



Emmanuel College

ACCOUNTS FOR THE YEAR ENDED 31 JULY 2011

Registered Charity Number 1137456

EMMANUEL COLLEGE
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for the Year Ended 31 July 2011

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EMMANUEL COLLEGE

Administrative details

Address	St Andrew's Street Cambridge CB2 3AP	
Charity Registration number	1137456	
Charity Trustees - College Council:	Dr C J Burgoyne Dr C S Crawford Dr D A Livesey Dr F J Leeper Dr J S Aldred Dr M J Gross	Dr N A Dodgson Dr P M R Howell Dr R J Barnes Lord Wilson of Dinton Professor L Bently Professor N J Peake
Senior Officers:	Master Senior Tutor Bursar	Lord Wilson of Dinton Dr R J Barnes Dr M J Gross
Principal advisers:	Auditors	Chater Allan LLP Beech House, Newmarket Road Cambridge,
	Bankers	Barclays Bank PLC Corporate Banking Services Mortlock House, Histon Cambridge, CB4 9DE
	Property Managers	Bidwells Bidwell House Trumpington Road Cambridge CB2 9LD
	Legal Advisers	Mills & Reeve Francis House 112 Hills Road Cambridge, CB2 1PH
	Investment Managers	Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard London EC4M 8BU RCM (UK) Ltd 155 Bishopsgate London EC2M 3AD BlackRock 33 King William Street London EC4R 9AS BlackRock Advisors(UK) Ltd Murray House, 1 Royal Mint Court London EC3N 4HH

EMMANUEL COLLEGE

The Master and Fellows

Master

LORD WILSON OF DINTON GCB MA LL.M. **

Fellows as of 1st October 2010

LIVESEY David Anthony MA PHD BSC(ENG) (LOND) ACGI LIFE FELLOW **
LORD ST JOHN OF FAWSLEY PC MA (OXON & CANTAB) LITTD DLITT (OXON) BCL (OXON) PHD (LOND)
SJD (YALE) HON DD (SUSQUEHANNA & PENN) HON LITTD (BRIST) HON LLD (LEIC) HON DARTS (DE
MONTFORT) FRSL LIFE FELLOW
FFOWCS WILLIAMS John Eirwyn MA SCD BSC (SOTON) PHD (SOTON) HON DSC (SOTON) FRENG LIFE
FELLOW
GRAY Ronald Douglas MA PHD LIFE FELLOW
REDDAWAY John Lewis MA CENG LIFE FELLOW
THRUSH Brian Arthur MA SCD FRS LIFE FELLOW
STONE Anthony John MA PHD CCHEM LIFE FELLOW
CUPITT The Revd Don MA HON DLITT (BRIST) LIFE FELLOW
SLEATH John Francis Adams MA PHD LIFE FELLOW
SPREADBURY Peter James MA PHD LIFE FELLOW
BAKER Alan Reginald Harold MA PHD (LOND) FBA DLIT (LOND) LIFE FELLOW
HARVEY John Robert MA LITTD LIFE FELLOW *
WATSON Stephen Roger MA PHD LIFE FELLOW *
WEBBER Bryan Ronald MA (OXON & CANTAB) PHD (CALIF) FRS LIFE FELLOW*
O'DONALD Peter MA SCD LIFE FELLOW
BARNES Richard James MA PHD MB BCHIR **
PRINGLE James Edward MA PHD *
WINDEATT Barry Alexander MA LITTD *
BURKE Ulick Peter MA (OXON & CANTAB) HON PHD (LUND) FBA FRHISTS LIFE FELLOW
MARTIN Bruce Richard MA PHD (BRIST) LIFE FELLOW *
RANKIN Susan Kathleen MA PHD MMUS (LOND) FBA *
LEEPER Finian James MA PHD **
BOLDY Steven Rowland MA PHD *
COATES John Henry PHD BSC (ANU) DHON HON CAUSA (ÉCOLE NORMALE SUPERIEURE PARIS) FRS *
RICHARDS Keith Sheldon MA PHD *
YOUNG Stephen John MA PHD *
BURGOYNE Christopher John MA PHD (LOND) MICE FISTRUCTE **
SPIVEY Nigel Jonathan MA PHD *
GRANT John William MA MD (ABERDEEN) CHB (ABERDEEN) FRCPATH *
GROSS Michael John MA PHD **
PEAKE Nigel MA PHD **
SAYERS Michael Dennis MA DPHIL (SUSSEX) *
HENDERSON Robert Michael MA BSC (LOND) PHD (LOND) *
OAKLEY Stephen Phelps MA PHD FBA *
BENDALL Alison Sarah PHD MA (OXON & SHEFF) FSA MCLIP *
CADDICK The Revd Jeremy Lloyd MA (CANTAB OXON & LOND) *
GALES Mark John Francis MA PHD *
PICKSTOCK Catherine Jane Crozier MA PHD *
DODGSON Neil Anthony SCD BSC (MASSEY) CENG FIET **
TOLHURST David John MA PHD *
VAN HOUTS Elisabeth Maria Cornelia MA LITTD PHD (GRONINGEN) FRHISTS *
ALDRED Jonathan Simon MA PHD **
UDREA Florin PHD MSC (WARWICK) *
NICKELS Timothy Bruce BSC (MELB) PHD (MELB) *

EMMANUEL COLLEGE

The Master and Fellows

KNAPP Leslie Ann MA (CALIF) PHD (CALIF) *
HIBBERD Julian Michael BSC (WALES) PHD (WALES) *
KLEIN Lawrence Eliot BA (ROCHESTER) MA (JOHNS HOPKINS) PHD (JOHNS HOPKINS) *
HOWELL Philip Mark Rust MA PHD **
WINSKEL Glynn MA SCD MSC (OXON) PHD (EDIN) *
THOMSON Mark Andrew BA (OXON) DPHIL (OXON) *
WHITE Nicholas James MA PHD *
RUSSELL Corinna MA PHD *
MACFARLANE Robert MA PHD MPHIL (OXON) *
RAE Catherine BA (OXON) DPHIL (OXON) *
TOWLER Michael David BSC (BRIST) PHD (BRIST) *
CRAWFORD Carolin Susan BA MA PHD **
BENTLY Lionel Alexander Fiennes BA **
LAWRENCE Jon MA PHD *
RUPRECHT Lucia PHD BA (AIX-EN-PROVENCE) MA (TÜBINGEN AIX-EN-PROVENCE) *
BROADHURST Richard William MA (OXON) DPHIL (OXON) *
MACLENNAN John MA PHD *
JIGGINS Francis Michael MA PHD *
ODUDU Okeoghene MA (CANTAB & KEELE) DPHIL (OXON) *
KING Lawrence Peter BA (MICHIGAN) MA (UCLA) PHD (UCLA) *
THORNTON Rosamund Ellen MA PHD *
BARRIE Patrick John MA PHD *
CURTIS Devon Elizabeth Anne BA (MCGILL) MA (MCGILL) PHD (LOND) *
NICHOLLS Jonathan William PHD BA (BRIST) *
WHITTON Christopher Lyall MA PHD FRCO *
KABLA Alexandre Joseph PHD MA (ENS LYON) *
LETHBRIDGE Emily Diana MA PHD *
BEST Robert PHD BSC MSC (CAPE TOWN) *
SIMONS Jonathan Sam PHD BSC (ABERDEEN) *
DICKENS Jeremy Mark MA PHD *
JONES Nicola MA PHD *
FRANK René PHD BSC (LOND) *
NAKHIMOVSKY Isaac Stone MPHIL PHD (HARVARD) *
DOKCHITSER Vladimir MA PHD *
FASOLI Andrea BSC (TRENTO) MSC (TRENTO) *
PONTZEN Andrew MA PHD *
WADE James PHD BA (BOISE) MA (YORK)
ASHTON Anthony MA PHD
JAUREGUI Beatrice BA (PENN) MA (CHICAGO) PHD (CHICAGO)
CHENG Jun BSC (SJTU) MSC (SJTU) PHD (QUB)

* Member of the Governing Body

** Member of the Governing Body and Member of the College Council

EMMANUEL COLLEGE

Annual Report

for the Year Ended 31 July 2011

Annual Report

The College Council is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. The College Statutes require that financial statements for each financial year be prepared which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing those financial statements the College Council is required to:

Select suitable accounting policies and apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The College Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and to enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The College Council 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.

College Purposes -

Emmanuel College is one of the 31 autonomous, self-governing Colleges within the University of Cambridge. The College was founded in 1584. The College's Charter established Emmanuel as a perpetual College of Sacred Theology, Science, Philosophy and good arts in the University of Cambridge. While the College has changed greatly over the intervening period this remains a statement of its purpose. The College encourages study and research into all subjects taught in the University.

The College provides, in conjunction with the University of Cambridge, an education for some 700 undergraduate and graduate students 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. The College provides teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems. It also provides 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.

In accordance with section 4 of the Charities Act 2006 the College Council has considered the guidance published by the Charity Commission with respect to Public Benefit.

The College aims to maintain the excellence of its educational provision in perpetuity.

Governance -

At 1st October 2010 the Fellowship consisted of the Master and 85 Fellows. Of these 44 held their primary positions with the University, 5 held full-time teaching and research appointments at the College, and 12 were Research Fellows at the College. In addition to teaching duties at Emmanuel many of the Fellows held additional College offices, for example as Tutors or Directors of Studies.

EMMANUEL COLLEGE

Annual Report for the Year Ended 31 July 2011

The College Charter dates from 1584. The College Statutes, made in 1925 and variously amended from time to time, set out the arrangements for the governance of the College. Since 2006 a College Council has been in operation. By Statute the Governing Body has the power to establish a College Council and to delegate the majority of its statutory powers and duties to the Council. However, the Governing Body retains the power to appoint the Master and Fellows and oversight of the College's Estimates and Accounts. The Governing Body also has the power to terminate the Council. Whilst a Council is in operation all day-to-day matters to do with the governance and management of the College fall to the Council. The Council meets three times a term with a further meeting in the long vacation.

The Charity Trustees of the College are the 12 members of the College Council as listed on page 1. The Master, as chairman, the Vice-Master, the Senior Tutor and the Bursar are ex-officio members of the Council. A further 8 Fellows are elected to the Council by the members of the Governing Body. The Charity Trustees are provided with copies of the College Statutes and their attention is drawn to the policy for the management of conflicts of interest and the provisions of the Charity Commission leaflet 'The Essential Trustee: an introduction'.

The Governing Body, consisting of Fellows who are under the age of 70 who have held their Fellowship for more than 12 months, continues to meet at least once a term. There are various sub-committees of the Governing Body which consider particular areas of the College's business and report with recommendations to the College Council. External members sit on the Investment Advisory Forum, the Development Advisory Forum and the Work and stipends Committee.

All Fellows are required to act with integrity, act in the College's interests without regard to their own private interests, and to manage the affairs of the College prudently. The College has a Conflict of Interest Policy which applies to all Fellows and a Register of Interests.

The College was registered with the Charity Commission on 12th August 2010. The Cambridge Colleges are classed as a special case for purposes of accounting and are required to publish accounts in accordance with the form of accounts stipulated by Statute GIII 2(i) of Cambridge University. The Recommended Cambridge College Accounts (RCCA) is based upon the 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 Council is responsible for ensuring that there is an effective system of internal control and that accounting records are properly maintained in order that audited financial statements as detailed above may be presented.

The College is an autonomous body but it exists as a constituent part of Cambridge University. Matters of concern to all colleges and to the University are discussed and acted on through University wide committees. Representatives from the College sit on many of these committees and, whilst decisions taken there cannot be binding upon the College, consensus is often built and the basis for cooperative action established.

Junior Members -

In October 2010 464 undergraduate students and 176 graduate students were in residence at the College. The largest undergraduate subjects at the College were Medicine and Veterinary Medicine (61 students); Engineering (59); Physical Natural Sciences (48); Biological natural Sciences (41); Mathematics (29); History (25); English (24); Geography (23); Economics (18); and Law (17).

In 2010 Emmanuel College received 639 applications for undergraduate admissions from home students and 799 applications in total (this was the highest number of applicants to any college) and accepted 125 home students (148 in total). Admission to the College is therefore extremely competitive and the assessment process, in particular involving interviews at the College, is rigorous.

The College seeks to admit students with the greatest academic potential. It seeks to attract the best applicants from a wide range of schools and colleges. To this end the College is active in outreach and access initiatives committing significant resources to raising awareness of the College, Cambridge University and higher education more generally amongst groups who otherwise might not have considered these opportunities.

EMMANUEL COLLEGE

Annual Report

for the Year Ended 31 July 2011

The College hosts open days and school visits and Fellows and Junior Members visit schools and attend access and admissions conferences and events. Through the College website, the Admissions Prospectus and the Alternative Admissions Prospectus the College seeks to promote as widely as possible the opportunities that it can offer.

In the Tripos examinations taken in May and June 2011 the undergraduates at the College performed very strongly, Emmanuel being placed second overall in the Baxter Table for the year. Amongst the Tripos results in summer 2011 were many exceptional individual performances.

Many Emmanuel College undergraduates have benefited from awards from the Cambridge Bursary Scheme. In addition the College makes available further financial support both to undergraduates and graduates in the form of rent bursaries, support for study costs, support for attendance at conferences, support for research costs, support for subject specific costs, and in instances of financial hardship. The College seeks to respond flexibly to individual financial circumstances and the financial difficulties that may emerge whilst a student is studying here – it seeks to provide appropriate support to assist those students with limited financial means to participate in the range of academic and other opportunities which are available to them whilst studying in Cambridge. Financial support to Junior Members is therefore provided on the basis of both academic merit and financial need.

Extra-curricular activities within the College are very well supported by Junior Members. Emmanuel College students are active throughout the University and across the cultural, academic, musical and sporting clubs and societies within the College. The Emmanuel College Students' Union (ECSU) and the Middle Common Room (MCR) are active and the Chapel and Music Society are also focuses of activity for many Junior Members. The Boat Club, Rugby Club, Football and Tennis Clubs, amongst many others, are well supported and achieve various degrees of success.

The College carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, the College maintains and supports the Chapel as a place of religious worship and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and visitors. Through the Dean the College supports the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none. The College also maintains its historic connection with the work of the Church of England, particularly through its involvement with a number of parishes.

Scholarship and Research –

The College advances academic research particularly through the provision of Research Fellowships to outstanding academics at the early stages of their careers, enabling them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post. It also supports the research work pursued by its other Fellows, encouraging interaction across disciplines and providing facilities and grants for national and international conferences, research trips and research materials.

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

College Funding –

The College receives fee income in respect of the undergraduate and graduate students that it admits. The most significant element of fee income is payable on behalf of undergraduate students by the University from its HEFCE grant – this fee is intended to provide the teaching and educational facilities for publicly funded students along with the tutorial support and social and recreational facilities that they require. This fee income is however inadequate to meet the full cost of this provision and a subsidy out of the College's endowment income is required.

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Annual Report for the Year Ended 31 July 2011

The College also receives income from rents and charges paid by resident College Members; charges paid by conferences and other external hirers; donations; and the income generated by the College's endowment investments.

The College's endowment is invested primarily in commercial property, agricultural land and equities. An agent is retained to manage the investment property portfolio and the equity investments are divided between three managers with both active and passive management strategies being employed. The College seeks to manage its endowment investments prudently so as to preserve real capital value in the longer term and ensure a stable level of income which will rise over time.

The College seeks to maintain its reserves at an appropriate level so as to protect the College from variations in fee income, conference income, and investment income, and to guard against unanticipated expenditure. The level of reserves is routinely reviewed by the Finance and Investments Committee and the College Council particularly at the time of the annual audit. The College Council and various sub-committees of the Governing Body routinely consider the major risks to which the College is exposed and the systems and procedures that are in place in order to manage those risks. In 2011/12 this procedure of risk management will be formalised and a Risk register will be established.

Emmanuel College is a contributor to the Colleges Fund – a system of intercollegiate support providing annual grants to the colleges with smaller endowments

The College is a member of the Cambridge Colleges' CRC Consortium through which the Colleges work together to meet their obligations under the Government's CRC Energy Efficiency scheme. Throughout the year the College has been working to set up the systems necessary to comply with the new requirements. Whilst the College is fully committed to the aims espoused by the Government's scheme, this should not disguise the fact that the scheme is a further tax on the College's activities which, alongside the administrative burdens imposed, absorbs resources that could otherwise be used to support our educational activities.

Summary of financial outcome -

During the year, the College's net assets increased in value by £10.7m or 7.54% (see page 17). Endowment assets grew by £7.5m, £2.5m of which relates to upward revaluations of endowment property. A significant reduction in the CCFPS pension deficit of £0.8m has contributed to the overall increase in net assets.

The income and expenditure account reports a net surplus of £60,968 after adjustment for the University contribution and the transfer from restricted funds. Depreciation totalled £490k.

The increase in College income of £1.3m is mainly attributable to the additional amount taken to the Income and Expenditure Account as mentioned in the accounting policies; income from investments taken in accordance with the College's policy of using a smoothed valuation of investment assets was slightly less than in 2009/10.

Education costs rose by £0.5m to £4.3m.

Staffing costs and pension schemes -

The College makes pension-fund contributions on behalf of its employees to three defined-benefit funds, the Cambridge Colleges Federated Pension Scheme, the Emmanuel College Service Staff Pension Scheme and the Universities Superannuation Scheme.

Payroll costs were £156k higher than in the previous year; £100k was attributable to pension adjustments and the balance was due to higher expenditure on maintenance and household staff.

EMMANUEL COLLEGE
Annual Report
for the Year Ended 31 July 2011

In autumn 2010 a refurbishment of the College Library was completed . This was a major project which saw improvements to the Stokes Building, both in terms of the provision for Junior Members and the facilities for rare books, together with an extensive renewal of and addition to the 1970s extension. The project has resulted in a substantial improvement to the academic facilities provided to Junior Members. In addition, during the year the College undertook the refurbishment of a number of areas of Junior Member accommodation, in particular Y staircase in North Court and 5 Park Terrace. The refurbishment of Y staircase is the latest stage in the progressive refurbishment of the whole of North Court and it is expected that this work will continue for a number of years. In 2010/11 the College undertook investigations and planning for a possible extension to Janus House so as to provide additional Junior Member accommodation. Should this project proceed it is expected that works will begin on site in 2012.

Dr M J Gross
Bursar

28th November 2011

EMMANUEL COLLEGE

Independent Auditors' Report to the College Council of Emmanuel College for the Year Ended 31 July 2011

We have audited the financial statements of Emmanuel College for the year ended 31 July 2011 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the consolidated cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Council, 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 College Council those matters we are required to state 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 Council as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the College Council and Auditor

As explained more fully in its Annual Report, 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 made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit includes 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 College Council; and the overall presentation of the financial statements. In addition, we read all the financial information in the College Council's Annual 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.

EMMANUEL COLLEGE

Independent Auditors' Report to the College Council of Emmanuel College for the Year Ended 31st July 2011

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the College and the Group's affairs as at 31 July 2011 and of the surplus of the College and the Group for the year then ended; and
- have been properly prepared in accordance with the requirements of the Charities Act 1993, 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.

CHATER ALLAN LLP
Registered Auditors

Beech House, 4A Newmarket Road, Cambridge

8th December 2011

EMMANUEL COLLEGE

ACCOUNTING POLICIES

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 (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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the College and its subsidiary undertakings for the year ended 31st July 2011. The results of the subsidiary undertakings acquired or disposed of during the period are included in the Consolidated Income and Expenditure Account from the date of the acquisition or up to the date of disposal. The activities of student societies have not been consolidated.

Recognition of income

Donations & 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.

Capital grants & 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.

Endowment & 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.

Total return

Income from the General Investment Fund, which forms part of the Endowment & Investment income, is taken to the Income and Expenditure Account on a total return basis. This is calculated at a 4% rate of a smoothed valuation of investment assets. In 2010/11 due to an exceptional write-down an additional amount was recognised in the Income and Expenditure Account.

EMMANUEL COLLEGE

ACCOUNTING POLICIES

Academic fees

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

Other income

Income is received from a range of activities including residences, catering conferences and other services rendered.

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.

Pension schemes

The College participates in the Universities Superannuation Scheme, the Cambridge Colleges Federated Pension Scheme and the Church of England Funded Pension Scheme. It also operates a separate College pension scheme. All of these are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). The funds are 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 intervening years, the actuary reviews the progress of the scheme. 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.

Tangible fixed assets

Land and buildings

Land and buildings are stated at replacement cost. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 50 years. Freehold land is not depreciated. The central site, defined as the land and buildings owned by the College and enclosed by St Andrews Street, Park Terrace, Parker Street and Emmanuel Street, along with North Court, has not been included as in the College's opinion the cost of obtaining a valuation, if indeed a reliable valuation could be obtained, outweighs the benefit to the users of the accounts. The insured value of the central site not included is shown in Note 10.

Subsequent additions and improvements to the College buildings are accounted for at cost.

Where land and buildings are acquired with the aid of specific bequest or donations they are capitalised and depreciated as above. The related benefactions are normally 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 not capitalised as part 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 31st July. They are not depreciated until they are brought into use.

EMMANUEL COLLEGE

ACCOUNTING POLICIES

b. Maintenance of premises

The College has a rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to the Income and Expenditure Account as it is incurred or capitalised and depreciated over the useful economic life of the asset concerned. The College also sets aside sums on a regular basis to meet major maintenance costs which occur on an irregular basis.

c. Operational furniture, fittings and equipment

Operational furniture, fittings and equipment costing less than £2,500 is written off in the year of acquisition. All other assets are capitalised and depreciated on a straight line basis over their expected useful life as follows:

Operational furniture and fittings 10% per annum
Motor vehicles 20% per annum
Plant and equipment 10% - 20 % per annum
Computer equipment 33% per annum

Where equipment is acquired with the aid of specific bequests or donations it is 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 consistent with the depreciation policy.

d. Books

During the year, the Library books within the Junior Member Library were disposed of to an independent charitable company which now owns and runs the Library. The Rare Books Collection continues not to be included in the Tangible Fixed Asset valuations.

e. Heritage assets

In accordance with FRS30 (Heritage Assets), works of art, books and other valuable artefacts acquired by the College since 1 August 2007 and valued at over £20k are capitalised and recognised in the balance sheet at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. In accordance with FRS15, Heritage Assets acquired before 1 August 2007 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

f. Leased assets

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excesses of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of change on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure in equal amounts over the period of the leases.

EMMANUEL COLLEGE

ACCOUNTING POLICIES

Investments

Investments are included in the balance sheet at market value. Investments which are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Realised and unrealised capital gains and losses are recognised as increases/decreases of market value of investment assets within the Statement of Total Recognised Gains and Losses.

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, 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.

Taxation

The College is a registered charity (number 1137456) and is exempt from taxation in respect of income and capital gains received under Part 11 of the Corporation Tax Act 2010 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.

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. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Statute XXXIV

Emmanuel College Statute XXIV allows unexpended income of trust funds to be applied for the general educational purposes of the College. Income to the relevant Restricted Fund is shown as passing through the Income and Expenditure Account with a subsequent transfer from Restricted Funds to Unrestricted Funds.

EMMANUEL COLLEGE
Consolidated Income and Expenditure Account
for the Year Ended 31st July 2011

	Note	2011 £	2010 Restated £
INCOME			
Academic Fees and Charges	1	2,221,398	2,150,594
Residences, Catering and Conferences	2	3,408,950	3,293,107
Endowment & Investment Income	3	6,064,158	5,091,667
Donations	4	527,043	523,628
Other Income	5	253,153	133,738
Total Income		<u>12,474,702</u>	<u>11,192,734</u>
EXPENDITURE			
Education	6	4,271,651	3,747,007
Residences, Catering and Conferences	7	4,208,678	3,850,742
Other (Incl. Investment and Property Management)	8c	6,897,174	1,867,212
Total Expenditure		<u>15,377,503</u>	<u>9,464,961</u>
(Deficit)/Surplus on continuing operations before Contribution under Statute G,II		(2,902,801)	1,727,773
Contribution Under Statute G,II		137,000	125,000
(Deficit)/Surplus on continuing operations after Contribution under Statute G,II		<u>(3,039,801)</u>	<u>1,602,773</u>
Deficit/(Surplus) for the year transferred from/(to) accumulated income in endowment funds	18	3,100,769	(696,479)
Surplus for the year retained within general reserves		<u><u>60,968</u></u>	<u><u>906,294</u></u>

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

EMMANUEL COLLEGE
Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31st July 2011

	Note	Restricted Funds £	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Surplus/(Deficit) on income and expenditure account		-	60,968	60,968	906,294
Unspent endowment fund income		(3,194,697)	93,928	(3,100,769)	696,479
Increase/(decrease) in market value of investments					
Endowment assets	18	5,360,341	5,084,422	10,444,763	7,610,263
Fixed asset investments	19		1,511,512	1,511,512	3,220,369
Appreciation/(depreciation) of Operational assets				-	277,583
Unrealised surplus on revaluation of Fixed assets		-		-	-
New endowments	18	286,607	8,000	294,607	1,839,138
Transfers					
Actuarial gain(loss) in respect of pension schemes scheme assets	16		901,864	901,864	(1,283,048)
Total Recognised Gains/(Losses) for the Year		<u>2,452,251</u>	<u>7,660,694</u>	<u>10,112,945</u>	<u>13,267,078</u>
Reconciliation					
Opening Reserves & Endowments		42,196,623	100,065,424	142,262,047	128,994,969
Prior year adjustment re Heritage Assets			265,700	265,700	265,700
Transfers relating to balances brought forward		(165,889)	165,889	-	-
Opening Reserves & Endowments restated		42,030,734	100,497,013	142,527,747	129,260,669
Total Recognised Gains/(Losses) for the Year		2,452,251	7,660,694	10,112,945	13,267,078
Closing Reserves and Endowments		<u>44,482,985</u>	<u>108,157,707</u>	<u>152,640,692</u>	<u>142,527,747</u>

EMMANUEL COLLEGE
Consolidated Balance Sheet
As at 31st July 2011

	Note	2011 £	2010 Restated £
FIXED ASSETS			
Tangible Assets	10	23,093,542	22,210,251
Investments	11	31,209,350	28,213,669
		<u>54,302,892</u>	<u>50,423,920</u>
ENDOWMENT ASSETS	11	106,159,088	98,685,617
CURRENT ASSETS			
Stock and work in progress		399,420	374,425
Debtors	12	4,301,432	6,998,411
Cash at bank and in hand	13	716,224	(1,180,620)
		<u>5,417,076</u>	<u>6,192,216</u>
Creditors: Amounts Falling Due Within One Year	14	(2,257,605)	(1,549,020)
Net Current Assets		<u>3,159,471</u>	<u>4,643,196</u>
Creditors: Amounts Falling Due After More Than One Year	15	(10,000,000)	(10,000,000)
Net Assets excluding pension asset/(liability)		<u>153,621,451</u>	<u>143,752,733</u>
Net Pension asset/(liability)	16	(353,938)	(1,224,986)
Net Assets including pension liability		<u><u>153,267,513</u></u>	<u><u>142,527,747</u></u>

Represented by:

		Restricted Funds £	Unrestricted Funds £	Total 2011 £	Total 2010 £
Deferred Capital Grants	17	626,821		626,821	-
Endowments					
Expendable endowments	18	34,240,296		34,240,296	32,959,889
Permanent endowments	18	10,242,689	61,676,103	71,918,792	65,725,728
Reserves					
General reserves excluding pension reserve	19		38,298,618	38,298,618	37,170,656
Pension reserve	19		-	-	-
Operational property revaluation reserve	19		-	-	-
Fixed asset investment revaluation reserve	19		8,182,986	8,182,986	6,671,474
TOTAL		<u><u>45,109,806</u></u>	<u><u>108,157,707</u></u>	<u><u>153,267,513</u></u>	<u><u>142,527,747</u></u>

Approved by the Governing Body on 28th November 2011 and signed on their behalf by:

Dr M J Gross
Bursar

Lord Wilson of Dinton
Master

EMMANUEL COLLEGE
Consolidated Cash Flow Statement
for the Year Ended 31st July 2011

	Note	<u>2011</u> £	<u>2010</u> £
Net Cash (Outflow)/Inflow from Operating Activities	21	(4,621,826)	(6,224,950)
Returns on investments and servicing of finance	22	3,135,765	3,109,904
Contribution to colleges fund		(137,000)	(125,000)
Capital expenditure and financial investment	22	3,519,905	915,226
Cash inflow/(outflow) before management of liquid resources		<u>1,896,844</u>	<u>(2,324,820)</u>
Management of liquid resources			
Increase/(decrease) in short term deposits		2,329,141	(3,210,487)
Increase/(decrease) in cash in the year		<u>4,225,985</u>	<u>(5,535,307)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		4,225,985	(5,535,307)
Cash inflow/(outflow) from liquid resources		(2,329,141)	3,210,487
Change in net funds			
Net funds at beginning of year		(1,180,620)	1,144,200
Net funds at end of year	23	<u><u>716,224</u></u>	<u><u>(1,180,620)</u></u>

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

1. ACADEMIC FEES AND CHARGES

	2011	2010
	£	£
COLLEGE FEES		
Fee Income paid on behalf of U/Graduates at the Publicly-funded U/Graduate rate(per capita fee £3,861)	1,756,755	1,719,744
Privately -funded Undergraduate Fee Income (per capita fee £4,350)	165,300	167,280
Fee Income received at the Graduate fee rate (per capita fee £2,229)	302,996	263,972
Other income	(3,653)	(402)
Total	<u>2,221,398</u>	<u>2,150,594</u>

2. RESIDENCES, CATERING AND CONFERENCES INCOME

	2011	2010
	£	£
Accommodation		
College Members	1,614,597	1,547,909
Conferences	237,889	245,025
Catering		
College Members	1,080,652	1,004,370
Conferences	475,812	495,803
Total	<u>3,408,950</u>	<u>3,293,107</u>

3. ENDOWMENT AND INVESTMENT INCOME

3a Analysis of Endowment Income

	Total	Total
	2011	2010
	£	£
Income from:		
Freehold Land and Buildings	1,386,989	1,443,150
Quoted & other Securities	4,466,914	3,416,854
Cash	210,255	231,663
	<u>6,064,158</u>	<u>5,091,667</u>

3b Summary of Total Return

	2011	2010
	£	£
Income from:		
Land & Buildings	1,386,989	1,443,150
Quoted and other securities and cash	2,221,889	2,140,016
Gains/(losses) on Endowment Assets:		
Land & Buildings	2,527,000	13,301
Quoted and other securities and cash	12,096,048	12,512,188
Investment management costs re quoted securities - equities	(211,494)	(186,356)
Total Return for year	<u>18,020,432</u>	<u>15,922,299</u>
Total Return recognised in Income & Expenditure Account	(6,064,158)	(5,091,667)
Unapplied Total Return recognised in Statement of Total Recognised Gains and Losses	<u>11,956,274</u>	<u>10,830,632</u>

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

4. DONATIONS

	2011	2010
	£	£
Unrestricted donations	439,987	487,317
Restricted donations	87,056	36,311
Released from deferred capital grants (see note 17)	-	-
	<u>527,043</u>	<u>523,628</u>

5. OTHER INCOME

	2011	2010
	£	£
Profit on sale of property/ other investments	29,880	28,197
Other income	223,273	105,541
	<u>253,153</u>	<u>133,738</u>

6. EDUCATION EXPENDITURE

	2011	2010
	£	£
Teaching	1,867,905	1,475,975
Tutorial	831,099	763,730
Admissions	254,148	255,634
Research	613,002	573,202
Scholarships and Awards	319,080	335,720
Other Educational Facilities	386,417	342,746
Total	<u>4,271,651</u>	<u>3,747,007</u>

7. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

	2011	2010
	£	£
Accommodation	1,993,376	1,810,022
College Members	293,697	286,516
Conferences (incl. marketing costs)	1,334,169	1,174,445
Catering	587,436	579,759
College Members	-	-
Conferences	-	-
Total	<u>4,208,678</u>	<u>3,850,742</u>

8a. ANALYSIS OF 2010/11 EXPENDITURE BY ACTIVITY

	Staff Costs (Note 9)	Depreciation	Other Operating Expenses	Total
	£	£	£	£
Education (Note 6)	2,088,067	155,910	2,027,674	4,271,651
Residences, Catering and Conferences (Note 7)	2,040,128	334,605	1,833,945	4,208,678
Other	469,121	-	6,428,053	6,897,174
	<u>4,597,316</u>	<u>490,515</u>	<u>10,289,672</u>	<u>15,377,503</u>

Other expenditure includes fundraising costs £268,410 (2010 £259,359). This expenditure includes the cost of alumni relations.

8b. ANALYSIS OF 2009/10 EXPENDITURE BY ACTIVITY

Education (Note 6)	2,098,200	125,487	1,523,320	3,747,007
Residences, Catering and Conferences (Note 7)	1,891,823	283,907	1,675,012	3,850,742
Other	451,576	-	1,415,636	1,867,212
	<u>4,441,599</u>	<u>409,394</u>	<u>4,613,968</u>	<u>9,464,961</u>

8c. ANALYSIS OF OTHER EXPENSES

	2011	2010
	£	£
Herchel Smith Scholarships to Harvard	204,435	141,154
Herchel Smith Scholarship in Intellectual Property	84,940	85,000
Interest on loan	473,113	473,262
Donations *	3,664,434	14,169
Other expenditure	2,470,252	1,153,627
	<u>6,897,174</u>	<u>1,867,212</u>

* The 2011 figure includes a substantial donation to an independent charitable company towards the refurbishment of the Library

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

8d. AUDITORS' REMUNERATION

	2011	2010
	£	£
Other operating expenses include:		
Audit fees paid to the College's external auditors	14,791	13,742
Other fees payable to the College's external auditors	-	-
	<u>14,791</u>	<u>13,742</u>

The above amounts include related irrecoverable VAT

9. STAFF

	College Fellows 2011	College Staff 2011	Total 2011	Total 2010
	£	£	£	£
Staff Costs				
Emoluments	1,080,867	2,757,019	3,837,886	3,779,514
Social Security Costs	94,759	169,864	264,623	265,195
Other Pension Costs	156,389	338,418	494,807	396,890
	<u>1,332,015</u>	<u>3,265,301</u>	<u>4,597,316</u>	<u>4,441,599</u>

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

Average Staff Numbers

Fellows	40		40	38
Staff		135	135	128
	<u>40</u>	<u>135</u>	<u>175</u>	<u>166</u>

The Governing Body comprises 86 Fellows, of which the 40 declared above are stipendiary.

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

10. TANGIBLE FIXED ASSETS (GROUP & COLLEGE)

	Land & Buildings £	Assets in construction £	Furniture & Equipment £	Heritage assets £	Total £
COST/VALUATION					
At 1st August 2010	22,184,050		2,116,365		24,300,415
Prior year adjustment				265,700	265,700
Additions	2,342,839		211,749		2,554,588
Disposals at Cost/Valuation	-		(1,190,782)		(1,190,782)
Transfer from Investment Assets	-				-
Revaluation During the Year	-				-
Cost/Valuation as at 31st July 2011	<u>24,526,889</u>	<u>-</u>	<u>1,137,332</u>	<u>265,700</u>	<u>25,929,921</u>
DEPRECIATION					
At 1st August 2010	1,862,073		493,791		2,355,864
Provided for the year	373,272		117,243		490,515
Eliminated on Disposal	-		(10,000)		(10,000)
Depreciation at 31st July 2011	<u>2,235,345</u>	<u>-</u>	<u>601,034</u>	<u>-</u>	<u>2,836,379</u>
At 31st July 2011	<u>22,291,544</u>	<u>-</u>	<u>536,298</u>	<u>265,700</u>	<u>23,093,542</u>
At 31st July 2010	<u>20,321,977</u>	<u>-</u>	<u>1,622,574</u>	<u>265,700</u>	<u>22,210,251</u>

The Insured Value of Freehold Land and Buildings as at 31st July 2011 was £121,854,676. This figure includes an Insured Value of £93,746,619 in respect of central site Land & Buildings not included above.

Heritage assets

The college holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 2007 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the Balance Sheet is partial.

Amounts for the current and previous four years were as follows:

	2011 £	2010 £	2009 £	2008 £	2007 £
Acquisitions purchased with specific donations	-	-	-	-	-
Acquisitions purchased with College Funds	-	-	-	-	-
Total cost of acquisitions purchased	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Value of acquisitions by donation	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,700</u>	<u>-</u>
Total acquisitions capitalised	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,700</u>	<u>-</u>

**EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS**

11. INVESTMENTS	Group 2011 £	Group 2010 £	College 2011 £	College 2010 £
Balance at beginning of year	126,899,286	115,043,529	126,899,288	115,043,531
Additions	1,000,335	870,629	1,000,335	870,629
Disposals	(238,950)	(395,732)	(238,950)	(395,732)
Transfer to Tangible Assets	-	(415,000)	-	(415,000)
Appreciation/(Depreciation)	14,411,555	12,339,133	14,411,555	12,339,133
Impairment review	-	-	-	-
Increase/(Decrease) in Bank balances	(4,703,788)	(543,273)	(4,703,788)	(543,273)
Balance at end of year	<u>137,368,438</u>	<u>126,899,286</u>	<u>137,368,440</u>	<u>126,899,288</u>
Represented by:				
Property	24,521,600	22,004,600	24,521,600	22,004,600
Equities	58,526,125	51,280,250	58,526,125	51,280,250
Investment in Subsidiary Undertakings			2	2
Other investments	47,855,313	42,445,249	47,855,313	42,445,249
Cash at Bank	6,465,400	11,169,187	6,465,400	11,169,187
	<u>137,368,438</u>	<u>126,899,286</u>	<u>137,368,440</u>	<u>126,899,288</u>
ATTRIBUTABLE TO:				
FIXED ASSET INVESTMENTS	31,209,350	28,213,669	31,209,352	28,213,671
ENDOWMENT ASSETS	106,159,088	98,685,617	106,159,088	98,685,617
	<u>137,368,438</u>	<u>126,899,286</u>	<u>137,368,440</u>	<u>126,899,288</u>

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

12. DEBTORS	2011 Group £	2010 Group £	2011 College £	2010 College £
Due within one year:				
Members of the College	584,218	651,976	584,218	651,976
Amounts due from subsidiary undertakings	-	-	-	-
Other Debtors	437,307	5,369,680	431,365	5,360,218
Prepayments and accrued income	887,002	976,755	887,002	976,755
	<u>1,908,527</u>	<u>6,998,411</u>	<u>1,902,585</u>	<u>6,988,949</u>
Due after more than one year				
Other Debtors	2,392,905	-	2,392,905	-
	<u>4,301,432</u>	<u>6,998,411</u>	<u>4,295,490</u>	<u>6,988,949</u>
13. CASH	2011 Group £	2010 Group £	2011 College £	2010 College £
Bank Deposits	706,349	(1,622,792)	706,349	(1,622,792)
Current Accounts	9,045	441,342	830	405,283
Cash in Hand	830	830	-	830
	<u>716,224</u>	<u>(1,180,620)</u>	<u>707,179</u>	<u>(1,216,679)</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2011 Group £	2010 Group £	2011 College £	2010 College £
Bank Overdraft	251,013	-	251,013	-
Trade creditors	203,210	388,647	203,210	351,343
Members of the College	523,835	504,088	523,835	504,088
Amounts due to subsidiary undertakings	984	986	984	986
University fees	-	(743)	-	(743)
Contribution to Colleges Fund	137,000	125,000	137,000	125,000
Other creditors	224,459	147,298	220,225	139,083
Accruals and deferred income	917,104	383,744	906,352	383,744
	<u>2,257,605</u>	<u>1,549,020</u>	<u>2,242,619</u>	<u>1,503,501</u>
15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2011 Group £	2010 Group £	2011 College £	2010 College £
Term Loan Facility repayable 40 years from August 2008	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
The rate of interest is fixed at 4.59% plus minor variable adjustments.				
16. PENSION LIABILITIES	2011 Group £	2010 Group £	2011 College £	2010 College £
Balance at beginning of year	1,224,986	28,176	1,224,986	28,176
Movement in year				
Current service costs including life assurance	460,641	207,382	460,641	207,382
Contributions	(427,982)	(350,927)	(427,982)	(350,927)
Other finance(income)/cost	(1,843)	57,307	(1,843)	57,307
Actuarial loss/(gain) recognised in statement of total realised gains and losses	(901,864)	1,283,048	(901,864)	1,283,048
Balance at end of year	<u>353,938</u>	<u>1,224,986</u>	<u>353,938</u>	<u>1,224,986</u>

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

17. DEFERRED CAPITAL GRANTS Group & College	Donations £	2011 Total £	2010 Total £
Balance at beginning of year:	-	-	-
Grants & donations received -Buildings	626,821	626,821	-
Released to income & expenditure account -Buildings	-	-	-
Balance at end of year:	<u>626,821</u>	<u>626,821</u>	<u>-</u>

18. ENDOWMENTS Group & College	Unrestricted Permanent £	Restricted Permanent £	Total Permanent £	Restricted Expendable £	2011 Total £	2010 Total £
Balance at beginning of year:	61,237,493	9,236,735	70,474,228	32,959,888	103,434,116	92,805,478
Prior year adjustment	(4,748,499)	-	(4,748,499)	-	(4,748,499)	(3,730,301)
Balance as restated	<u>56,488,994</u>	<u>9,236,735</u>	<u>65,725,729</u>	<u>32,959,888</u>	<u>98,685,617</u>	<u>89,075,177</u>
Balance at beginning of year:						
Capital	56,005,708	8,441,613	64,447,321	30,711,111	95,158,432	86,054,272
Unspent income	483,286	795,122	1,278,408	2,248,777	3,527,185	3,020,905
New endowments received	8,000	1,960	9,960	284,647	294,607	1,839,138
Income receivable from endowment asset investments	96,143	332,447	428,590	921,739	1,350,329	1,285,959
Restricted expendable donations				87,056	87,056	36,311
Expenditure	65,275	(189,113)	(123,838)	(4,313,631)	(4,437,469)	(662,059)
Transfers	(67,490)	86,567	19,077	(119,762)	(100,685)	36,268
Net transfer (to) from income and expenditure account	93,928	229,901	323,829	(3,424,598)	(3,100,769)	696,479
Other transfers	759	(125,714)	(124,955)	(40,175)	(165,130)	(535,439)
Increase/(decrease) in market value of investments	5,084,422	899,807	5,984,229	4,460,534	10,444,763	7,610,263
Balance at end of year	<u>61,676,103</u>	<u>10,242,689</u>	<u>71,918,792</u>	<u>34,240,296</u>	<u>106,159,088</u>	<u>98,685,617</u>
Comprising:						
Capital	61,098,130	9,343,380	70,441,510	31,878,905	102,320,415	95,088,672
Unspent income	577,973	899,309	1,477,282	2,361,391	3,838,673	3,596,944
Balance at end of year	<u>61,676,103</u>	<u>10,242,689</u>	<u>71,918,792</u>	<u>34,240,296</u>	<u>106,159,088</u>	<u>98,685,617</u>
Representing:						
Fellowship Funds		2,226,096	2,226,096	4,479,506	6,705,602	6,092,541
Scholarship Funds **	30,532	4,345,099	4,375,631	22,441,119	26,816,750	22,846,434
Prizes Funds		177,774	177,774	195,292	373,066	336,276
Hardship Funds		797,013	797,013	505,111	1,302,124	1,116,438
Travel Grant Funds		-	-	114,242	114,242	101,964
Other Funds	116,247	2,696,707	2,812,954	6,505,026	9,317,980	11,830,701
General endowments	61,529,324		61,529,324		61,529,324	56,361,264
Total	<u>61,676,103</u>	<u>10,242,689</u>	<u>71,918,792</u>	<u>34,240,296</u>	<u>106,159,088</u>	<u>98,685,617</u>

** Included in Restricted Scholarship Funds are the following Non-Collegiate Funds:

	2011 £	2010 £
Herchel Smith Scholarships to Harvard	13,830,296	11,169,731
Herchel Smith Scholarship in Intellectual Property	3,126,067	2,819,218
	<u>16,956,363</u>	<u>13,988,949</u>

The funds originated from various donations from Dr Herchel Smith and were set up to provide scholarships to students attending institutions outside of Emmanuel College

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

19. RESERVES

Group & College	General reserves	Operational property revaluation reserve	Fixed asset investment revaluation reserve	2011 Total	2010 Total
	£	£	£	£	£
Balance at beginning of year	38,827,931	-	-	38,827,931	36,189,492
Prior year adjustment	(1,657,275)		6,671,474	5,014,199	3,996,001
Balance at beginning of year restated	<u>37,170,656</u>	<u>-</u>	<u>6,671,474</u>	<u>43,842,130</u>	<u>40,185,493</u>
Surplus retained for the year	60,968			60,968	906,294
Actuarial gain/(loss)	901,864			901,864	(1,283,048)
Transfers	165,130			165,130	535,439
Transfer in respect of disposals of fixed asset investments				-	-
Appreciation(depreciation) of Operational Assets				-	277,583
Increase/(decrease) in market value of investments			1,511,512	1,511,512	3,220,369
Balance at end of year	<u>38,298,618</u>	<u>-</u>	<u>8,182,986</u>	<u>46,481,604</u>	<u>43,842,130</u>

20. Memorandum of Unapplied Total Return

	2011	2010
	£	£
Included within reserves the following amounts represent the Unapplied Total Return of the College:		
Unapplied Total Return at 1st August 2010	19,924,334	9,093,702
Unapplied Total Return for year (see note 3b)	11,956,274	10,830,632
Unapplied Total Return at 31st July 2011	<u>31,880,608</u>	<u>19,924,334</u>

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

21. Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2011	2010
	£	£
Suplus/(deficit) on continuing operations before donations of Heritage assets	(2,902,801)	1,727,773
Depreciation of Tangible Fixed Assets	490,515	409,394
(Profit)/loss on disposal of Tangible Fixed Assets	(29,880)	(28,197)
Deferred capital grants released to income	-	-
Investment income	(6,064,158)	(5,091,667)
Interest payable	473,113	473,262
Pension costs less contributions payable	30,816	(86,238)
Decrease/(increase) in stocks	(24,995)	(20,745)
Decrease/(increase) in debtors	2,696,979	(3,710,643)
Increase/(decrease) in creditors	708,585	102,111
Net cash inflow from operating activities	<u>(4,621,826)</u>	<u>(6,224,950)</u>

22. Cash flows

	2011	2010
	£	£
Returns on investments and servicing of finance		
Endowment and investment income received	3,608,878	3,583,166
Interest paid	(473,113)	(473,262)
Net cash inflow from returns on income and servicing of finance	<u>3,135,765</u>	<u>3,109,904</u>
Capital expenditure and financial investment		
Purchase of tangible Fixed Assets	(2,554,588)	(477,212)
Donations for buildings and other deferred capital grants received	626,821	-
Proceeds of disposal of Tangible Fixed Assets	1,210,662	28,197
Net sale (purchase) of long-term investments	3,942,403	(474,897)
New endowments received	294,607	1,839,138
Net cash outflow from capital expenditure and financial investment	<u>3,519,905</u>	<u>915,226</u>

23. Analysis of cash and bank balances

	At beginning of year	Cash flows	At end of year
	£	£	£
Bank overdrafts	-		
Cash at bank and in hand	(1,180,620)	1,896,844	716,224
Net Funds	<u>(1,180,620)</u>	<u>1,896,844</u>	<u>716,224</u>

24. PENSION SCHEMES

The College operates four defined benefit pension schemes, the Universities Superannuation Scheme (USS), the Cambridge Colleges Federated Pension Scheme (CCFPS), the Emmanuel College Service Staff Pension Scheme (1968) and the Church of England Funded Pensions Scheme. The total pension cost for the period was £494,807 (2010: £396,890)

Universities Superannuation Scheme Limited

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 Ltd. USS has over 142,000 active members and the college has 56 active members participating in the scheme. Because of the mutual nature of the scheme, 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 latest triennial actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2011 are also included in this note.

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

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

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

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004, it was 107% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 6.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%.

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

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

24. PENSION SCHEMES (Continued)

Universities Superannuation Scheme Limited (Continued)

The scheme-wide contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, increased the institution contribution rate to 16% of pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fluctuate and at 31 March 2011 the market's assessment of inflation has increased slightly. The government has also announced a change to the inflation measure used in determining the "Official Pensions Index" from the Retail Prices Index to the Consumer Prices Index. The actuary has taken this all into account in his funding level estimates at 31 March 2011 by reducing the assumption for pension increases from 3.3% pa to 2.9% pa. The actuary has estimated that the funding level as at March 2011 under the scheme specific funding regime had fallen from 103% to 98% (a deficit of circa £700 million). Over the past twelve months, the funding level has improved from 91% (as at March 2010) to 98%. This estimate is based on the funding level at 31st March 2008, adjusted to reflect the fund's actual investment performance over the three years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). The next formal valuation is at 31 March 2011 and this will incorporate 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. This change will have an impact, expected to be positive, on the future funding levels.

On the FRS17 basis, 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 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 54%.

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

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

The total pension cost for the College was £157,193 (2010: £130,931). The contribution rate payable by the college was 16% of pensionable salaries.

The Cambridge Colleges Federated Pension Scheme

About the Scheme

The College is a member of a multi-employer defined benefit scheme, the Cambridge Colleges' Federated Pension Scheme, 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-out of the State Second Pension (S2P).

<u>The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:</u>	June 2011 pa	March 2010 pa
Discount rate	5.5%	5.6%
Expected long-term rate of return on Scheme assets	6.2%	6.6%
Increase in salaries	3.2%*	4.7%
Retail Prices Index (RPI) assumption	3.4%	3.7%
Consumer Prices Index (CPI) assumption	2.7%	n/a
Pension increases (RPI linked)	3.4%	3.7%
Pension increases (capped RPI linked)	3.2%	3.5%

* 2% in 2011, 3.2% thereafter

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

24. PENSION SCHEMES (Continued)

The Cambridge Colleges Federated Pension Scheme (Continued)

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

Employee Benefit Obligations

<u>The amounts recognised in the balance sheet are as follows</u>	June 2011	March 2010
	£	£
Present value of Scheme liabilities	(6,690,440)	(6,617,301)
Market value of Scheme assets	<u>6,623,502</u>	<u>5,721,315</u>
Surplus/(Deficit) in Scheme as at 31 March	(66,938)	(895,986)
Related deferred tax asset	-	-
Net pension asset/ (liability) as at 31 March	(66,938)	(895,986)
Increase in Scheme assets as a result of lump sum paid by College in June 2009	-	-
Net pension asset/ (liability) as shown in College Balance Sheet at 31 July	<u>(66,938)</u>	<u>(895,986)</u>

<u>The amounts recognised in profit or loss are as follows:</u>	June 2011	March 2010
	£	£
Current service cost	407,641	189,382
Interest Cost	476,216	298,677
Expected Return on Assets	<u>(491,059)</u>	<u>(230,370)</u>
Total	<u>392,798</u>	<u>257,689</u>
Actual Return on Assets	<u>674,777</u>	<u>922,742</u>

<u>Changes in the present value of the Scheme liabilities are as follows:</u>	June 2011	March 2010
	£	£
Present value of Scheme liabilities at beginning of period	6,617,301	4,613,166
Service cost (including employee's contributions)	527,140	301,703
Interest cost	476,216	298,677
Actuarial losses(gains)	(723,146)	1,559,420
Benefits paid	<u>(207,071)</u>	<u>(155,665)</u>
Present value of Scheme liabilities at end of period	<u>6,690,440</u>	<u>6,617,301</u>

<u>Changes in the fair value of the Scheme assets are as follows:</u>	June 2011	March 2010
	£	£
Market value of Scheme assets at beginning of period	5,721,315	3,689,790
Expected Return	491,059	230,370
Actuarial gains and (losses)	183,718	692,372
Contributions by College	314,982	1,152,127
Employee contributions	119,499	112,321
Benefits paid	<u>(207,071)</u>	<u>(155,665)</u>
Market value of Scheme assets at end of period	<u>6,623,502</u>	<u>5,721,315</u>

The agreed contributions to be paid by the College for the forthcoming year are 18.11% of Contribution Pay for non salary sacrifice members or 26.11% of Contribution Pay for salary sacrifice members, subject to review at future actuarial valuations. These rates exclude PHI.

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

24. PENSION SCHEMES (Continued)

The Cambridge Colleges Federated Pension Scheme (Continued)

The major categories of Scheme assets as a percentage of total Scheme assets and expected long-term rate of return were:

	Long-term rate of return expected at June 2011	Percentage of total Scheme Assets June 2011	Long-term rate of return expected at March 2010	Percentage of total Scheme Assets March 2010
Equities and Hedge Funds	7.1%	56%	7.5%	60%
Bonds & Cash	4.8%	36%	5.0%	31%
Property	6.1%	8%	6.5%	9%
Total		<u>100%</u>		<u>100%</u>

Movement in surplus/(deficit) during the 15 months ending 30 June 2011 (with comparative figures for the year ending 31 March 2010) are as follows:

	June 2011 £	March 2010 £
Surplus/(deficit) in Scheme at beginning of the Scheme year	(895,986)	(923,376)
Service Cost (Employer only)	(407,641)	(189,382)
Contributions paid by the College	314,982	1,152,127
Finance Cost	14,843	(68,307)
Actuarial gain/(loss)	906,864	(867,048)
Surplus/(deficit) in Scheme at the end of the Scheme year	<u>(66,938)</u>	<u>(895,986)</u>

Amounts for the current and previous 4 periods are as follows:

	June 2011	March 2010	March 2009	March 2008	March 2007
Present value of Scheme liabilities	(6,690,440)	(6,617,301)	(4,613,166)	(4,666,266)	(4,568,380)
Market value of Scheme assets	6,623,502	5,721,315	3,689,790	4,002,663	3,803,434
Surplus/(deficit) in the Scheme	(66,938)	(895,986)	(923,376)	(663,603)	(764,946)
Actual return less expected return on Scheme assets	183,718	692,372	(796,380)	(289,825)	(8,444)
Experience gain/(loss) arising on Scheme liabilities	110,906	55,313	(86,733)	(99,234)	(71,013)
Change in assumptions underlying present value of Scheme liabilities	612,240	(1,614,733)	623,684	458,132	248,116

The Emmanuel College Service Staff Pension Scheme (1968)

The College operates a defined benefit pension scheme in the UK, The Emmanuel College Service Staff Pension Scheme (1968). A full actuarial valuation of the scheme was carried out as at 1 April 2009, which has been updated to 31 March 2011 by a qualified independent actuary.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	As at 31 March 2011	As at 31 March 2010
Financial assumptions		
Discount rate	5.5% pa	5.5% pa
Expected return on plan assets	5.72% pa	5.72% pa
Future salary increases	3.6% pa	3.7% pa
Pension revaluation in deferment (RPI from 1 October 2009 - max 2.5%)	2.5% pa	2.5% pa
Pension escalation in payment (Pensions accrued before 1 January 2003 -fixed 5%) (RPI from 1 January 2003-max 5%)	5.0% pa 3.6% pa	5.0% pa 3.7% pa
Proportion of employees opting for early retirement	0% pa	0% pa
Inflation assumption	3.6% pa	3.7% pa

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

24. PENSION SCHEMES (Continued)

The Emmanuel College Service Staff Pension Scheme (1968) (Continued)

		As at 31 March 2011	As at 31 March 2010
Demographic assumptions			
Assumed life expectancy in years, on retirement at 65			
Retiring today	Males	24.0	23.8
	Females	26.0	25.9
Retiring in 20 years	Males	26.0	25.9
	Females	27.2	27.1

Pre-retirement mortality rates

The following mortality rates represent the probability of a person age x dying within one year.

Age		Males	Females
30		0.00033	0.00019
40		0.00052	0.00041
50		0.00138	0.00104
60		0.00441	0.00278

Employee benefit obligations- amounts recognised in the balance sheet

	As at 31 March 2011	As at 31 March 2010
Present value of funded obligations	1,506,000	1,532,000
Fair value of plan assets	1,219,000	1,203,000
Surplus/(Deficit) in the scheme	<u>(287,000)</u>	<u>(329,000)</u>
Related deferred tax asset/(liability)	0	0
Net pension asset/(liability)	<u>(287,000)</u>	<u>(329,000)</u>

The net liability represents either the surplus recoverable by the employer (through reduced contributions or refunds) or the deficit which the employer has a legal or constructive obligation to meet.

We have ignored both the asset and corresponding liability in respect of current pensioners whose pensions are fully secured in immediate annuity policies.

The pension plan assets do not include ordinary shares issued by the sponsoring employer nor do they include property occupied by the employer.

The amounts recognised in profit or loss are as follows:

	For year to 31 March 2011	For year to 31 March 2010
	£	£
Current service cost	53,000	18,000
Interest on obligations	79,000	65,000
Expected return on plan assets	(66,000)	(76,000)
Past service cost	0	0
Previously unrecognised surplus deducted from the past service cost	0	0
Gains and losses on settlements or curtailments	0	0
Total cost	<u>66,000</u>	<u>7,000</u>
Actual return(loss) on plan assets	<u>105,000</u>	<u>91,000</u>

EMMANUEL COLLEGE
NOTES TO THE ACCOUNTS

24. PENSION SCHEMES (Continued)

The Emmanuel College Service Staff Pension Scheme (1968) (Continued)

<u>Changes in the present value of the defined benefit obligation are as follows</u>	For year to	
	31 March 2011	31 March 2010
	£	£
Opening defined benefit obligation	1,532,000	1,199,000
Current service costs	53,000	18,000
Past service cost	0	0
Member contributions	34,000	29,000
Interest cost	79,000	65,000
Actuarial losses (gains)	44,000	773,000
Benefits paid	(236,000)	(552,000)
Closing defined benefit obligation	<u>1,506,000</u>	<u>1,532,000</u>

The projected unit valuation method has been used to arrive at the above service cost. The use of this method is prescribed in FRS17. To produce a stable future contribution rate this valuation method assumes that the average age of the scheme membership will remain broadly constant in future due to a flow of new entrants to the scheme. If a scheme is closed to new members this will not be the case and the costs of benefits accruing, as a percentage of pensionable salaries, will be expected to increase over time.

Changes in the fair value of plan assets are as follows

	For year to	
	31 March 2011	31 March 2010
	£	£
Opening fair value of plan assets	1,203,000	1,199,000
Expected return	66,000	76,000
Actuarial gains and (losses)	39,000	357,000
Contributions paid by the employer	113,000	94,000
Member contributions	34,000	29,000
Benefits paid	(236,000)	(552,000)
Closing fair value of plan assets	<u>1,219,000</u>	<u>1,203,000</u>

The college expects to contribute 15.6% of Total Pensionable Salaries plus £3,400 per month to the Emmanuel College Staff (1968) Pension Scheme in the next accounting year.

The major categories of plan assets as a percentage of total plan asset, and expected return, are as follows:

	% total plan assets	As at 2011		As at 2010	
		Expected return	% total plan assets	Expected return	% total plan assets
Unitised with profits policy	98.6%	5.75%	98.6%	5.75%	
Cash	1.4%	3.5%	1.4%	3.5%	

The expected returns have been based on the current split by investment sector of the assets of the scheme, using average expected returns on each sector.

Amounts for the current and previous four periods are as follows

	31 March 2011	31 March 2010	31 March 2009	31 December 2007	31 December 2006
	£	£	£	£	£
Defined benefit obligation	1,506,000	1,532,000	1,199,000	1,305,000	1,842,000
Plan assets	1,219,000	1,203,000	1,199,000	1,293,000	1,268,000
Surplus/(deficit)	(287,000)	(329,000)	0	(12,000)	(574,000)
Experience adjustments on plan liabilities	(63,000)	(292,000)	61,000	(98,000)	13,000
Experience adjustments on plan assets	39,000	357,000	(256,000)	112,000	44,000

24. PENSION SCHEMES (Continued)

Church of England Funded Pensions Scheme

The College participates in the Church of England Funded Pensions Scheme and employs 1 member of the Scheme out of a total membership of approximately 9,000 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the College is unable to identify its share of the underlying assets and liabilities – each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31st December 2009. This revealed a shortfall of £262m, with assets of £605m and a funding target of £867m, assessed using the following assumptions:

- An investment strategy of:
 - for investment backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from nil at 31 December 2009 to 2/3 by 31 December 2029, with the balance in return-seeking assets; and
 - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.
- Investment returns of 4.4% pa on gilts and 5.9% pa on equities;
- RPI inflation of 3.8% pa (and pension increases consistent with this);
- Increase in pensionable stipends 3.8% pa; and
- Post-retirement mortality in accordance with 80% of the S 1NA tables, with allowance for future improvements according to the "medium cohort" projections, and subject to a minimum annual improvement in mortality rates of 1.5% for males and 1% for females.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires the College to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Following the results of the 2006 valuation, the College's contribution rate was set at 39.7% of pensionable stipends with effect from 1st April 2008. The contribution rate was subsequently increased to 45% of pensionable stipends with effect from 1st January 2010, reflecting unfavourable investment experience and changes in financial market conditions. Following the valuation of the Scheme as at 31 December 2009, and some agreed changes to benefits, the contribution rate has been set at 38.2% with effect from 1 January 2011.

The next valuation of the scheme will be due as at 31 December 2012.

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of its 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 Governing Body may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

In addition the College has provided housing loans totalling £250,000 (2010 £250,000) to its Fellows for personal use. This amount has been included in debtors.

26. PRIOR YEAR ADJUSTMENTS

The College has adopted the new RCCA guidelines in the current year and therefore comparative figures have been restated to reflect the revised accounting policies. This has affected the classification of reserves as follows:

- (a) The classification of reserves between expendable and permanent endowments has been revised.
- (b) Designated funds are not permitted and therefore have been reviewed and reclassified as either unrestricted or restricted funds, as appropriate.
- (c) Heritage Assets FRS30 has been adopted for the first time.
- (d) Equity investment management costs are now treated as a deduction in arriving at the Unapplied Total Return for the year.