NEWNHAM COLLEGE

CAMBRIDGE

Consolidated Financial Statements

for the Year Ended 30 June 2009

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Financial Statements

for the Year Ended 30 June 2009

Bursar's Report

The College's primary purpose is the provision of education, learning and support for research. There were 490 students at the College during the year, in respect of whom fees were received as follows: 328 funded as Home/EU undergraduates; 46 privately funded undergraduates; and 116 as graduates. There were 5 Professorial Fellows, 45 Teaching and Tutorial Fellows (most of whom were actively engaged in research) and 7 Research Fellows

For the College, as for everyone else this has been a difficult year. But the College has come through in reasonable shape as a result of having taken some decisive action in the summer of 2008 to reduce prospective expenditure, having taken such action as was possible to increase income, and also having formulated (and adhered to) a 'spending rule' following our adoption of Total Return. This policy means that the College takes as income 4.25% of the trailing five year averaged value of the portfolio (so that the unspent return of earlier years was available in this rainiest of years when the investments had lost 20% of their value at 30th June).

Financial Performance

The College has the ambition to generate sufficient income to cover all costs including the cost of providing buildings, plant and equipment. In 2008-09 depreciation and the interest payable on the Kitchen/Buttery building loan together totalled £999k and after charging these sums there was a deficit of £213k (down from £487k in 2007-08).

Continued progress was made in the year towards completely eradicating the deficit with income rising from accommodation catering and conferences by £281k (10.8%). Of this, the income from conferences rose 19.1% to £549k. Further progress was also made in closing the deficit in the student accommodation account through a further rise in rents together with improved usage of rooms achieved by letting to the students of other Colleges which more than offset the small further decrease (2%) in student numbers. The combined effect was a rise in income of 10.2% to £1.54m.

The full costs of providing Education rose again by 9% to £3.85m while total income from fees increased by only 1.6% largely accounted for by cost of living awards totalling almost 8% which represented the final phase of a three year pay agreement (which the College honoured in full) and the largely coincidental need to provide additional College Teaching Officer posts after a year in which two posts had been either vacant or partially vacant. 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 (328 of the 490) rose by 4%.

Total income levels fell by £142k to £8.7m largely due to a reduced level of legacies and donations (down £579k to £1,42m). Donations from alumnae were exceptionally high in 2007-08. The College transfers almost all these sums to build up the endowment funds and to provide income over the long term. The sustained generosity of our alumnae has seen the Endowment grow by more than £5m over the last three years and is crucial to the future of the College: in 2008-09 the average cost of the educational support for each student amounted to £7,867 of which £4,556 (58%) was funded from our Endowment income.

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 donations. In June 2004 the Unit value was just under £10; in June 2008 the Unit value was a little under £13 but by June 2009 it had dropped back to just over £10. At June 2009, after the transfer of the £2.4m to the Income and Expenditure Account, the value of the notional average trailing five-year portfolio was about £53.6m.The actual value of the investment securities at June 2009 was £44.8m. So far the 'spending rule' has enabled us to maintain the level of spending from the Endowment; but without a return to growth by the portfolio in 2009-10 it will have to be reduced.

Bursar's Report (continued)

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 facilities), 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 sharply. 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. However, 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 30% in the year to £113K.

Expenditure (including interest payable) for the year rose to £7.6m, an increase of £349k (6.7%). Special efforts were made in preparing the 2008-09 estimates to find savings in expenditure, especially routine items of a continuing nature. Reductions in the cost base of £360k were found and helped restrain increases in expenditure in 2008-09 (and it is hoped in future years as well). Nevertheless the College suffered rises in costs in several areas which combined to cause the higher total expenditure. Rises in energy costs amounted to £116k, an increase of 45%: and the College has embarked on a fundamental review of its energy supplies and usage in anticipation of the fact that this problem is bound to grow. Staff costs accounted for 45.6% of expenditure but included £146k in wage costs related to research fellows which are paid for from endowed funds (which were back to normal numbers after a temporary reduction in 2007-08 with a consequent increase in costs of £59k

Spending on building maintenance has been at a lower level than recently over the past two years and in 2008-09 amounted to £924k (including staff costs). The guide-figure provided by the Royal Institute of Chartered Surveyors for prudent levels of spending to maintain historic buildings (1.8% of reinstatement costs) would indicate annual spending of £1.6m. Taking into account the College's capital spending on new buildings and refurbishment of property it is believed that, long term, the College is meeting that guide level. However some of the recent decrease is better seen as deferred spending than as permanent saving.

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 2008-09 bequests received totalled £900k - all of which was transferred out of the Income and Expenditure Account to add to the Endowment funds. The fifth annual telephone campaign was well supported by the alumnae. The actual sum received in 2008-09 was £140k of which £111k was for the Annual Fund (unrestricted purposes): this is an extremely useful and increasingly essential form of support.

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) 30th October 2009

I M Le M Du Quesnay

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 2009 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 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 as advised in the provisional assessment by the University of Cambridge and 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 2009 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 2009 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 30th October 2009
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 2009. 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 Second Pension (S2P). The funds are valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary.

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

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

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 2009

	Note	2008/09 £	2007/08 £
INCOME			
Academic Fees and Charges	1	1,747,180	1,720,186
Residences, Catering, and Conferences	2	2,883,692	2,602,578
Endowment Income	3a	3,898,211	4,379,640
Other Charges and Income	4	182,435	112,189
Total Income		8,711,518	8,814,593
EXPENDITURE			
Education	5	3,854,893	3,533,082
Residences, Catering and Conferences	6	3,225,455	3,187,822
Other		164,604	133,290
Total Expenditure		7,244,952	6,854,194
Operating Surplus before Loan Interest Payable		1,466,567	1,960,399
Loan Interest		325,293	286,151
Operating Surplus		1,141,274	1,674,248
Release of Capital Grants from Deferred Capital Reserve		49,529	50,294
Contribution to Colleges Fund Under Statute G,II		(25,000)	-
NET SURPLUS before transfers		**1,165,803**	**1,724,542**
Transfers to Reserves and Funds		(3,746,091)	(4,557,306)
Transfers from Reserves and Funds		2,366,846	2,345,386
NET DEFICIT to General Capital		**(213,443)**	**(487,378)**

NEWNHAM COLLEGE

Statement of Total Recognised Gains and Losses

for the Year Ended 30 June 2009

	Restricted Funds	Unrestricted Funds			
		Designated Funds	Undesignated Funds	**Total 30 June 09**	**Total 30 June 08**
	£	£	£	**£**	**£**
Balance brought forward 1 July	28,985,198	4,273,067	98,697,712	131,955,977	133,328,695
Total Return not recognised in the Income and Expenditure Account (note 3b)	(5,025,462)	(903,029)	(6,153,393)	(12,081,884)	(2,994,206)
Actuarial gain/(loss) on CCFPS pension deficit provision	-	-	(270,050)	(270,050)	35,332
Capital donations for Library project put to Deferred Capital Reserve	11,098	-	-	11,098	39,227
Transfers	428,358	131,190	748,428	1,307,976	2,085,963
Retained Income and Expenditure Account surplus / (deficit) for the year	-	-	(211,675)	(211,675)	(488,740)
Release of capital grants from Deferred Capital Reserve to I&E Account	(49,529)	-	-	(49,529)	(50,294)
Total Recognised Gains / (Losses) for the Year	**(4,635,535)**	**(771,839)**	**(5,886,690)**	**(11,294,064)**	**(1,372,718)**
Balance carried forward at 30 June	**24,349,663**	**3,501,228**	**92,811,022**	**120,661,913**	**131,955,977**

NEWNHAM COLLEGE

Consolidated Balance Sheets

At 30 June 2009

	Note		2008/09 £		2007/08 £
FIXED ASSETS	9				
Tangible Assets			77,126,935		77,703,106
Investments			49,254,540		58,731,345
			126,381,475		136,434,451
CURRENT ASSETS					
Stock	10	169,404		179,997	
Debtors	11	260,384		609,597	
Cash		828,426		1,692,160	
		1,258,214		2,481,754	
CURRENT LIABILITIES					
Creditors: Amounts Falling Due Within One Year	12	(894,646)		(1,004,429)	
Net Current Assets			363,568		1,477,325
Total Assets less Current Liabilities			126,745,043		137,911,776
Creditors: Amounts Falling Due In More Than One Year	13		(5,613,873)		(5,727,525)
Pension Liability	19		(428,737)		(185,985)
NET ASSETS			**120,702,433**		**131,998,266**

CAPITAL AND RESERVES	18	**Expendable Capital Funds £**	**Permanent Capital Funds £**	**Total 2008/09 £**	**Total 2007/08 £**
Restricted Funds held for:					
Collegiate Purposes		8,375,918	13,854,116	22,230,034	26,865,569
Non-Collegiate Purposes		30,596	2,089,032	2,119,628	2,119,628
		8,406,514	15,943,148	24,349,662	28,985,197
Unrestricted Funds:					
Designated		3,325,092	176,136	3,501,228	4,273,067
Undesignated		77,089,961	15,761,582	92,851,543	98,740,002
		80,415,053	15,937,718	96,352,771	103,013,069
TOTAL		88,821,567	31,880,866	**120,702,433**	**131,998,266**

These financial statements were approved by Newnham College Council on 30th October 2009 and signed on its behalf by:

Dame Patricia Hodgson (Principal) Patricia Hodgson

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

NEWNHAM COLLEGE

College Balance Sheet

At 30 June 2009

	Note		2008/09 £		2007/08 £
FIXED ASSETS	9				
Tangible Assets			76,865,866		77,444,094
Investments			49,634,546		59,111,351
			126,500,412		136,555,445
CURRENT ASSETS					
Stock	10	162,261		165,247	
Debtors	11	265,233		591,867	
Cash		823,895		1,687,927	
		1,251,389		2,445,041	
CURRENT LIABILITIES					
Creditors: Amounts Falling Due Within One Year	12	(1,047,277)		(1,130,998)	
Net Current Assets			204,112		1,314,043
Total Assets less Current Liabilities			126,704,524		137,869,488
Creditors: Amounts Falling Due In More Than One Year	13		(5,613,873)		(5,727,525)
Pension Liability	19		(428,737)		(185,985)
NET ASSETS			**120,661,914**		**131,955,978**

CAPITAL AND RESERVES	18	**Expendable Capital Funds £**	**Permanent Capital Funds £**	**Total 2008/09 £**	**Total 2007/08 £**
Restricted Funds held for:					
Collegiate Purposes		8,375,918	13,854,116	22,230,034	26,865,569
Non-Collegiate Purposes		30,596	2,089,032	2,119,628	2,119,628
		8,406,514	15,943,148	24,349,662	28,985,197
Unrestricted Funds:					
Designated		3,325,092	176,136	3,501,228	4,273,067
Undesignated		77,049,442	15,761,582	92,811,024	98,697,714
		80,374,534	15,937,718	96,312,252	102,970,781
TOTAL		88,781,048	31,880,866	**120,661,914**	**131,955,978**

These financial statements were approved by Newnham College Council on 30th October 2009 and signed on its behalf by:

Dame Patricia Hodgson (Principal) Patricia Hodgson

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

NEWNHAM COLLEGE

Consolidated Cash Flow Statement

for the Year Ended 30 June 2009

		2008/09		2007/08
Reconciliation of operating deficit to net cash inflow from operating activities		£		£
Operating Deficit		(213,443)		(487,378)
Add: Depreciation		674,319		651,593
Capital Grants released in year		(49,529)		(50,294)
Contribution to Colleges Fund Under Statute G,II		25,000		-
Transfers		1,307,976		2,085,963
Actuarial loss on pension provision		(270,050)		35,332
Investment income and interest received		(2,150,502)		(1,879,511)
(Increase) / Decrease in Stocks		10,593		(22,210)
(Increase) / Decrease in Debtors		349,213		316,350
Increase / (Decrease) in Creditors		(109,783)		(281,343)
Increase / (Decrease) in Pension Liability		242,752		(113,124)
Net Cash (Outflow) / Inflow from Operating Activities		(183,454)		255,378

CASH FLOW STATEMENT				
Net Cash (Outflow) / Inflow from Operating Activities		(183,454)		255,378
Returns on Investments and Servicing of Finance				
Investment Income	2,361,342		2,127,512	
Interest Received	114,453		38,150	
Interest Paid	(325,293)		(286,151)	
Net cash inflow from returns on investment		2,150,502		1,879,511
Contribution to Colleges Fund Under Statute G,II		(25,000)		-
Capital Expenditure and Financial Investment				
Receipts from sale of investment properties	89,650		81,203	
Receipts from capital donations to Library project	11,098		39,227	
	100,748		120,430	
Expenditure on tangible fixed assets	(98,148)		(94,699)	
Expenditure on investment assets	(2,694,729)		(4,419,189)	
Capital paid off loan	(113,652)		(154,118)	
	(2,906,529)		(4,668,006)	
Net Cash Outflow from Investing Activities		(2,805,781)		(4,547,576)
Decrease in Cash in the year		(863,733)		(2,412,687)

Reconciliation of net cash flow to movement in net liquid assets

Decrease in Cash in the year	(863,733)	(2,412,687)
Net liquid funds brought forward at 1 July	1,692,160	4,104,847
Net liquid funds carried forward at 30 June	828,427	1,692,160

NEWNHAM COLLEGE

Notes to the Accounts

At 30 June 2009

1. ACADEMIC FEES AND CHARGES	2008/09	2007/08
	£	£
COLLEGE FEES		
Fee Income paid on behalf of Undergraduates eligible for Student Support (per Capita Fee £3,612 ; 2007/08 £3,471)	1,184,736	1,153,297
Other Undergraduate Fee Income (per Capita Fee £4,164; 2007/8 £3,930)	191,149	195,387
Graduate Fee Income (per Capita Fee £2,127; 2007/8 £2,082)	246,874	244,607
	1,622,759	1,593,291
Teaching Grants	47,139	47,854
Recoveries from other Colleges	74,569	74,228
Other Fees and Charges	2,713	4,813
Total	**1,747,180**	**1,720,186**

2. RESIDENCES, CATERING, AND CONFERENCES INCOME		2008/09	2007/08
		£	£
Accommodation	College Members	1,543,583	1,402,805
	Conferences	292,066	255,020
Catering	College Members	619,640	572,320
	Conferences	257,203	206,324
Rents from College Subsidiaries		171,200	166,109
Total		**2,883,692**	**2,602,578**

3. ENDOWMENT INCOME

3a Analysis of Endowment Income	Restricted Funds	Unrestricted Funds	2008/09 Total	2007/08 Total
	£	£	£	£
Total return recognised in Income & Expenditure Account (note 3b)	942,058	1,533,737	2,475,795	2,378,533
Donations and Bequests	310,849	1,111,567	1,422,416	2,001,107
	1,252,907	**2,645,304**	**3,898,211**	**4,379,640**
3b Summary of Total Return				
Income from:				
Freehold Land and Buildings	-	114,851	114,851	110,000
Quoted Securities and cash	184,960	301,127	486,087	486,087
	184,960	415,978	600,938	596,087
(Losses)/Gains on Investment Assets				
Freehold Land and Buildings	-	(97,850)	(97,850)	(61,325)
Quoted and Other Securities and Cash	(4,268,364)	(5,840,813)	(10,109,177)	(1,147,153)
	(4,268,364)	(5,938,663)	(10,207,027)	(1,208,478)
Total Return for the year	(4,083,404)	(5,522,685)	(9,606,089)	(615,673)
Transfer to Income and Expenditure Account (Note 3a)	(942,058)	(1,533,737)	(2,475,795)	(2,378,533)
Deficiency on Total Return retained in Statement of Total Recognised Gains and Losses	**(5,025,462)**	**(7,056,422)**	**(12,081,884)**	**(2,994,206)**

NEWNHAM COLLEGE

Notes to the Accounts - continued

4. OTHER INCOME

	2008/09	2007/08
	£	£
College Events	50,643	39,405
Non-Collegiate income	23,411	16,375
Sundry charges and other income	108,381	53,449
	182,435	**109,229**

5. EDUCATION EXPENDITURE

	2008/09	2007/08
	£	£
Teaching	2,145,508	2,021,354
Tutorial	615,458	569,364
Admissions	301,115	269,299
Research	364,694	291,179
Scholarships and Awards	272,368	229,136
Other Educational Facilities	155,750	152,750
Total	**3,854,893**	**3,533,082**

6. RESIDENCES, CATERING, AND CONFERENCES EXPENDITURE

		2008/09	2007/08
		£	£
Accommodation	College Members	2,247,492	2,275,726
	Conferences	69,406	79,281
Catering		908,557	832,815
Total		**3,225,455**	**3,187,822**

7. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Staff Costs (Note 8)	Other Operating Expenses	Deprec- iation	2008/09 Total	2007/08 Total
	£	£	£	£	£
Education (Note 5)	1,910,296	1,649,157	295,439	3,854,893	3,533,082
Residences, Catering & Conferences (Note 6)	1,370,498	1,476,077	378,880	3,225,455	3,187,822
Other	21,486	143,118	-	164,604	133,290
	3,302,280	**3,268,353**	**674,319**	**7,244,952**	**6,854,194**
Including: Auditors Fees - as auditors				9,000	9,000
- for other work				-	-
Cost of Fundraising				245,974	212,336

8. STAFF AND FELLOWS

	College Fellows 2008/09	Academics 2008/09	Non - Academics 2008/09	Total 2008/09	Total 2007/08
Staff Costs *	£	£	£	£	£
Emoluments	723,247	72,364	1,942,872	2,738,483	2,529,112
Social Security Costs	51,745	5,658	147,531	204,934	183,885
Other Pension Costs	81,049	4,556	273,259	358,863	271,678
	856,041	**82,578**	**2,363,662**	**3,302,280**	**2,984,675**

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

Average Staff Numbers

Academic	49	9	-	58	52
Non-Academics	-	-	87	87	92
	49	**9**	**87**	**145**	**144**
Fellows - full time stipendary	17		full time		
Fellows - part time stipendary	33		equivalents		
Fellows - non-stipendary	20				

Notes to the Accounts - continued

9. FIXED ASSETS

Tangible Assets	College Land £	College Buildings £	Furniture & Equipment £	Library Books and Equipment	2008/09 Total £	2007/08 Total £
COST/VALUATION						
At 30 June 2008	21,300,000	55,700,000	1,085,670	440,072	78,525,742	78,467,805
Additions	-	-	69,727	28,420	98,147	94,699
Disposals	-	-	-	(11,510)	(11,510)	(36,761)
At 30 June 2009	21,300,000	55,700,000	1,155,397	456,982	78,612,379	78,525,742
DEPRECIATION						
At 30 June 2008	-	557,000	84,577	181,059	822,636	207,804
Provided for the year	-	557,000	90,955	26,364	674,319	651,593
Disposals	-	-	-	(11,510)	(11,510)	(36,761)
At 30 June 2009	-	1,114,000	175,532	195,913	1,485,445	822,636
Net Book value						
At 30 June 2009	21,300,000	54,586,000	979,865	261,069	**77,126,934**	**77,703,106**
At 30 June 2008	21,300,000	55,143,000	1,001,093	259,013	**77,703,106**	**78,260,000**

The land comprising the College's main site has been included at a valuation of £21.3m.

The amount of finance cost capitalised during 2008/9 was nil (2007/8 nil).

The freehold College buildings at 30 June 2009 were insured at reinstatement costs of £89.5m

Investment Assets	Securities and Cash	Property	2008/09 £	2007/08 £
At 30 June 2008	54,722,508	4,008,837	58,731,345	57,387,562
Additions	2,093,386	601,343	2,694,729	4,419,189
Disposals	-	(75,000)	(75,000)	(65,000)
Appreciation on Disposals or Revaluation	(11,984,034)	(112,500)	(12,096,534)	(3,010,406)
At 30 June 2009	**44,831,860**	**4,422,680**	**49,254,540**	**58,731,345**

Represented by:

	2008/09 £	2007/08 £
Estate Properties	4,422,680	4,008,838
Quoted Securities - Equities	23,135,314	33,066,582
Quoted Securities - Fixed Interest	6,959,193	7,152,237
Unquoted	8,810,932	12,513,924
Cash Held For Reinvestment	5,926,421	1,989,764
	49,254,540	**58,731,345**

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

10. STOCK

	2008/09		2007/08	
	College	Consolidated	College	Consolidated
	£	£	£	£
Food and Drink	11,852	11,852	13,334	13,334
Wine	143,286	143,286	143,412	143,412
Memorabilia	-	7,143	-	14,750
Linen, Cleaning Materials and Other	7,123	7,123	8,501	8,501
	162,261	**169,404**	**165,247**	**179,997**

11. DEBTORS

	2008/09		2007/08	
	College	Consolidated	College	Consolidated
	£	£	£	£
Taxes due from Government Departments	52,417	61,617	141,689	173,384
Due from Subsidiary Companies	14,049	-	13,965	-
Trade Debtors	97,102	97,102	333,164	333,164
Sundry Debtors and Prepayments	101,665	101,665	103,049	103,049
	265,233	**260,384**	**591,867**	**609,597**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008/09		2007/08	
	College	Consolidated	College	Consolidated
	£	£	£	£
Trade Creditors	191,942	191,942	252,023	252,023
Loan Repayments of Capital	133,165	133,165	126,410	126,410
Contribution due to Colleges Fund	25,000	25,000	-	-
Due to Subsidiary Companies	267,993	-	259,485	-
Taxes and social security costs	81,933	81,933	82,962	82,962
Student deposits and accounts	162,304	162,304	205,265	205,265
Accruals and Sundry Creditors	184,940	300,301	204,853	337,769
	1,047,277	**894,645**	**1,130,998**	**1,004,429**

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

	2008/09	2007/08
	£	£
Bank Loan	**5,613,873**	**5,727,525**

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

14. 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

15. CAPITAL COMMITMENTS

At 30 June 2009 the College had the following capital commitments not provided for in these accounts:

- contracted for	**£820,000**	**nil**
- not yet contracted for	**£35,000**	**£1,311,000**

16. FINANCIAL COMMITMENTS

At 30 June 2009 and 30 June 2008 the College had no annual commitments under non-cancellable operating leases. The College has committed to investing in various private equity funds over approximately the next five years to June 2011. A total of £3.13m (2008: £1.98m) may be called up for investment at any point in that period. These commitments will be met from the sale of other investments currently held as proxies for private equity funds.

17. REVALUATION RESERVE

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

	2008/09	2007/08
Value of College land and buildings in excess of book cost	£	£
Balance brought forward 1 July	64,137,450	64,137,450
Balance carried forward 30 June	**64,137,450**	**64,137,450**

Notes to the Accounts - continued

18. CAPITAL AND RESERVES

	Expendable Capital Fund £	Permanent Capital Fund £	Total 2008/09 £	Total 2007/08 £
Restricted Funds:				
Funds for Collegiate Purposes	3,742,375	13,854,116	17,596,491	22,193,594
Funds for Non-Collegiate Purposes	30,596	2,089,032	2,119,628	2,119,628
Deferred Capital Funds	4,633,543	-	4,633,543	4,671,975
	8,406,514	**15,943,148**	**24,349,662**	**28,985,197**
Unrestricted Funds:				
Designated Funds:				
Funds for Collegiate Purposes	2,950,955	176,136	3,127,091	3,875,711
Funds for Non-Collegiate Purposes	97,293	-	97,293	97,293
Amalgamated Building & Maintenance Funds	276,844	-	276,844	300,063
	3,325,092	**176,136**	**3,501,228**	**4,273,067**
Undesignated Funds:				
Corporate Capital	-	14,715,755	14,715,755	17,107,015
Building Sinking Fund	-	1,045,827	1,045,827	1,171,567
Revaluation Reserve (note 18)	64,137,450	-	64,137,450	64,137,450
Donations & Benefactions	10,062,572	-	10,062,572	11,783,415
Revenue Reserve	358,726	-	358,726	515,367
General Capital	2,531,213	-	2,531,213	4,025,188
	77,089,961	**15,761,582**	**92,851,543**	**98,740,002**
	88,821,567	**31,880,866**	**120,702,433**	**131,998,266**

Reconciliation of Movement in Capital and Reserves:

	Restricted Reserves		Unrestricted Reserves					
			Designated Reserves		Undesignated Reserves			
	Expendable Capital Fund £	Permanent Capital Fund £	Expendable Capital Fund £	Permanent Capital Fund £	Expendable Capital Fund £	Permanent Capital Fund £	Total 2008/09 £	Total 2007/08 £
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
Decrease in Year	(787,376)	(3,848,159)	(736,008)	(35,831)	(3,371,459)	(2,517,000)	(11,295,833)	(1,771,353)
At 30 June 2009	**8,406,514**	**15,943,148**	**3,325,092**	**176,136**	**77,089,961**	**15,761,582**	**120,702,433**	**131,998,266**
Capital is invested in the following categories of assets								
Tangible Fixed Assets	4,633,543	-	-	-	70,479,864	2,013,528	77,126,935	77,703,106
Investment Assets	3,567,823	15,696,067	3,293,450	168,092	12,386,034	14,143,074	49,254,540	58,731,345
Net Current Assets	205,148	247,081	31,642	8,044	266,673	(395,020)	363,568	1,477,325
Long term liabilities	-	-	-	-	(5,613,873)	-	(5,613,873)	(5,727,525)
Pension Liability	-	-	-	-	(428,737)	-	(428,737)	(185,985)
Total at 30 June 2007	**8,406,514**	**15,943,148**	**3,325,092**	**176,136**	**77,089,961**	**15,761,582**	**120,702,433**	**131,998,266**

19. PENSION SCHEMES

(a) Universities Superannuation Scheme

The College participates in the University Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. USS has over 130,000 members and at 30 June 2009 Newnham College had 70 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 actuarial valuation of the scheme was at 31st March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

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

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

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

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

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

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

19. PENSION SCHEMES

(a) Universities Superannuation Scheme (continued)

The College's 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, agreed to increase the institutions' employer contribution rate to 16% of pensionable salaries from 1st October 2009.

Since 31 March 2008 global investment markets have fallen further and at 31 March 2009 the actuary has estimated that the funding level under the new scheme specific funding regime had fallen from 103% to 74%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the year and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions).

On the FRS17 basis, using a category AA bond discount rate of 7.1% per year based on spot yields, the actuary estimated that the funding level at 31 March 2009 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 46%.

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. 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 £1.5billion
Rate of salary growth	Increase/decrease by 0.5%	Decrease/Increase by £0.7billion
Rate of mortality	More prudent assumption (move to long cohort future improvements from the medium cohort adopted at the valuation)	Increase by £1.6 billion

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

The trustee believes that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a bias towards equities through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee has agreed to take on a degree of investment risk relative to the liabilities. Before deciding to take investment risk relative to the liabilities, the trustee receives advice from its investment consultant and the scheme actuary and considers the views of the employers. The string positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

The next formal triennial actuarial valuation is due as at 31st March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The total pension cost for the College in 2008/9 was £192,006 (2007/8 £144,832). This includes outstanding contributions of £NIL at the balance sheet dates. During that period the contribution rate payable by the College was 14% of pensionable salaries.

19 (b) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit scheme, the Cambridge Colleges' Federated Pension Scheme. The Scheme is a defined benefit final salary pension scheme that was originally set up, under an interim Trust Deed, on 19 July 1977 as a defined benefit scheme. The Scheme is deemed to be a registered pension scheme under the terms of Schedule 36 of the Finance Act 2004. The College's employees covered by the Scheme are contracted-out of the State Second Pension (S2P) and at 30 June 2009 Newnham College had 22 active members participating in the Scheme.

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

	2009	**2008**
	% p.a.	**% p.a.**
Discount rate	6.4	6.6
Expected long-term rate of return on Scheme assets	6.1	6.4
Salary inflation assumption	3.9	4.9
Inflation assumption	2.9	3.4
Pension increases (inflation linked)	2.9	3.4

The underlying mortality assumption is based upon the standard table known as PA92 on a year of birth usage with medium cohort future improvement factors with the base table adjusted by a 20% uplift to reflect higher Scheme mortality rates than the standard tables (2008: PA92 on a year of birth usage with medium cohort future improvement factors).

Employee Benefit Obligations

The amounts recognised in the balance sheet at 31 March 2009 were:

	2009	**2008**
	£	**£**
Present value of Scheme liabilities	(2,668,477)	(2,652,146)
Market value of Scheme assets	2,239,740	2,466,161
Deficit in the Scheme	**(428,737)**	**(185,985)**
The amounts to be recognised in Income and Expenditure for the year to 31 March 2009 were:		
Current service cost	114,266	115,580
Interest on Scheme liabilities	176,180	143,224
Expected return on Scheme assets	(158,216)	(150,802)
Past service cost	-	-
Curtailment gain	-	-
Total	**132,230**	**108,002**
Actual return on Scheme assets	(328,607)	(24,655)
Changes in the present value of the Scheme liabilities for the year to 31 March 2009 were:		
Present value of Scheme liabilities at the beginning of the period	2,652,146	2,601,110
Service cost including employee contributions	157,482	161,766
Interest cost	176,180	143,224
Actuarial gains	(216,773)	(210,789)
benefits paid	(100,558)	(43,165)
Present value of Scheme liabilities at the end of the period	**2,668,477**	**2,652,146**
Changes in the fair value of the Scheme assets for the year to 31 Mach 2009 were:		
Market value of Scheme assets at the beginning of the period	2,466,161	2,302,001
Expected return	158,216	150,802
Actuarial losses	(486,823)	(175,457)
Contributions paid by the College	159,528	185,794
Employee contributions	43,216	46,186
Benefits paid	(100,558)	(43,165)
Market value of Scheme assets at the end of the period	**2,239,740**	**2,466,161**

The agreed contributions (excluding Permanent Health Insurance preumiums) to be paid by the College for the forthcoming year are 19.8% of Contribution Pay to 30 June 2009 then 22.52% of Contribution Pay plus

£54,441 in March each year.

NEWNHAM COLLEGE

Notes to the Accounts - continued

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

The major categories of Scheme assets as a percentage of total Scheme assets for the year to 31 March 2009 were:

	2009	2008
Equities and hedge funds	48%	48%
Property	43%	41%
Bonds and cash	9%	11%
	100%	100%

The expected long-term rate of return on the Scheme assets has been calculated based on the major asset categories shown in the table above, and an expected rate of return on equities and hedge funds of 7. 3% (2008: 7.5%); property 6.3% (2008: 6.5%); bonds and cash 4.8% (2008: 5.0%).

The analysis of the actuarial gain/(loss) recognisable in the Statement of Recognised Gains and Losses (STRGL) for the year ending 31 March 2009 is:

	2009 £	2008 £
Actual return less expected return on Scheme assets	(486,823)	(175,457)
Experienced gains and losses arising on Scheme liabilities	(52,450)	(68,946)
Changes in assumptions underlying the present value of Scheme liabilities	269,223	279,735
Actuarial (loss)/gain recognised in the STRGL	**(270,050)**	**35,332**

The cumulative amount of actuarial gains and losses recognised in the STRGL for the year to 31 March 2009 were:

	2009 £	2008 £
Cumulative actuarial loss at the beginning of the period	(84,866)	(120,198)
Recognised during the period	(270,050)	35,332
Cumulative actuarial loss at the end of the period	**(354,916)**	**(84,866)**

The movement in the deficit during the year to 31 March 2009 was:

	2009 £	2008 £
Deficit in Scheme at beginning of year	(185,985)	(299,109)
Service cost (employer only)	(114,266)	(115,580)
Contributions paid by the College	159,528	185,794
Finance cost	(17,964)	7,578
Actuarial (loss)/gain	(270,050)	35,332
Deficit in Scheme at end of year	**(428,737)**	**(185,985)**

	2009 £	2008 £	2007 £	2006 £	2005 £
Present value of Scheme liabilities	(2,668,477)	(2,652,146)	(2,601,110)	(2,451,359)	(2,019,668)
Market value of Scheme assets	2,239,740	(2,466,161	2,302,001	2,029,045	1,554,676
Deficit in the Scheme	(428,737)	(185,985)	(299,109)	(422,314)	(464,992)
Actual return less expected return on Scheme assets	(486,823)	(175,458)	(1,543)	155,459	36,009
Experienced (losses)/gains arising on Scheme liabilities	(52,450)	(68,945)	(39,262)	12,857	(57,723)
Change in assumptions underlying present value of Scheme liabilities	269,223	279,735	106,586	(194,147)	(138,434)