NEWNHAM COLLEGE

CAMBRIDGE

Consolidated Financial Statements

for the Year Ended 30 June 2008

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Financial Statements

for the Year Ended 30 June 2008

Bursar's Report

The College's primary purpose is the provision of education, learning and support for research. There were 499 students at the College during the year, in respect of whom fees were received as follows: 332 funded as Home/EU undergraduates; 50 privately funded undergraduates; and 117 as graduates. There were 6 Professorial Fellows, 43 Teaching and Tutorial Fellows (most of whom were actively engaged in research) and 5 Research Fellows.

This year's accounts show the first full impact of some major developments which had been flagged in last year's report: The New Kitchen and Buttery facility saw its first full year of operation, with consequences both for income streams and for costs (additional depreciation charges and repayments on the £6million loan); the legal case in regard to the Library VAT was finally resolved in favour of the College and the first tranche of costs have been recovered; the impact on depreciation costs of the first revaluation since the adoption of the new form of accounts in 2003; and the move of the investments onto a more widely diversified basis with the attendant move to a Total Return policy. The combined effect of all this was difficult to predict with precision.

Financial Performance

This College, like most other Cambridge Colleges, runs at a deficit and for 2007/8 it was £487k. The increased deficit includes the interest on the £6m loan which is repayable over 25 years at a variable interest rate which is capped to 5.24% by a swap arrangement. The amount payable in this year was at the upper limit of £286k. It also includes the impact of the revaluation done at June 2007, which added a further £84k to annual depreciation costs, and the impact of the starting of depreciation charges for both the Kitchen and Buttery (both buildings and plant/equipment) which added £102k to depreciation costs.

On the positive side, income from External business rose 36% in respect of accommodation to £255k and by 63% to £206k in respect of Catering. The income from students (catering sales and Kitchen Fixed Charge) rose by 28% to £348k. Further progress was also made in closing the deficit in the student accommodation account with a rise in income of 6.6% to £1.4m (in spite of a small decrease (3%) in undergraduate numbers).

The full costs of providing Education rose again by 5.6% to £3.5m while total income from per capita fees increased by only 2.8%. The per capita College fees are largely set by bodies other than the College and the increases received from HEFCE in regard to the majority (332 of the 499) rose by only 2.6%. The percentage of the costs of educational provision covered by the College rose to 54.9% of the total. It can only be said again that it is ironic that the traditional forms of Cambridge teaching and pastoral support are being brought under threat at the very time when they are most needed to support an increasingly heterogeneous intake, the result of the College's successful response to social and political pressures to widen and diversify its intake.

Total income levels rose to £8.8m (an increase of 6.7%) largely due to the generosity of the Colleges alumnae in bequests and donations. Almost all these sums are transferred to endowment funds and will provide income for the long term future of the College. This sustained generosity has seen the Endowment grown by more than £2m a year over the last three years. This is crucial to the future of the College: the £2.4m taken as income from investments during the year equated to just over one third of the expenditure incurred.

In the course of 2006-07, the College decided that it should move its investments from its then mix of equities and bonds to a more widely diversified investment structure. The intention was to decrease the volatility of returns. This consideration prompted a move in the course of the year from UBS to Partners Capital for our investment management and this move was executed over the summer of 2007 at what we believed was close to the top of the market. The key motive in making this switch was to reduce down-side risk: and while the year showed a loss on investment assets below 2%, that is significantly better than we might have expected had we not changed our investment strategy. The College has a long term return objective (i.e. over rolling periods of more than ten years) of RPI plus 6.5 to 7%. In the medium term, the aim is to secure the growth of the investment assets at RPI+1% while having a 'spending rule' that allows us to take as income 4.25% of the trailing average value of the previous 20 quarters. It is also part of the 'spending policy' that depreciation should be recognised as costs to be covered by the income rather than as something to be left to be covered by the growth in the Endowment.

The securities portfolio is unitised so that the College is able to see the change in value that results from the investment policy as distinct from the nominal value of the investment assets which is impacted both negatively by disposals and by capital expenditures, and positively by additional capital received as bequests and

Bursar's Report (continued)

donations. In June 2003 the Unit value was just under £9; in June 2008 the Unit value was just under £13, as distinct from the little over £11 it would need to be to match the RPI+1% growth targeted. At June 2008, after the transfer of the £2.4m to the Income and Expenditure Account, the value of the notional average trailing five-year portfolio was c. £51m. or £7.5m higher than what was required simply to meet the growth target. The actual value of the investment securities at June 2008 was 54.7m. But in this first year of operating the Total Return policy we have been able to take as income around £521k more than the income received in the previous year.

The growth and spending rules will be carefully monitored as we go forward to ensure that the benefits of the Endowment are fairly shared between the present and the future.

The College remains committed to raising rents and charges to students to achieve rents at an economic level (i.e. one which covers the full cost of providing such heavily serviced provision) and income which will cover the full cost of the catering operation: in both areas the income from external business is credited to those cost centres and net profits therefore benefit the students while relieving demand on the Endowment. This policy has had good success over recent years but will become harder to apply if inflation rises. The income available to students from the Government has been improved significantly, albeit for the most part in the form of loans. However the measure of annual increase is based on RPI rather than the higher levels of inflation faced by Colleges. As a consequence, above inflation rises in rents and charges need to be accompanied by increased levels of bursaries to assist those students for whom such levels of charges cause hardship. The higher rents and charges also make it important to increase our support to those students who need it in the form of bursaries and grants. Welfare and hardship grants made by the College rose 18.6% in the year to £86.4k.

Expenditure (including interest payable) for the year rose to £7.1m, an increase of 8% (3.7% exclusive of the loan interest). Spending on building maintenance were restrained to a lower level than recently, at (inclusive of staff costs) £1.1m This falls below 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, which are insured at £87m.) and these reduced levels cannot be maintained in the medium term.

Building costs continue to rise at a rate around 8-10% per annum and generally attract VAT at 17.5%. They are driven to some degree by factors outside the control of the College. These include significant legislative and regulatory changes in respect of Health and Safety matters and the standards required of student accommodation. Over the past 18 months the College had to meet additional unplanned expenditure of some £405k arising from such demands. Overall, staff costs, which also to tend to rise at a rate above RPI, rose 5.5% (partly after filling vacancies) and accounted for 41.6% of expenditure.

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. In 2007-08 bequests received totalled just under £1m (rather below recent levels), all of which was transferred out of the Income and Expenditure Account to add to the Endowment funds. The fourth annual telephone campaign was as successful as the first two and raised £132.5k for the Annual Fund (Unrestricted). The total received in the year by way of donations rose by an impressive 138% to reach £968k.

Risk Management

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.

Mr I. M. Le M. Du Quesnay (Bursar) 23rd October 2008

NEWNHAM COLLEGE

For the year ended 30 June 2008

Responsibilities of the College Council

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

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

NEWNHAM COLLEGE

Auditors' Report to the Governing Body of Newnham College, Cambridge

We have audited the financial statements of the College and group for the year ended 30 June 2008 on pages 9 to 22 which have been prepared under the historical cost convention, as modified by the revaluation of certain investment assets, and the accounting policies set out on pages 6 to 8.

This report is made solely to the College's Governing Body as a body in accordance with the College's statutes and statutes of the University of Cambridge. Our work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's 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 Governing Body for our audit work for this report, or for the opinions we have formed.

Respective Responsibilities of the College's Council and auditors
As described in the Statement of Responsibilities, the College Council is responsible for the preparation of financial statements in accordance with the applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards in Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the accounting policies set out therein, with the provision of the Statutes of the College and with the Statutes of the University of Cambridge.

We also report if, in our opinion, the College and group has not kept proper accounting records, or if we have not received the information and explanations we require for our audit.

We are not required to consider whether the statement in the Bursar's Report concerning the major risks to which the College and group are exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the College and group's's risk management and control procedures.

We read the information contained in the Bursar's Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with International Standards in Auditing (UK and Ireland) issued by the Auditing Practices Board and Audit Code of Practice issued by the Higher Education Funding Council for England. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the College Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College and group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the contribution due from the College to the University has been correctly computed in accordance with the provision of Statute G II of the University of Cambridge and in all material respects income received from the University of Cambridge out of grants from the Higher Education Funding Council for England during the year ended 30 June 2008 has been applied to the purposes for which it was received.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the College and group's affairs as at 30 June 2008 and of its results for the year then ended; and
- have been properly prepared in accordance with the accounting policies set out therein and the Statutes of the College and of the University of Cambridge.
- The information in the Bursar's report is consistent with the financial statements

Prentis & Co LLP
Chartered Accountants and Registered Auditors 31st October 2008
115c Milton Road, Cambridge CB4 1XE

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 Accounting Standards.

In addition, the financial statements comply with the Statement of Recommended Practice "Accounting for Further and Higher Education Institutions" (the SORP) with the exception of the Balance Sheet which has been presented in the different format set out in the relevant sections of Statutes and Ordinances of the University of Cambridge (RCCA). The provisions of the SORP require Endowments, Deferred Grants and Revaluation Reserves to be disclosed on the face of the Balance Sheet, whereas RCCA requires that part of this information be disclosed in the notes to the accounts.

(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 2008. The activities of student societies have not been consolidated.

(iv) Recognition of income
Donations and bequests 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.

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 Earnings-Related Pension Scheme. 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. In the 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.

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 2007 was carried out by Gerald Eve, 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% and10% 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. Rare books, silver, works of art and other assets not related to education

All these assets are deemed to be inalienable and are not included in the balance sheet.

Statement of Accounting Policies - continued

(vii) Investments
Stock Exchange 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 an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and is a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax.

(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.

(xiii) Reserves
These accounts distinguish from each other those reserves and funds received which are:

- Permanent Capital (which the College cannot spend but can only use the income generated) rather than Expendable capital;
- Restricted Reserves (which have a requirement by the donor that they be only used for a specific purpose) and Unrestricted Reserves;
- Designated Funds (which the College Council has decided should be used for a particular purpose) and Undesignated Funds.

NEWNHAM COLLEGE

Consolidated Income and Expenditure Account

for the Year Ended 30 June 2008

	Note	2007/08 £	2006/07 £
INCOME			
Academic Fees and Charges	1	1,720,186	1,672,698
Residences, Catering, and Conferences	2	2,602,578	2,284,633
Endowment Income	3a	4,379,640	4,185,340
Other Charges and Income	4	112,189	118,814
Total Income		8,814,593	8,261,485
EXPENDITURE			
Education	5	3,533,082	3,345,423
Residences, Catering and Conferences	6	3,187,822	3,186,746
Other		133,290	79,720
Total Expenditure		6,854,194	6,611,889
Operating Surplus before Loan Interest Payable		1,960,399	1,649,596
Loan Interest		286,151	-
Operating Surplus		1,674,248	1,649,596
Release of Capital Grants from Deferred Capital Reserve		50,294	48,736
Contribution to Colleges Fund Under Statute G,II	9	-	(63,704)
NET SURPLUS before transfers		**1,724,542**	**1,634,628**
Transfers to Reserves and Funds		(4,557,306)	(4,550,317)
Transfers from Reserves and Funds		2,345,386	2,635,047
NET (DEFICIT) / SURPLUS to General Capital		**(487,378)**	**(280,642)**

NEWNHAM COLLEGE

Consolidated Statement of Total Recognised Gains and Losses

for the Year Ended 30 June 2008

	Restricted Funds	**Unrestricted Funds**			
		Designated Funds	Undesignated Funds	**Total 30 June 08**	**Total 30 June 07**
	£	£	£	**£**	**£**
Balance brought forward 1 July	29,329,829	4,541,751	99,498,039	133,369,619	118,464,385
Appreciation of Investment Assets (Note 3b)	(1,230,232)	(225,182)	(1,538,792)	(2,994,206)	6,700,081
Revaluation of College Property			-	-	6,482,239
Actuarial gain/(loss) on CCFPS pension deficit provision	-	-	35,332	35,332	65,783
Capital donations for Library project put to Deferred Capital Reserve	39,227	-	-	39,227	8,279
Capital Grant from Colleges Fund	-	-	-	-	-
Transfers	896,667	(43,502)	1,232,801	2,085,966	1,978,230
Retained Income and Expenditure Account surplus / (deficit) for the year	-	-	(487,378)	(487,378)	(280,642)
Release of capital grants from Deferred Capital Reserve to I&E Account	(50,294)	-	-	(50,294)	(48,736)
Total Recognised Gains / (Losses) for the Year	**(344,632)**	**(268,684)**	**(758,037)**	**(1,371,353)**	**14,905,234**
Balance carried forward at 30 June	**28,985,197**	**4,273,067**	**98,740,002**	**131,998,266**	**133,369,619**

NEWNHAM COLLEGE

Consolidated Balance Sheets

At 30 June 2008

	Note			2007/08 £		2006/07 £
FIXED ASSETS	10					
Tangible Assets				77,703,106		78,260,000
Investments				58,731,345		57,387,562
				136,434,451		135,647,562
CURRENT ASSETS						
Stock	11		179,997		157,787	
Debtors	12		609,597		925,947	
INTERGROUP						
Cash			1,692,160		4,104,847	
			2,481,754		5,188,581	
CURRENT LIABILITIES						
Creditors: Amounts Falling Due Within						
REDEEMABLE SHARES						
INTERGROUP						
One Year	13		(1,004,429)		(1,285,772)	
Net Current Assets				1,477,325		3,902,809
Total Assets less Current Liabilities				137,911,776		139,550,371
Creditors: Amounts Falling Due In More Than One Year	14			(5,727,525)		(5,881,643)
Pension Liability	20			(185,985)		(299,109)
NET ASSETS				**131,998,266**		**133,369,619**

CAPITAL AND RESERVES	19	**Expendable Capital Funds £**	**Permanent Capital Funds £**	**Total 2007/08 £**	**Total 2006/07 £**
Restricted Funds held for:					
Collegiate Purposes		9,163,294	17,702,275	26,865,569	27,210,201
Non-Collegiate Purposes		30,596	2,089,032	2,119,628	2,119,628
		9,193,890	19,791,307	28,985,197	29,329,829
Unrestricted Funds:					
Designated		4,061,100	211,967	4,273,067	4,484,327
Undesignated		80,461,420	18,278,582	98,740,002	99,555,463
		84,522,520	18,490,549	103,013,069	104,039,790
TOTAL		93,716,410	38,281,856	**131,998,266**	**133,369,619**

These financial statements were approved by Newnham College Council on 31st October 2008
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 2008

	Note			2007/08 £		2006/07 £
FIXED ASSETS	10					
Tangible Assets				77,444,094		78,005,368
Investments				59,111,351		57,767,568
				136,555,445		135,772,936
CURRENT ASSETS						
Stock	11		165,247		147,137	
Debtors	12		591,867		616,977	
Cash			1,687,927		4,102,271	
			2,445,041		4,866,385	
CURRENT LIABILITIES						
Creditors: Amounts Falling Due Within One Year	13		(1,130,998)		(1,129,875)	
Net Current Assets				1,314,043		3,736,510
Total Assets less Current Liabilities				137,869,488		139,509,446
Creditors: Amounts Falling Due In More Than One Year	14			(5,727,525)		(5,881,643)
Pension Liability	20			(185,985)		(299,109)
NET ASSETS				**131,955,978**		**133,328,694**

CAPITAL AND RESERVES	19	**Expendable Capital Funds £**	**Permanent Capital Funds £**	**Total 2007/08 £**	**Total 2006/07 £**
Restricted Funds held for:					
Collegiate Purposes		9,163,294	17,702,275	26,865,569	27,210,201
Non-Collegiate Purposes		30,596	2,089,032	2,119,628	2,119,628
		9,193,890	19,791,307	28,985,197	29,329,829
Unrestricted Funds:					
Designated		4,061,100	211,967	4,273,067	4,484,327
Undesignated		80,419,132	18,278,582	98,697,714	99,514,538
		84,480,232	18,490,549	102,970,781	103,998,865
TOTAL		93,674,122	38,281,856	**131,955,978**	**133,328,694**

These financial statements were approved by Newnham College Council on 31st October 2008 and signed on its behalf by:

Dame Patricia Hodgson (Principal)

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

NEWNHAM COLLEGE

Consolidated Cash Flow Statement

for the Year Ended 30 June 2008

Reconciliation of operating deficit to net cash inflow from operating activities		**2007/08 £**		**2006/07 £**
Operating (Deficit) / Surplus		(487,378)		(280,642)
Add: Depreciation		651,593		472,780
Capital Grants released in year		(50,294)		(48,736)
Contribution to Colleges Fund Under Statute G,II		-		63,704
Transfers		2,085,963		1,978,230
Actuarial loss on pension provision		35,332		65,781
Investment income and interest received		(1,879,511)		(1,504,248)
(Increase) / Decrease in Stocks		(22,210)		(8,627)
(Increase) / Decrease in Debtors		316,350		497,574
Increase / (Decrease) in Creditors		(281,343)		84,014
Increase / (Decrease) in Pension Liability		(113,124)		(123,205)
Net Cash (Outflow) / Inflow from Operating Activities		255,378		1,196,625

CASH FLOW STATEMENT				
Net Cash Inflow from Operating Activities		255,378		1,196,625
Returns on Investments and Servicing of Finance				
Investment Income	2,127,512		1,476,065	
Interest Received	38,150		28,183	
Interest Paid	(286,151)		-	
Net cash inflow from returns on investment		1,879,511		1,504,248
Contribution to Colleges Fund Under Statute G,II		-		(63,704)
Capital Expenditure and Financial Investment				
Receipts from sale of investment properties	81,203		1,640,334	
Receipts from capital donations to Library project	39,227		8,279	
	120,430		1,648,613	
Expenditure on tangible fixed assets	(94,699)		(4,567,045)	
Expenditure on investment assets	(4,419,189)		(67,382)	
Capital paid off loan	(154,118)			
	(4,668,006)		(4,634,427)	
Net Cash Outflow from Investing Activities		(4,547,576)		(2,985,814)
Financing				
Long term loans received		-		4,300,000
Increase / (Decrease) in Cash in the year		(2,412,687)		3,951,355

Reconciliation of net cash flow to movement in net liquid assets		
Increase in Cash in the year	(2,412,687)	3,951,355
Net liquid funds brought forward at 1 July	4,104,847	153,492
Net liquid funds carried forward at 30 June	1,692,160	4,104,847

NEWNHAM COLLEGE

Notes to the Accounts

At 30 June 2008

1. ACADEMIC FEES AND CHARGES

	2007/08 £	2006/07 £
COLLEGE FEES		
Fee Income paid on behalf of Undergraduates eligible for Student Support (per Capita Fee £3,471; 2006/7 £3,384)	1,153,297	1,160,976
Other Undergraduate Fee Income (per Capita Fee £3,930; 2006/7 £3,761)	195,387	193,472
Graduate Fee Income (per Capita Fee £2,082; 2006/7 £2,040)	244,607	190,702
	1,593,291	1,545,150
Teaching Grants	47,854	54,290
Recoveries from other Colleges	74,228	68,559
Other Fees and Charges	4,813	4,699
Total	**1,720,186**	**1,672,698**

2. RESIDENCES, CATERING, AND CONFERENCES INCOME

		2007/08 £	2006/07 £
Accommodation	College Members	1,402,805	1,312,562
	Conferences	255,020	187,856
Catering	College Members	572,320	491,698
	Conferences	206,324	126,495
Rents from College Subsidiaries		166,109	166,022
Total		**2,602,578**	**2,284,633**

3. ENDOWMENT INCOME

3a Analysis of Endowment Income	Restricted Funds £	Unrestricted Funds £	2007/08 Total £	2006/07 Total £
Total return recognised in Income & Expenditure Account (note 3b)	907,536	1,470,997	2,378,533	1,857,282
Donations and Bequests	705,135	1,295,972	2,001,107	2,328,058
	1,612,671	**2,766,969**	**4,379,640**	**4,185,340**

3b Summary of Total Return	Restricted Funds £	Unrestricted Funds £	2007/08 Total £	2006/07 Total £
Income from:				
Freehold Land and Buildings	-	106,718	106,718	157,099
Quoted Securities and cash	185,468	300,619	486,087	1,700,183
	185,468	407,337	592,805	1,857,282
(Losses)/Gains on Investment Assets				
Freehold Land and Buildings	-	(61,325)	(61,325)	865,334
Quoted and Other Securities and Cash	(508,164)	(638,989)	(1,147,153)	5,834,747
	(508,164)	(700,314)	(1,208,478)	**6,700,081**
Total Return for the year	(322,696)	(292,977)	(615,673)	8,557,363
Transfer to Income and Expenditure Account (Note 3a)	(907,536)	(1,470,997)	(2,378,533)	(1,857,282)
Deficiency on Total Return retained in Statement of Total Recognised Gains and Losses	**(1,230,232)**	**(1,763,974)**	**(2,994,206)**	6,700,081

NEWNHAM COLLEGE

Notes to the Accounts - continued

4. OTHER INCOME

	2007/08 £	2006/07 £
College Events	39,405	25,189
Non-Collegiate income	16,375	11,540
Sundry charges and other income	56,409	82,085
	112,189	**118,814**

5. EDUCATION EXPENDITURE

	2007/08 £	2006/07 £
Teaching	2,021,354	1,773,841
Tutorial	569,364	574,088
Admissions	269,299	247,514
Research	291,179	299,117
Scholarships and Awards	229,136	219,236
Other Educational Facilities	152,750	231,627
Total	**3,533,082**	**3,345,423**

6. RESIDENCES, CATERING, AND CONFERENCES EXPENDITURE

		2007/08 £	2006/07 £
Accommodation	College Members	2,275,726	2,468,143
	Conferences	79,281	38,704
Catering		832,815	679,899
Total		**3,187,822**	**3,186,746**

7. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Staff Costs (Note 8) £	Other Operating Expenses £	Depreciation £	2007/08 Total £	2006/07 Total £
Education (Note 5)	1,668,333	1,615,337	249,412	3,533,082	3,345,423
Residences, Catering & Conferences (Note 6)	1,295,580	1,513,362	378,880	3,187,822	3,186,746
Other	20,762	112,528	0	133,290	79,720
	2,984,675	**3,241,227**	**628,292**	**6,854,194**	**6,611,889**
Including: Auditors Fees - as auditors				9,000	9,000
- for other work				-	-
Cost of Fundraising				212,336	185,520

8. STAFF AND FELLOWS

Staff Costs *	College Fellows 2007/08 £	Academics 2007/08 £	Non - Academics 2007/08 £	Total 2007/08 £	Total 2006/07 £
Emoluments	613,583	77,338	1,838,191	2,529,112	2,405,007
Social Security Costs	43,055	5,298	135,532	183,885	178,789
Other Pension Costs	56,241	5,316	210,121	271,678	244,631
	712,879	**87,952**	**2,183,844**	**2,984,675**	**2,828,427**

* No officer or employee of the College, including the Head of House, received emoluments of over £70,000

Average Staff Numbers					
Academic	46	6	-	52	52
Non-Academics	-	-	92	92	91
	46	**6**	**92**	**144**	**143**
Fellows - full time stipendary	10		full time		
Fellows - part time stipendary	32		equivalents		
Fellows - non-stipendary	23				

NEWNHAM COLLEGE

Notes to the Accounts - continued

9. CONTRIBUTION TO COLLEGES FUND UNDER UNIVERSITY STATUTE G II

			2007/08 £		2006/07 £
Endowment Income as per Income and Expenditure Account			4,379,640		4,185,340
Add:Internal Interest Transfer			-		32,558
			4,379,640		4,217,898
Less: Items not Assessable to Contribution:					
Element of total return taken from capital			1,785,728		-
Donations and Bequests			2,001,107		2,328,058
Allowable costs			541,874		216,861
Income of Funds held for non-Collegiate purposes			45,372		70,706
Assessable Income			5,559		1,602,273
Less: Deductible Items			840,131		825,403
Net Assessable Income			(834,572)		776,870
Contribution Payable @ 2%					6,000
@ 6% (2006/7: 6%)					18,000
@ 11% on remainder (2006/7: 12%)					21,224
			-		45,224
Adjustment for prior years underprovision					18,480
			-		63,704
ASSESSABLE INCOME					
External Revenue					
Rents from College Estates			106,718		157,099
Dividends from Property Investments Fund			-		83,552
Dividends and Interest			161,441		486,895
			268,159		727,546
Less Costs:					
Professional fees and other property running costs		35,942		31,648	
Management Costs		33,790		49,142	
Insurance and Rates		69,988		67,970	
Interest Payments		377,789		32,558	
Transfer to Estates Repairs Fund		24,365	541,874	35,543	216,861
			(273,715)		510,685
Income from Trust and Other Funds subject to Contribution		302,413		1,248,010	
Less: Trust and Other Funds not subject to Contribution		45,372		70,706	
Transfer from Consolidated Investment Income Reserve		-	257,041	85,716	1,091,588
Net Assessable Income			(16,674)		1,602,273
DEDUCTIBLE ITEMS	University Statute				
Sinking Fund transfers and income - now disallowed	GII 4(iv)		-		0
Half sum paid to Scholars and Research Students	GII 4(iv)		37,497		69,190
Prizes	GII 4(vi)		8,445		8,000
Building Maintenance (per capita)	GII 4(vii)		173,100		178,800
Student Medical Counselling and Childcare Services	GII 4(xii)		18,131		19,339
Donations for University Purposes	GII 4(xii)		225		350
College Teaching Officers Additional Stipends	GII 4(xix)		212,507		233,524
Net Expenditure on Library Services	GII 4(xvii)		222,267		214,775
Expenditure on College Library Maintenance	GII 4(xvii)		47,408		6,570
Expenditure on Temporary Library	GII 4(xvii)		389		955
College Research Fellows	GII 4xviii)		86,726		62,670
College Archives	GII 4(xxiii)		33,436		31,230
			840,131		825,403

NEWNHAM COLLEGE

Notes to the Accounts - continued

10. FIXED ASSETS

Tangible Assets	College Land £	College Buildings £	Furniture & Equipment £	Library Books and Equipment	2007/08 Total £	2006/07 Total £
COST/VALUATION						
At 30 June 2007	21,300,000	55,700,000	1,051,237	416,567	78,467,805	48,144,069
Additions	-	-	67,017	27,682	94,699	25,867,046
Disposals	-	-	(32,584)	(4,177)	(36,761)	-
Revaluation During the Year	-	-	-	-	-	4,456,689
At 30 June 2008	21,300,000	55,700,000	1,085,670	440,072	78,525,742	78,467,804
DEPRECIATION						
At 30 June 2007	-	-	45,869	161,935	207,804	1,760,574
Provided for the year	-	557,000	71,292	23,301	651,593	472,780
Disposals	-	-	(32,584)	(4,177)	(36,761)	-
Written back on Revaluation 30 June 2007		-	-	-	-	(2,025,550)
At 30 June 2008	-	557,000	84,577	181,059	822,636	207,804
Net Book value						
At 30 June 2008	21,300,000	55,143,000	1,001,093	259,013	**77,703,106**	**78,260,000**
At 30 June 2007	21,300,000	55,700,000	1,005,368	254,632	**78,260,000**	**46,383,495**

The land comprising the College's main site has been included at a valuation of £21,300,000 and the previous year's figures adjusted.
The amount of finance cost capitalised during 2007/8 was nil (2006/7 £253,114). The capitalisation rate used was 100% of the loan building project.
The freehold College buildings at 30 June 2008 were insured at reinstatement costs of £87,000,000

Investment Assets	Securities and Cash	Property	2007/08 £	2006/07 £
At 30 June 2007	53,297,970	4,089,592	57,387,562	52,260,433
Additions	4,357,419	61,770	4,419,189	67,382
Disposals	-	(65,000)	(65,000)	(1,640,334)
Appreciation on Disposals or Revaluation	(2,932,881)	(77,525)	(3,010,406)	6,700,081
At 30 June 2008	**54,722,508**	**4,008,837**	**58,731,345**	**57,387,562**

Represented by:

	2007/08 £	2006/07 £
Estate Properties	4,008,838	4,089,592
Quoted Securities - Equities	33,066,582	22,971,504
Quoted Securities - Fixed Interest	7,152,237	4,300,392
Unquoted	12,513,924	73,724
Cash Held For Reinvestment	1,989,764	25,952,350
	58,731,345	**57,387,562**

The valuation of College buildings and investment properties at 30 June 2007 was carried out by Gerald Eve, Chartered Surveyors on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolescence. The stock exchange investments were valued at mid-market price at the Balance Sheet dates.

Notes to the Accounts - continued

11. STOCK

	2007/08		2006/07	
	College	Consolidated	College	Consolidated
	£	£	£	£
Food and Drink	13,334	13,334	7,760	7,760
Wine	143,412	143,412	131,279	131,279
Memorabilia	-	14,750	-	10,650
Linen, Cleaning Materials and Other	8,501	8,501	8,098	8,098
	165,247	**179,997**	**147,137**	**157,787**

12. DEBTORS

	2007/08		2006/07	
	College	Consolidated	College	Consolidated
	£	£	£	£
Taxes due from Government Departments	141,689	173,384	13,331	332,434
Due from Subsidiary Companies	13,965	-	10,152	-
Trade Debtors	333,164	333,164	198,634	198,634
Sundry Debtors and Prepayments	103,049	103,049	394,860	394,879
	591,867	**609,597**	**616,977**	**925,947**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007/08		2006/07	
	College	Consolidated	College	Consolidated
	£	£	£	£
Trade Creditors	252,023	252,023	309,115	631,193
Loan Repayments of Capital	126,410	126,410	118,357	118,357
Contribution due to Colleges Fund	-	-	45,224	45,224
Due to Subsidiary Companies	259,485	-	177,851	-
Taxes and social security costs	82,962	82,962	62,919	62,919
Student deposits and accounts	205,265	205,265	114,001	206,397
Accruals and Sundry Creditors	204,853	337,769	302,408	221,682
	1,130,998	**1,004,429**	**1,129,875**	**1,285,772**

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

	2007/08	2006/07
	£	£
Bank Loan	**5,727,525**	**5,881,643**

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 commence 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 2008 the College had the following capital commitments not provided for in these accounts:

- contracted for	nil	£845,000
- not yet contracted for	£1,311,000	£880,000

17. FINANCIAL COMMITMENTS

At 30 June 2008 and 30 June 2007 the College had no annual commitments under non-cancellable operating leases.

18. REVALUATION RESERVE

The Undesignated Reserves in note 19 include revaluation reserve in respect of tangible fixed assets as follows:

	2007/08	2006/07
Value of College land and buildings in excess of book cost	£	£
Balance brought forward 1 July	64,137,450	57,655,211
Surplus on Revaluation at 30 June 2007	-	4,456,689
Depreciation written back on revaluation	-	2,025,550
Balance carried forward 30 June	**64,137,450**	**64,137,450**

NEWNHAM COLLEGE

Notes to the Accounts - continued

19. CAPITAL AND RESERVES

	Expendable Capital Fund £	Permanent Capital Fund £	Total 2007/08 £	Total 2006/07 £
Restricted Funds:				
Funds for Collegiate Purposes	4,491,319	17,702,275	22,193,594	22,527,158
Funds for Non-Collegiate Purposes	30,596	2,089,032	2,119,628	2,119,628
Deferred Capital Funds	4,671,975	-	4,671,975	4,683,043
	9,193,890	**19,791,307**	**28,985,197**	**29,329,829**
Unrestricted Funds:				
Designated Funds:				
Funds for Collegiate Purposes	3,663,744	211,967	3,875,711	4,132,344
Funds for Non-Collegiate Purposes	97,293	-	97,293	97,293
Amalgamated Building & Maintenance Funds	300,063	-	300,063	312,114
	4,061,100	**211,967**	**4,273,067**	**4,541,751**
Undesignated Funds:				
Corporate Capital	-	17,107,015	17,107,015	17,748,075
Building Sinking Fund	-	1,171,567	1,171,567	1,114,036
Revaluation Reserve (note 18)	64,137,450	-	64,137,450	64,137,450
Donations & Benefactions	11,783,415	-	11,783,415	11,235,250
Revenue Reserve	515,367	-	515,367	593,115
General Capital	4,025,188	-	4,025,188	4,670,113
	80,461,420	**18,278,582**	**98,740,002**	**99,498,039**
	93,716,410	**38,281,856**	**131,998,266**	**133,369,619**

Reconciliation of Movement in Capital and Reserves:

	Restricted Reserves		Unrestricted Reserves: Designated Reserves		Unrestricted Reserves: Undesignated Reserves			
	Expendable Capital Fund £	Permanent Capital Fund £	Expendable Capital Fund £	Permanent Capital Fund £	Expendable Capital Fund £	Permanent Capital Fund £	Total 2007/08 £	Total 2006/07 £
At 30 June 2007	8,886,989	20,442,840	4,326,270	215,481	81,035,928	18,862,111	133,769,619	118,864,385
Increase in Year	306,901	(651,533)	(265,170)	(3,514)	(574,508)	(583,529)	(1,771,353)	14,905,234
At 30 June 2008	**9,193,890**	**19,791,307**	**4,061,100**	**211,967**	**80,461,420**	**18,278,582**	**131,998,266**	**133,769,619**
Capital is invested in the following categories of assets								
Tangible Fixed Assets	4,671,975	-	-	-	71,017,603	2,013,528	77,703,106	78,660,000
Investment Assets	4,008,493	19,408,755	4,081,825	204,719	14,896,549	16,131,004	58,731,345	57,387,562
Net Current Assets	513,422	382,552	(20,725)	7,248	460,778	134,050	1,477,325	3,902,809
Long term liabilities	-	-	-	-	(5,727,525)	-	(5,727,525)	(5,881,643)
Pension Liability	-	-	-	-	(185,985)	-	(185,985)	(299,109)
Total at 30 June 2007	**9,193,890**	**19,791,307**	**4,061,100**	**211,967**	**80,461,420**	**18,278,582**	**131,998,266**	**133,769,619**

20. PENSION SCHEMES

(a) Universities Superannuation Scheme

The institution participates in the University Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme as required by FRS 17: 'Retirement Benefits'. The cost recognised within the surplus/deficit for the year in the income and expenditure account being equal to the contributions payable to the scheme for the year.

The latest actuarial valuation of the scheme was at 31st March 2005. The assumptions which have the most significant effect on the result of the valuation are those related to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salary and pensions and the assumed rates of mortality. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.9%per annum and pensions would increase by 2.9% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.2% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 3.9% per annum and pensions would increase by 2.9% per annum. The valuation was carried out using the projected unit method. Standard mortality tables were used, PA92 (rated down 3 years) for pre-retirement mortality, and PA92 (2=2020) 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: 19.8 years for men and 22.8 for women.

At the valuation date, the value of the assets of the scheme was £21,740 million and the value of the past service liabilities was £28,308 million leaving a deficit of assets of £6,568 million. The assets therefore were sufficient to cover only 77% 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. Using the Minimum Funding Requirement's prescribed assumptions introduced by the Pensions Act 1995, the scheme was 126% funded at that date; under the Pension Protection Fund regulations introduced by the Pensions Act 2004 it was 110% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 74% 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, the actuary estimated that the funding level would have been approximately 90%

The institution contribution rate required for future service benefits alone at the date of the valuation was 14.3% of salaries but it was agreed that the institution contribution rate would be maintained at 14%.

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are:

Assumption	**Change in assumption**	**Impact on scheme liabilities**
Valuation rate of interest	Increase/decrease by 0.5%	Decrease/Increase by £2.2billion
Rate of pension increases	Increase/decrease by 0.5%	Decrease/Increase by £1.7billion
Rate of salary growth	Increase/decrease by 0.5%	Decrease/Increase by £0.5billion
Rate of mortality	More prudent assumption (Mortality used at last valuation rated down by a further year)	Increase by £0.8billion

An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006 USS positioned itself as a 'last person standing' scheme, so that in the event of the insolvency of any participating employers in the 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 2008 when the above rates will be reviewed as part of each valuation

The total pension cost for the College in 2007/8 was £133,046 (2006/7 £126,330). This includes outstanding contributions of £NIL at the balance sheet dates. The contribution rate payable by the institution was 14% of pensionable salaries.

20 (b) Cambridge Colleges Federated Pension Scheme

The College participates in 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. It has been approved by the Inland Revenue Savings, Pensions, Share Schemes (formerly the Pension Schemes Office) under Chapter I of Part XIV of the Income & Corporation Taxes Act 1988. The College's employees covered by the Scheme are contracted-out of the State Second Pension (S2P).

The College decided to close its scheme membership to new entrants with effect from January 2004. The date of the most recent full actuarial valuation, on which the amounts in these notes to the financial statements are based, was as at 31 March 2005. These FRS17 valuation results use the same valuation data updated at 31 March 2008 by an Actuary who is not an employee or officer of the College and/or its subsidiaries. A valuation taken at 31 March 2008 has been used as the College considers there is not a material movement between that date and 30 June 2008
.

At the last Minimum Funding Requirement valuation at 31 March 2005 there was a deficit of £254,580 The contribution made by the College in respect of the accounting period ended 30 June 2008 was £193,085 (2007: £167,004) excluding Personal Health Insurance contributions. These figures include annual lump sum contributions by the College (2007/8: £65,300 and 2006/7 £61,100) towards the historic deficit identified by the valuation at 31 March 2005.

The major assumptions used by the Actuary were:	**2008**	**2007**	**2006**
Discount rate	6.6%	5.4%	4.9%
Inflation assumption	3.4%	3.3%	3.0%
Rate of increase in salaries	4.9%	3.9%	3.75%
Rate of increase in pensions in deferment:			
- Guaranteed Minimum Pension (GMP)	4.9%	3.9%	3.75%
- Excess pension over GMP and pension accrued after 5 April 1997	3.4%	3.3%	3.0%
Rate of increase in pensions in payment:			
- GMP accrued up to 5 April 1988	0.0%	0.0%	0.0%
- GMP accrued between 6 April 1988 and 5 April 1997	2.8%	2.6%	2.25%
- Excess pension over GMP and pension accrued after 5 April 1997	3.4%	3.3%	3.0%

In addition, standard actuarial mortality tables were used in the actuarial valuation prepared for the trustees. A lower discount rate was used due to the lower gross redemption yields on bonds.

The assets in the scheme and the expected rates of return are:

Long-term rate of return expected	**2008**	**2008**	**2007**	**2007**	**2006**	**2006**
at 30th June 2008:	Rate %	Value £	Rate %	Value £	Rate %	Value £
Equities	7.5	1,189,839	7.5	1,164,790	7.5	1,338,324
Bonds (Including cash)	5.0	1,005,480	4.9	859,276	4.3	633,972
Property	6.5	270,842	6.5	277,935	6.5	56,749
		2,466,161		2,302,001		2,029,045

The Scheme administrators provided asset values and the overall Scheme cash details.

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

The following results were measured in accordance with the requirements of FRS17:
(see tables below and movement in deficit for the year)

	2008 £	2007 £	2006 £
Total market value of assets	2,466,161	2,302,001	2,029,045
Present value of scheme liabilities	(2,652,146)	(2,601,110)	(2,451,359
(Deficit) in scheme	(185,985)	(299,109)	(422,314)

The main reasons for the improvement in the financial position are:

- Changes in the FRS17 assumptions over the period (the discount rate has increased from 4.9% to 5.4% which places a lower value on the liabilities, although this is partly offset by an increase in inflation rates);
- Contributions paid were more than required to meet the current one year pension cost;

partially offset by:

- Scheme experience being slightly worse than assumed, possibly as a result of higher than expected increases in pensionable salaries

Analysis of the amount charged to operating profit	2008 £	2007 £
Current service cost	(103,080)	(109,477)
Life assurance premium	(12,500)	(11,893)
Total operating charge (see below)	(115,580)	(121,370)
Analysis of the amount credited to other finance income		
Expected return on pension scheme assets	150,802	133,754
Interest on pension scheme liabilities	(143,224)	(121,964)
Net return (see below)	7,578	11,790
Analysis of the amount recognisable in a Statement of Total Recognised Gains and Losses (STRGL)		
Actual return less expected return on pension scheme assets	(175,457)	(1,543)
Experience gains and losses arising on the scheme liabilities	(68,945)	(39,262)
Changes in assumptions underlying present value of scheme liabilities	209,070	106,586
Actuarial surplus / (deficit) recognisable in a STRGL (see below**)**	35,332	65,781

Movement in deficit during the year:	2008 £	2007 £
Deficit in scheme in beginning of the year	(299,109)	(422,314)
Movement in year:		
Current service cost including Life Assurance (see above)	(115,580)	(121,370)
Contributions (see above)	185,794	167,004
Past service costs	0	0
Other finance income (see above)	7,578	11,790
Actuarial surplus / (deficit) recognisable in the STRGL (see above)	35,332	65,781
Deficit in scheme at end of the year	(185,985)	(299,109)

History of experienced gains and losses:	**2008**	**2007**	**2006**	**2005**	**2004**
Difference between the expected and actual return on scheme assets:					
Amount	£(175,458)	£(1,543)	£155,459	£36,009	£130,785
Percentage of scheme assets at 31 March	7%	0%	8.0%	2.0%	9.9%
Experienced gains and (losses) on scheme liabilities:					
Amount	£(68,945)	£(39,262)	£12,857	£(57,723)	£(54,266)
Percentage present value of scheme liabilities at 31 March	(3.0%)	(2.0%)	1.0%	(3.0%)	(3.0%)
Total amount recognisable in a statement of total recognised gains and losses:					
Amount	£35,332	£65,781	£(25,831)	£(160,148)	£27,902
Percentage of present value of scheme liabilities at 31 March	1.3%	2.5%	(1.0%)	(8.0%)	1.6%