	7,358	(429,577)
Net liquid funds brought forward at 1 July	398,849	828,426
Net liquid funds carried forward at 30 June	406,207	398,849

NEWNHAM COLLEGE

Notes to the Accounts

At 30 June 2011

1. ACADEMIC FEES AND CHARGES

	2010/11 £	2009/10 £
COLLEGE FEES		
Fee Income paid on behalf of Undergraduates eligible for Student Support (per Capita Fee £3,861 ; 2009/10 £3,744)	1,248,642	1,206,192
Other Undergraduate Fee Income (per Capita Fee £ 4,862; 2009/10 £4,518)	280,961	253,594
Graduate Fee Income (per Capita Fee £2,229; 2009/10 £2,190)	368,473	291,200
	<u>1,898,076</u>	<u>1,750,986</u>
Teaching Grants	44,669	47,211
Recoveries from other Colleges	59,999	74,262
Other Fees and Charges	6,526	3,205
Total	<u>2,009,270</u>	<u>1,875,664</u>

2. RESIDENCES, CATERING, AND CONFERENCES INCOME

	2010/11 £	2009/10 £
Accommodation		
College Members	1,853,812	1,823,221
Conferences	336,023	274,627
Catering		
College Members	724,451	695,085
Conferences	283,783	252,979
Rents from College Subsidiaries	176,250	176,250
Total	<u>3,374,319</u>	<u>3,222,163</u>

3. ENDOWMENT INCOME

3a Analysis of Endowment Income

	Restricted Funds £	Unrestricted Funds £	2010/11 Total £	2009/10 Total £
Total return recognised in Income & Expenditure Account (note 3b)	996,374	1,526,230	2,522,604	2,439,656
Donations and Bequests	353,736	745,329	1,099,065	1,095,721
	<u>1,350,110</u>	<u>2,271,559</u>	<u>3,621,669</u>	<u>3,535,377</u>

3b Summary of Total Return

<u>Income from:</u>				
Freehold Land and Buildings	-	215,315	215,315	155,779
Quoted Securities and cash	33,579	51,436	85,015	220,764
	<u>33,579</u>	<u>266,750</u>	<u>300,330</u>	<u>376,543</u>
<u>(Losses)/Gains on Investment Assets</u>				
Freehold Land and Buildings	-	(379,148)	(379,148)	224,769
Quoted and Other Securities and Cash	2,346,241	3,071,443	5,417,685	3,755,564
	<u>2,346,241</u>	<u>2,692,295</u>	<u>5,038,537</u>	<u>3,980,333</u>
<u>Total Return for the year</u>	<u>2,379,820</u>	<u>2,959,046</u>	<u>5,338,866</u>	<u>4,356,876</u>
Transfer to Income and Expenditure Account (Note 3a)	(996,374)	(1,526,230)	(2,522,604)	(2,439,656)
Surplus on Total Return retained in Statement of Total Recognised Gains and Losses	<u>1,383,446</u>	<u>1,432,816</u>	<u>2,816,262</u>	<u>1,917,220</u>

NEWNHAM COLLEGE

Notes to the Accounts - continued

4. OTHER INCOME		2010/11		2009/10		
		£		£		
College Events		51,967		55,531		
Non-Collegiate income		32,455		25,403		
Sundry charges and other income		142,804		114,043		
		<u>227,226</u>		<u>194,977</u>		
5. EDUCATION EXPENDITURE		2010/11		2009/10		
		£		£		
Teaching		2,207,207		2,220,218		
Tutorial		626,509		638,396		
Admissions		298,843		302,493		
Research		355,902		373,541		
Scholarships and Awards		333,252		291,704		
Other Educational Facilities		163,950		155,090		
Total		<u>3,985,664</u>		<u>3,981,442</u>		
6. RESIDENCES, CATERING, AND CONFERENCES EXPENDITURE		2010/11		2009/10		
		£		£		
Accommodation	College Members	2,109,547		1,883,989		
	Conferences	69,904		66,085		
Catering	College Members	860,607		818,000		
	Conferences	253,790		249,340		
Total		<u>3,293,848</u>		<u>3,017,414</u>		
7. ANALYSIS OF EXPENDITURE BY ACTIVITY		Staff Costs	Other Operating Expenses	Depreciation	2010/11 Total	2009/10 Total
		(Note 8)				£
		£	£	£	£	£
Education (Note 5)		1,926,671	1,756,753	302,240	3,985,664	3,981,442
Residences, Catering & Conferences (Note 6)		1,478,014	1,436,954	378,880	3,293,848	3,017,414
Other		21,882	177,803	-	199,685	195,941
		<u>3,426,567</u>	<u>3,371,510</u>	<u>681,120</u>	<u>7,479,197</u>	<u>7,194,797</u>
Including: Auditors Fees - as auditors					11,860	10,970
- for other work					-	-
Cost of Fundraising					234,048	280,901
8. STAFF AND FELLOWS		College Fellows	Academics	Non - Academics	Total	Total
		2010/11	2010/11	2010/11	2010/11	2009/10
		£	£	£	£	£
Staff Costs						
Emoluments		491,732	70,111	2,251,860	2,813,703	2,835,378
Social Security Costs		29,179	3,323	168,057	200,559	199,520
Other Pension Costs		73,101	3,630	335,574	412,305	377,986
		<u>594,012</u>	<u>77,064</u>	<u>2,755,491</u>	<u>3,426,567</u>	<u>3,412,884</u>
No officers or employees of the College, including the Head of House, received emoluments exceeding £100,000 in either 2009/10 or 2010/11						
Average Staff Numbers						
Academic		54	4	-	58	50
Non-Academics		-	-	94	94	89
		<u>54</u>	<u>4</u>	<u>94</u>	<u>152</u>	<u>139</u>
Fellows - full time stipendary		19		full time		
Fellows - part time stipendary		27		equivalents		
Fellows - non-stipendary		10				

NEWNHAM COLLEGE

Notes to the Accounts - continued

9. TANGIBLE FIXED ASSETS

	College Land £	College Buildings £	Furniture & Equipment £	Library Books and Equipment	2010/11 Total £	2009/10 Total £
COST/VALUATION						
At 30 June 2010	21,300,000	55,700,000	1,155,398	478,401	78,633,799	78,612,380
Additions	-	-	18,213	26,559	44,772	21,419
Disposals	-	-	-	-	-	-
Revaluation During the Year	11,308,000	(6,958,000)	-	-	4,350,000	-
At 30 June 2011	<u>32,608,000</u>	<u>48,742,000</u>	<u>1,173,611</u>	<u>504,960</u>	<u>83,028,571</u>	<u>78,633,799</u>
DEPRECIATION						
At 30 June 2010	-	1,671,000	266,487	223,348	2,160,835	1,485,445
Provided for the year	-	557,000	95,508	28,612	681,120	675,390
Disposals	-	-	-	-	-	-
Written back on Revaluation	-	(2,228,000)	-	-	(2,228,000)	-
At 30 June 2011	<u>-</u>	<u>0</u>	<u>361,995</u>	<u>251,960</u>	<u>613,955</u>	<u>2,160,835</u>
Net Book value						
At 30 June 2011	<u>32,608,000</u>	<u>48,742,000</u>	<u>811,616</u>	<u>253,000</u>	<u>82,414,616</u>	<u>76,472,964</u>
At 30 June 2010	<u>21,300,000</u>	<u>54,029,000</u>	<u>888,911</u>	<u>255,053</u>	<u>76,472,964</u>	<u>77,126,935</u>

The library books and equipment do not form part of the College assets.

The valuation of College buildings was carried out by Carter Jonas, Chartered Surveyors at 30th June 2011 on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolescence. The amount of finance cost capitalised during 2009/10 was nil (2008/9 nil). The freehold College buildings at 30 June 2011 were insured at reinstatement costs of £93.4m

10. FIXED and ENDOWMENT ASSETS - Investments	Securities and Cash	Property	2010/11 £	2009/10 £
At 30 June 2010	47,673,841	5,569,875	53,243,716	49,254,540
Additions	1,721,588	18,828	1,740,416	2,109,956
Disposals	-	-	-	(25,000)
Appreciation on Disposals or Revaluation	3,195,410	(393,828)	2,801,582	1,904,220
At 30 June 2011	<u>52,590,839</u>	<u>5,194,875</u>	<u>57,785,714</u>	<u>53,243,716</u>
Represented by:				
Estate Properties			5,194,875	5,569,875
Quoted Securities - Equities			36,291,151	31,819,749
Quoted Securities - Fixed Interest			7,407,520	6,830,532
Unquoted			8,689,518	6,555,945
Cash Held For Reinvestment			202,650	2,467,615
			<u>57,785,714</u>	<u>53,243,716</u>
Fixed Asset Investments			17,823,524	15,466,050
Endowment Asset Investments			39,962,190	37,777,666
Total Investments			<u>57,785,714</u>	<u>53,243,716</u>

The valuation of the investment properties was carried out by Carter Jonas, Chartered Surveyors at 30 June 2011 at market value. The stock exchange investments were valued at mid-market price at the Balance Sheet dates

NEWNHAM COLLEGE

Notes to the Accounts - continued

11. STOCK

	2010/11		2009/10	
	<u>College</u>	<u>Consolidated</u>	<u>College</u>	<u>Consolidated</u>
	£	£	£	£
Food and Drink	18,075	18,075	13,056	13,056
Wine	138,416	138,416	143,203	143,203
Memorabilia	-	11,103	-	12,249
Linen, Cleaning Materials and Other	7,934	7,934	9,660	9,660
	164,425	175,528	165,919	178,168

12. DEBTORS

	2010/11		2009/10	
	<u>College</u>	<u>Consolidated</u>	<u>College</u>	<u>Consolidated</u>
	£	£	£	£
Taxes due from Government Departments	20,974	30,049	32,913	42,401
Grants receivable	19,175	19,175	-	-
Due from Subsidiary Companies	10,040	-	12,799	-
Trade Debtors	239,363	239,363	149,463	149,463
Sundry Debtors and Prepayments	115,834	118,334	105,795	106,315
	405,386	406,921	300,970	298,179

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010/11		2009/10	
	<u>College</u>	<u>Consolidated</u>	<u>College</u>	<u>Consolidated</u>
	£	£	£	£
Trade Creditors	148,365	148,365	270,336	270,336
Loan Repayments of Capital	147,793	147,793	140,281	140,281
Contribution due to Colleges Fund	22,000	22,000	23,000	23,000
Due to Subsidiary Companies	161,330	-	163,803	-
Taxes and social security costs	82,225	82,225	81,945	81,945
Student deposits and accounts	174,167	174,167	142,549	142,549
Accruals and Sundry Creditors	176,466	189,971	165,656	179,504
	912,346	764,521	987,570	837,615

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010/11	2009/10
	£	£
Bank Loan	5,326,447	5,473,610

The bank loan is secured on certain College freehold properties and is subject to interest capped under a swap agreement at 5.24% for 25 years from 2007. Repayments commenced in 2007 and will be made over the 25 years to June 2032.

15. RELATED PARTY TRANSACTIONS

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

16. CAPITAL COMMITMENTS

At 30 June 2011 the College had the following capital commitments not provided for in these accounts:

	2010/11	2009/10
- contracted for	£29,000	£35,000
- not yet contracted for	NIL	£334,000

17. FINANCIAL COMMITMENTS

At 30 June 2011 and 30 June 2010 the College had no annual commitments under non-cancellable operating leases. The College has committed to investing in various private equity funds over approximately the next four years to June 2015. A total of £3.53m (2010: £4.03m) may be called up for investment at any point in that period. These commitments will be met from the sale of other investments currently held as proxies for private equity funds.

NEWNHAM COLLEGE

Notes to the Accounts - continued

18. DEFERRED CAPITAL DONATIONS

	Total 2010/11 £	Total 2009/10 £
Balance brought forward 1 July	4,593,397	4,633,543
Capital donations received in year	3,566	9,505
Released to Income and Expenditure Account	(49,395)	(49,651)
Balance carried forward 30 June	4,547,568	4,593,397

19. ENDOWMENTS

	Permanent Endowment			Expendible Restricted	Total 2010/11 £	Total 2009/10 £
	Restricted £	Unrestricted £	Total £	£		
Balance brought forward 1 July						
Capital	16,555,550	16,627,989	33,183,539	4,229,827	37,413,366	35,609,913
Unspent income	228,104	8,614	236,718	127,582	364,300	43,924
	16,783,654	16,636,603	33,420,257	4,357,409	37,777,666	35,653,837
New endowments	2,056	0	2,056	351,680	353,736	604,309
Endowment Asset Investments income	790,120	427,201	1,217,321	206,254	1,423,575	1,420,827
Expenditure	(172,178)	(255)	(172,433)	(136,010)	(308,443)	(266,249)
Transfer to/from I&E	(289,517)	(281,193)	(570,710)	(310,010)	(880,720)	(915,691)
Net	330,481	145,753	476,234	111,914	588,148	843,196
Increase in market value of investments	1,097,607	212,930	1,310,537	285,839	1,596,376	1,280,633
	18,211,742	16,995,286	35,207,028	4,755,162	39,962,190	37,777,666
Capital	17,725,476	16,977,346	34,702,822	4,527,148	39,229,970	37,413,366
Unspent income	486,266	17,940	504,206	228,014	732,220	364,300
Balance carried forward 30 June	18,211,742	16,995,286	35,207,028	4,755,162	39,962,190	37,777,666

20. RESERVES

	General Reserves	Fixed Asset Revaluation Reserve	Pensions Reserve (Note 21b)	2010/11 £	2009/10 £
At 30 June 2010	17,772,143	64,137,450	(793,206)	81,116,387	80,415,053
Surplus for the year	264,426		18,965	283,391	(70,111)
Net Transfers	616,355			616,355	499,327
Reduction / (Increase) in liability recognised in the year			304,971	304,971	(364,469)
Increase in value	1,219,886			1,219,886	636,587
Surplus on Revaluation at 30 June 2011		4,350,000		4,350,000	-
Depreciation written back on revaluation		2,228,000		2,228,000	-
At 30 June 2011	19,872,810	70,715,450	(469,270)	90,118,990	81,116,387

The Fixed Asset Revaluation Reserve represents the value of College land and buildings in excess of book cost

Total Endowments	39,962,190	37,777,666
Total General Reserves	19,872,810	17,772,143
	59,835,000	55,549,809
Representing:		
Fellowship Funds	6,244,160	5,856,353
Scholarship Funds	3,720,557	3,411,069
Prize Funds	770,618	701,586
Hardship Funds	5,289,805	4,783,579
Research Funds	7,949,157	7,382,856
Book Funds	1,416,904	1,306,194
Other Funds	910,519	786,898
General Endowments	33,533,280	31,321,274
	59,835,000	55,549,809

NEWNHAM COLLEGE

Notes to the Accounts - continued

21. PENSION SCHEMES

(a) Universities Superannuation Scheme

The College participates in the University 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. USS has over 142,000 members and at 30 June 2011 Newnham College had 88 active members participating in the scheme.

Because of the mutual nature of the scheme its assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with the employees of other institutions and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17: 'Retirement Benefits' accounts for the scheme as if it were a defined contribution scheme. As a result the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31st March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also 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 2011 are 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 Consumer Price Inflation which corresponds broadly to 2.75% for Retail Price Inflation per year.

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.4% each year (which includes an additional assumed investment return over gilts of 2% per year), salary increases would be 4.3% per year (plus an additional allowance for increases in salaries due to age and promotion reflecting historic USS experience, with a further cautionary reserve on top for past service liabilities), and pensions would increase by 3.3% per year.

Standard mortality tables were used, PA92 (medium cohort, rated down one year for men) for pre-retirement mortality and for post-retirement mortality. Use of these tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further small improvements in mortality rates. The assumed life expectations on retirement at age 65 are for men currently aged 65: 22.8 years and for women 24.8. For men currently aged 45 assumed life expectancy at age 65 is 24.0 and for women 25.9.

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% (the expected return on gilts) the funding level was approximately 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the scheme was 107% funded. On a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% of the amount necessary to secure all the USS benefits with an insurance company. Using the FRS17 formula as if USS was a single employer scheme, the actuary estimated that the funding level at 31 March 2008 was 104%.

NEWNHAM COLLEGE

Notes to the Accounts - continued

21. PENSION SCHEMES

(a) Universities Superannuation Scheme (continued)

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions except that the valuation rate of interest assumed asset outperformance over gilts of 1.7% per year (compared with 2% per year for the technical provisions) giving a discount rate of 6.1% per year. Also the allowance for promotional salary increases was not as high. There is currently uncertainty in the sector regarding pay growth. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

The scheme wide employers' contribution rate required for future service benefits alone at the date of the valuation was 14% of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the institutions' employer contribution rate to 16% of pensionable salaries from 1st October 2009.

Since 31 March 2008 global investment markets have continued to fluctuate and at 31 March 2011 the market's assessment of inflation has increased slightly. The Government has also announced a change to the inflation measure used in determining the "Official Pensions Index" from the Retail Price Index to the Consumer Price Index. The actuary has taken all this into account in his funding level estimates at 31 March 2011 by reducing the assumption for pension increases from 3.3% to 2.9% per year and estimates that under the new scheme specific funding regime the funding level had fallen from 103% to 98%, a deficit of around £700m. Over the past 12 months, the funding level has improved from 91% (at 31st March 2010) to 98%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the year and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). The next formal valuation is at 31 March 2011 and this will incorporate updated assumptions agreed by the trustee company.

With effect from 1 October 2011 new joiners to the scheme will join the new Revalued Benefits section rather than the existing Final Salary section. It is expected that this will have a positive impact on the future funding levels.

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

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

USS is a 'last person 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 can not otherwise be recovered) in respect of that employer will be spread across the remaining employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due as at 31st March 2011 and will incorporate allowance for scheme benefit changes the trustee makes to the underlying actuarial assumptions. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The total pension cost for the College and subsidiaries in 2010/11 was £244,449 (2009/10: £242,008). This includes outstanding contributions of £NIL at the balance sheet dates. The contribution rate payable by the College was raised to 16% of pensionable salaries on 1st October 2009 prior to which it had been 14%.

NEWNHAM COLLEGE

Notes to the Accounts - continued

21 (b) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit scheme, the Cambridge Colleges' Federated Pension Scheme. 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-out of the State Second Pension (S2P) and at 30 June 2011 Newnham College had 20 active members participating in the Scheme. A full valuation was carried out at 31 March 2008 and updated to 30 June 2011 by a qualified independent actuary.

At the balance sheet date the principal actuarial assumptions (expressed as weighted averages) were:

	2011 % p.a.	2010 % p.a.
Discount rate	5.5	5.6
Expected long-term rate of return on Scheme assets	6.2	6.6
Salary inflation assumption	3.2	4.7
Inflation assumption	3.4	3.7
Pension increases (inflation linked)	3.4	3.7

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%. Both the base table and the allowance for improvements have been updated from 2010 when the PA92 tables were used with the Medium Cohort projections. This results in the following life expectancies:

- Male aged 65 now has life expectancy of 21.7 years (previously 20.7 years)
- Female aged 65 now has life expectancy of 23.6 years (previously 23.5 years)
- Male aged 45 now has life expectancy at 65 of 22.7 years (previously 21.8 years)
- Female aged 45 now has life expectancy at 65 of 24.8 years (previously 24.5 years)

Employee Benefit Obligations

The amounts recognised in the Balance Sheet at 30 June 2011 were:

	2011 £	2010 £
Present value of Scheme liabilities	(3,706,538)	(3,587,289)
Market value of Scheme assets	3,237,268	2,794,083
Deficit in the Scheme	(469,270)	(793,206)

The amounts to be recognised in Income and Expenditure for the period to 30 June 2011 were:

Current service cost	184,865	86,232
Interest on Scheme liabilities	253,384	171,176
Expected return on Scheme assets	(233,933)	(137,902)
Past service cost	-	-
Curtailment gain	-	-
Total	204,316	119,506
Actual return on Scheme assets	329,654	443,710

Changes in the present value of the Scheme liabilities for the period to 30 June 2011 were:

Present value of Scheme liabilities at the beginning of the year	3,587,289	2,668,477
Service cost including employee contributions	186,643	126,124
Interest cost	253,384	171,176
Actuarial gains	(209,250)	717,260
Benefits paid	(111,528)	(95,748)
Present value of Scheme liabilities at the end of the year	3,706,538	3,587,289

Changes in the fair value of the Scheme assets for the period to 30 June 2011 were:

Market value of Scheme assets at the beginning of the year	2,794,083	2,239,740
Expected return	233,933	137,902
Actuarial losses	95,721	305,808
Contributions paid by the College (including employee salary exchange)	223,281	166,489
Employee contributions (excluding paid by salary exchange)	1,778	39,892
Benefits paid	(111,528)	(95,748)
Market value of Scheme assets at the end of the year	3,237,268	2,794,083

NEWNHAM COLLEGE

Notes to the Accounts - continued

21 (b) Cambridge Colleges Federated Pension Scheme (continued)

The agreed contributions (excluding Permanent Health Insurance premiums) to be paid by the College for the forthcoming year are 21.79% of Contribution Pay, subject to a review of future actuarial valuations, plus £54,441 in March each year.

The major categories of Scheme assets as a percentage of total Scheme assets for the period to 30 June 2011 were:

	2011	2010
Equities and hedge funds	56%	60%
Property	36%	32%
Bonds and cash	8%	8%
	<u>100%</u>	<u>100%</u>

The expected long-term rate of return on the Scheme assets has been calculated based on the major asset categories shown in the table above, and an expected rate of return on equities and hedge funds of 7.1% (2010: 7.5%); property 6.1% (2010: 6.5%); bonds and cash 4.8% (2010: 5.0%).

The analysis of the actuarial gain/(loss) recognisable in the Statement of Recognised Gains and Losses (STRGL) for the period to 30 June 2011 is:

	2011 £	2010 £
Actual return less expected return on Scheme assets	95,721	305,808
Experienced gains and losses arising on Scheme liabilities	42,249	(15,436)
Changes in assumptions underlying the present value of Scheme liabilities	167,001	(701,824)
Actuarial (loss)/gain recognised in the STRGL	<u>304,971</u>	<u>(411,452)</u>

The cumulative amount of actuarial gains and losses recognised in the STRGL for the period to 30 June 2011 were:

Cumulative actuarial loss at the beginning of the year	(766,368)	(354,916)
Recognised during the year	304,971	(411,452)
Cumulative actuarial loss at the end of the year	<u>(461,397)</u>	<u>(766,368)</u>

The movement in the deficit during the period to 30 June 2011 was:

Deficit in Scheme at beginning of year	(793,206)	(428,737)
Service cost (employer only)	(184,865)	(86,232)
Contributions paid by the College	223,281	166,489
Finance cost	(19,451)	(33,274)
Actuarial (loss)/gain	304,971	(411,452)
Deficit in Scheme at end of year	<u>(469,270)</u>	<u>(793,206)</u>

	2011 £	2010 £	2009 £	2008 £	2007 £
Present value of Scheme liabilities	(3,706,538)	(3,587,289)	(2,668,477)	(2,652,146)	(2,601,110)
Market value of Scheme assets	3,237,268	2,794,083	2,239,740	(2,466,161)	2,302,001
Deficit in the Scheme	(469,270)	(793,206)	(428,737)	(185,985)	(299,109)
Actual return less expected return on Scheme assets	95,721	(305,808)	(486,823)	(175,458)	(1,543)
Experienced (losses)/gains arising on Scheme liabilities	42,249	(15,436)	(52,450)	(68,945)	(39,262)
Change in assumptions underlying present value of Scheme liabilities	167,001	(701,824)	269,223	279,735	106,586