

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

2008



FITZWILLIAM COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS 2008

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ORGANISATION AND GOVERNANCE

Fitzwilliam College is an independent College of the University of Cambridge and was formed under Royal Charter granted on 9 September 1966 by Queen Elizabeth The Second. Although the College has history going back to 1869 it was only in 1966 that the then existing Fitzwilliam House was constituted as a Corporate Body under the name and style of "The Master, Fellows and Scholars of Fitzwilliam College in the University of Cambridge". The College has exempt charitable status.

The Objectives of the College are as follows:

- (a) To advance education, religion, learning and research in the University.
- (b) To provide a College wherein members of the University may work for Degrees in the University or may carry out postgraduate or other special studies at Cambridge provided that no member of the College or any candidate for membership thereof shall be subject to any test of a religious, political or social character.
- (c) To apply the moneys of the College as prescribed in the Statutes of the College.
- (d) To administer any trust or scheme for purposes connected with the objects of the College.
- (e) To do all such things as are incidental or conducive to the carrying out of the above objects.

The Governing Body is responsible for the government of the College in accordance with its Statutes. At least one Ordinary College meeting is held in each University term and a Special College meeting takes place every year. The Governing Body has delegated some duties to the College Committee which is headed by the Master the Bursar and the Senior Tutor so that it can control key issues and monitor the overall performance of the College. The Governing Body decides on organisational strategy and authority is delegated to the Bursar for implementing strategy and for managing the College.

At the Special College meeting (called the Audit Meeting) the Governing body reviews the Annual Report and Financial Statements following detailed review by internal and external auditors and satisfies itself that the reports present a balanced and understandable assessment of the College's position and prospects.

GOVERNING BODY AND PROFESSIONAL ADVISORS

Governing Body

Members of the Governing Body receive no remuneration for acting in that capacity. However remuneration is paid to those members holding specific positions as College officers.

Members of the Governing Body during the year were as follows:

Master: Professor R D Lethbridge*
Bursar: Mr C L Pratt*
Senior Tutor: Dr P A Chirico* (appointed 01/10/07)
Dr A S Tavernor* (resigned 30/09/07)

Other Members:

Dr M D Potter	Professor M J Millett
Professor D M Thompson*	Dr R D Camina
Professor J R Willis (retired 30/09/07)	Dr A G Kovalev
Dr J R A Cleaver	Dr S Mukherji
Professor D J Fray (retired 30/09/07)	Dr D R E Abayasekara
Dr G G Pooley*	Dr J A Elliott*
Professor N K H Slater*	Dr A M E Morris (resigned 30/09/07)
Professor G I Davies	Dr A E H Wheatley
Dr W Allison	Dr K Saeb-Parsy
Dr A Clark*	Dr J I Alcantara*
Dr D M Scott	Dr P Lio
Professor R J A Hooley	Professor D M Glover
Mrs N M Padfield*	Dr M O McCullagh (resigned 30/09/07)
Dr D J Cole	Mr L A W Robinson (resigned 30/09/07)
Professor D A Cardwell	Dr E A Guse
Dr R E Horrox*	Dr M J Arends
Dr J D Leigh	Dr S S Owen
Professor K M Brindle	Dr A S Tavernor
Dr K W Platts	Mr T H Smith (resigned 31/08/07)
Dr D Keown	Mr J M Adams
Dr M J S Holly	Dr P J Rentfrow
Dr B Vira	Dr S Westenhoff
Professor G N Stanton (retired 30/09/07)	Dr W Seabrooke
Professor R S Langley	Dr D P Nally
Dr R E Ansorge	Mr R J Moules (appointed 01/10/07)
Dr T W Warke (resigned 30/09/07)	Dr S J Gathercole (appointed 01/10/07)
Dr I Moller	Dr N Bukhari (appointed 01/10/07)
Professor R P Haining	Dr E M S Newby (appointed 01/10/07)
Dr E Mastorakos	Dr N Grigorian (appointed 01/10/07)
Dr E Perreau-Saussine	Dr M B Wingate (appointed 01/10/07)
Dr D A Coomes	

*Also served on the College Committee.

GOVERNING BODY AND PROFESSIONAL ADVISORS

(Continued)

Professional Advisors

Bankers

Barclays Bank plc
Bene't Street Branch
P O Box 2
Cambridge
CB2 3PZ

Solicitors

Hewitsons
Shakespeare House
42 Newmarket Road
Cambridge
CB5 8EP

Auditors

Peters Elworthy & Moore
Chartered Accountants and Registered Auditor
Salisbury House
Station Road
Cambridge
CB1 2LA

Investment Managers

Sarasin & Partners LLP
Juxon House
100 St. Paul's Churchyard
London
EC4M 8BU

BURSAR'S REPORT

General

The principal purpose of the College is to advance education, religion, learning and research in the University of Cambridge. In the year under review, academic fees and charges amounted to £2.06 million (2007: £2.01 million) and academic expenditure to £2.43 million (2007: £2.22 million). The deficit of £0.37 million (2007: £0.21 million) in respect of academic activity was met from endowment and other income and, as expected, a modest overall surplus was achieved.

Donations

Donations of £1,236,593 were received during the year (2007: £1,837,804), including £287,900 from the Colleges' Fund (2007: £327,400), for which the College is extremely grateful. Grants from the Colleges' Fund are added to permanent capital, as is required by the terms of grant. £821,021 of other donations was for specific purposes (2007: £1,356,674).

Financial Review

There was a surplus for the year of £228,526 (2007: £337,811), after depreciation of £ 764,028 (2007: £701,034). Income from fees, from student rents and from investments and funds was higher by 2.5%, 6.3% and 13.6% respectively than in the preceding year, but conference income fell by 5.8% because some rooms were unavailable, while en-suite facilities were installed. Following significant market falls, Unrestricted funds fell by 2.7% to £38.69 million (2007: £39.76 million) and Restricted funds by 0.3% to £10.53 million (2007: £10.56 million). Within the net assets total of £49.22 million (2007: £50.32 million), cash reserves (net of the loan referred to below) decreased to £2.88 million (2007: increase to £3.41 million). The total return on investments was -4.30%, (2007: 11.85%).

In July 2008, an unsecured loan of £10 million for 50 years at a fixed interest rate of 4.93% was obtained from Barclays Bank for the purpose of capital projects and investment.

The College expects a small surplus in 2009, despite the costs to be incurred in the launch of a Campaign to raise £20 million by 2019, the 150th anniversary of its foundation. The first objective of the Campaign is to raise £5 million for a new Library and IT Centre, construction of which commenced on 30 June 2008, for completion in September 2009 and occupation early in 2010.

Risk Management

The College has a strong system of financial and management controls. Monthly management accounts, incorporating profiled budget comparisons and forecasts are prepared and are scrutinised by the College Committee and its Finance Sub-Committee, which also review five-year projections. There is an internal Audit Committee, reporting directly to the Governing Body and a comprehensive risk assessment programme across departments. In view of the relatively small endowment of the College, a highly prudential approach is taken towards investment.

C L Pratt

Bursar

Date: 26 November 2008

STATEMENT OF RESPONSIBILITIES OF THE GOVERNING BODY

The Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The College's Statutes require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing those financial statements the Governing Body is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

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

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

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF FITZWILLIAM COLLEGE

We have audited the financial statements of the Fitzwilliam College for the year ended 31 July 2008 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the College balance sheet, the consolidated cash flow statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

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

Respective Responsibilities of the Governing Body and Auditors

The Governing Body's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Governing Body. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on 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 College's Statutes and the Statutes of the University of Cambridge. We also report to you if, in our opinion, the Report of the Governing Body is not consistent with the financial statements, if the College has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Officers' remuneration and transactions with the College is not disclosed.

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

We read other information contained in the Report of the Governing Body 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 on Auditing (UK and Ireland) issued by the Auditing Practices Board. 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 Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 the information in the financial statements.

Qualified opinion arising on non-compliance with FRS17

Financial Reporting Standard 17 'Retirement Benefits' (FRS 17) requires disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities. As explained in note 28 the College has not obtained and disclosed the necessary information for the year ended 31 July 2008 and it is therefore not possible to quantify the effect of this departure.

Except for the effect of not complying with FRS 17, 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 group's and the College's affairs as at 31 July 2008 and of the surplus of the group for the year then ended and have been properly prepared in accordance with the College's Statutes and the Statutes of the University of Cambridge.

In our opinion the contribution due from the College to the University has been correctly computed in accordance with the provisions of Statute G, II of the University of Cambridge.

PETERS ELWORTHY & MOORE
Chartered Accountants and
Registered Auditor

CAMBRIDGE
Date: 17 December 2008

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 July 2008

Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable Accounting Standards.

In addition, the financial statements accord with the Statement of Recommended Practice for accounting in Further and Higher Education (The SORP) with the exception of the balance sheet which has been presented in the different format set out in the relevant section 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 financial statements (notes 16 to 19).

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets.

Basis of consolidation

These financial statements consolidate the financial statements of the College and its three subsidiaries, Fitzwilliam College Services Limited, Kawakawa Bay Limited and Fitzwilliam Information Services Trust Limited for the year ended 31 July 2008. All three companies are wholly owned subsidiaries of the College. Inclusion of the results of the subsidiaries does not materially change the view presented in the financial statements. The activities of student societies have not been consolidated.

Recognition of income

Income from permanent capital funds, short term deposits and the investment of unrestricted funds is credited to the income and expenditure account on a receivable basis.

Benefactions and donations accepted on condition that only the income may be spent are credited to the balance sheet as permanent capital funds. The income from a permanent capital fund is shown as income in the year that it is receivable. Income from a permanent capital fund that is not expended in the year in which it is receivable is, at the year-end, transferred from the income and expenditure account to a restricted or unrestricted expendable capital fund, as appropriate. When there is subsequent expenditure of accumulated income from a restricted capital fund, income is credited back to the income and expenditure account from the restricted expendable capital fund to match the expenditure. Unrestricted donations are allocated to capital or income at the discretion of the Governing Body on a receivable basis.

Restricted benefactions and donations that are used to fund capital projects are initially credited to a restricted expendable capital fund, and then released over the same estimated useful life that is used to determine the depreciation charge for the capital project. College fee income is recognised in the period for which it is received and includes all fees chargeable to students or their sponsors.

Pension schemes

The college pays contributions to two pension schemes which provide benefits to its members based on final pensionable salary. The assets of these schemes are held separately from those of the College.

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 July 2008

Pension schemes (continued)

Fitzwilliam College Assistant Staff Superannuation Fund

The College also contributes to the Fitzwilliam College Assistant Staff Superannuation Fund, which is a similar defined benefit pension scheme. Pension costs are recognised on a systematic basis so that the costs of providing retirement benefits to employees are matched evenly, so far as possible, to the service lives of the employees concerned.

Tangible fixed assets

a. Land and buildings

Freehold buildings within the College main site are stated at depreciated replacement cost ascertained as at 31 July 2003 plus subsequent additions at historical cost. External properties are stated at historical cost. All freehold buildings are depreciated on a straight line basis over their expected useful economic life of 50 years. Freehold land is not depreciated.

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.

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 during the year. They are not depreciated until they are brought into use.

b. Maintenance of premises

The cost of major refurbishment is capitalised and depreciated over the expected useful economic life of the asset concerned. The cost of routine maintenance is charged to the Income and Expenditure account as it is incurred.

c. Furniture, fittings and equipment

Furniture, fittings and equipment are capitalised at cost. Depreciation is provided on a straight line basis over the expected useful life of the assets as follows:

Library books	15 years
Furniture, fittings and general equipment	10 years
Catering and conference equipment	5 years
Computer equipment	4 years

d. Rare books, silver, works of art and other assets not related to education

Rare books, silver, works of art and other assets not related to education, which are deemed to be inalienable, are not included in the balance sheet.

Leases

Payments under operating leases are charged to the Income and Expenditure Account equally over the lease term.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 July 2008

Investments

Securities

Securities are shown at their market value. This is for listed investments the middle market quotation ruling at the close of business on 31 July, translated for overseas investments into sterling at the rates of exchange ruling at that date.

Investment income is included as and when dividends and interest become payable. Interest on bank deposits is included on an accrual basis. Interest which forms part of the price of investments purchased or sold during the year is treated as revenue.

Properties

Investment properties are included at open market value. The Bursar carries out this valuation. The method adopted uses historical cost plus an annual revaluation adjustment reflecting specific market values as published by local financial institutions. These properties form part of the College's investments and therefore any surplus or deficit on revaluation is reflected as part of each fund's value as at 31 July. In accordance with SSAP19, no depreciation is charged.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Provisions

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

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.

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 ICTA 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

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

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 July 2008

	Note	2008 £000	2007 £000
INCOME			
Academic fees and charges	1	2,063	2,013
Residences, catering and conferences	2	3,433	3,316
Endowment and investment income	3	1,158	1,050
Other income	4	181	155
Total income		6,835	6,534
EXPENDITURE			
Education	5	2,431	2,222
Residences, catering and conferences	6	3,872	3,699
Other expenditure	7	144	118
Total expenditure		6,447	6,039
Operating surplus		388	495
University Contribution under Statute G,II	30	0	0
		388	495
Transfer to restricted funds		(159)	(157)
NET SURPLUS		229	338

All of the activities of the College are classed as continuing.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 July 2008

	Note	Restricted funds		Unrestricted funds		2008 Total	2007 Total
		Collegiate purposes	Non- collegiate purposes	Designated funds	Undesignated funds		
		£000	£000	£000	£000	£000	£000
Surplus on continuing operations		0	0	3	226	229	338
Appreciation of investment assets	11	(547)	(10)	(110)	(1,633)	(2,300)	2,068
Unspent restricted fund income retained by funds		155	4	0	0	159	157
Benefactions and donations		659	0	162	0	821	1,357
Transfer donations to income and expenditure account		(129)	0	0	0	(129)	(134)
Capital grant received from Colleges Fund		0	0	0	288	288	327
Capital grant to Junior Members Association		(166)	0	0	0	(166)	(316)
Transfers between funds		0	0	215	(215)	0	0
Total recognised gains for the year		<u>(28)</u>	<u>(6)</u>	<u>270</u>	<u>(1,334)</u>	<u>(1,098)</u>	<u>3,797</u>
Reconciliation							
Balance at 1 August 2007		10,435	128	3,142	36,617	50,322	46,525
Total recognised gains for the year		<u>(28)</u>	<u>(6)</u>	<u>270</u>	<u>(1,334)</u>	<u>(1,098)</u>	<u>3,797</u>
Balance at 31 July 2008		<u>10,407</u>	<u>122</u>	<u>3,412</u>	<u>35,283</u>	<u>49,224</u>	<u>50,322</u>

BALANCE SHEETS

As at 31 July 2008

	Note	Group		College	
		2008 £000	2007 £000	2008 £000	2007 £000
FIXED ASSETS					
Tangible assets	10	25,168	23,520	24,092	23,518
Investments	11	34,021	26,957	34,021	26,957
		<u>59,189</u>	<u>50,477</u>	<u>58,113</u>	<u>50,475</u>
CURRENT ASSETS					
Stocks		51	51	51	51
Debtors	12	1,326	1,372	2,675	1,796
Cash	13	91	16	23	1
		<u>1,468</u>	<u>1,439</u>	<u>2,749</u>	<u>1,848</u>
CREDITORS : amounts falling due within one year	14	1,433	1,594	1,638	2,001
Net current assets (liabilities)		<u>35</u>	<u>(155)</u>	<u>1,111</u>	<u>(153)</u>
Total assets less current liabilities		<u>59,224</u>	<u>50,322</u>	<u>59,224</u>	<u>50,322</u>
CREDITORS: amounts falling due after more than one year	15	(10,000)	0	(10,000)	0
TOTAL NET ASSETS		<u><u>49,224</u></u>	<u><u>50,322</u></u>	<u><u>49,224</u></u>	<u><u>50,322</u></u>
CAPITAL AND RESERVES					
	16				
Restricted funds		10,529	10,563	10,529	10,563
Unrestricted funds		38,695	39,759	38,695	39,759
TOTAL		<u><u>49,224</u></u>	<u><u>50,322</u></u>	<u><u>49,224</u></u>	<u><u>50,322</u></u>

Approved on behalf of the Governing Body on 26 November 2008.

C L Pratt
BursarR D Lethbridge
Master

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 July 2008

	Note	2008 £000	2007 £000
Cash flow from operating activities	20	474	111
Returns on investment and servicing of finance	21	719	653
Capital transactions	22	8,272	(88)
Net cash inflow before management of liquid resources		<u>9,465</u>	<u>676</u>
Management of liquid resources	23	(9,244)	(1,062)
Increase/(Decrease) in cash	24	<u>221</u>	<u>(386)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

1. ACADEMIC FEES AND CHARGES

	2008	2007
	£000	£000
COLLEGE FEES		
Fee income received on behalf of undergraduates eligible for student support (per capita fee £3,474)	1,404	1,376
Other undergraduate fee income (per capita fee £4,191)	286	284
Graduate fee income (per capita fee £2,082)	373	353
	<u>2,063</u>	<u>2,013</u>
	<u><u>2,063</u></u>	<u><u>2,013</u></u>

2. INCOME FROM RESIDENCES, CATERING AND CONFERENCES

	2008	2007
	£000	£000
Accommodation		
College members	1,752	1,640
Conferences	455	525
Catering		
College members	733	669
Conferences	493	482
	<u>3,433</u>	<u>3,316</u>
	<u><u>3,433</u></u>	<u><u>3,316</u></u>

3. ENDOWMENT AND INVESTMENT INCOME

	Income from restricted funds	Income from unrestricted funds	2008 Total	2007 Total
	£000	£000	£000	£000
Income from:				
Freehold land and buildings	0	96	96	99
Quoted securities – equities	160	312	472	426
Quoted securities – fixed interest	22	42	64	65
Cash balances	63	123	186	159
Donations and benefactions	133	207	340	301
	<u>378</u>	<u>780</u>	<u>1,158</u>	<u>1,050</u>
	<u><u>378</u></u>	<u><u>780</u></u>	<u><u>1,158</u></u>	<u><u>1,050</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

4. OTHER INCOME

	2008	2007
	£000	£000
Miscellaneous charges to members and other income	80	75
Hire of net work and laser printing income	84	64
Launderette income	17	16
	<u>181</u>	<u>155</u>
	<u><u>181</u></u>	<u><u>155</u></u>

5. EDUCATION EXPENDITURE

	2008	2007
	£000	£000
Teaching	1,548	1,376
Tutorial	414	374
Admissions	116	99
Research	173	198
Scholarships and awards	43	43
Other educational facilities	137	132
	<u>2,431</u>	<u>2,222</u>
	<u><u>2,431</u></u>	<u><u>2,222</u></u>

6. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

	2008	2007
	£000	£000
Accommodation		
College members	1,995	1,863
Conferences	452	431
Catering		
College members	1,047	1,040
Conferences	378	365
	<u>3,872</u>	<u>3,699</u>
	<u><u>3,872</u></u>	<u><u>3,699</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

7. OTHER EXPENDITURE

	2008	2007
	£000	£000
Restricted funds expenditure	48	43
Administration	73	56
Other	23	19
	<hr/>	<hr/>
	144	118
	<hr/> <hr/>	<hr/> <hr/>

8. ANALYSIS OF EXPENDITURE BY ACTIVITY

2007/08	Staff costs (note 24) £000	Other operating expenses £000	Deprecia- -tion £000	Total £000
Education (note 5)	1,156	1,104	171	2,431
Residences, catering and conferences (note 6)	1,945	1,337	590	3,872
Other (note 7)	54	87	3	144
	<hr/>	<hr/>	<hr/>	<hr/>
	3,155	2,528	764	6,447
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The above expenditure includes fundraising costs of £182,914 (2007: £188,353).
This expenditure includes the costs of alumni relations.

9. ANALYSIS OF EXPENDITURE BY ACTIVITY

2006/07	Staff costs (note 24) £000	Other operating expenses £000	Deprecia- -tion £000	Total £000
Education (note 5)	1,018	1,035	169	2,222
Residences, catering and conferences (note 6)	1,852	1,318	529	3,699
Other (note 7)	46	69	3	118
	<hr/>	<hr/>	<hr/>	<hr/>
	2,916	2,422	701	6,039
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

10. TANGIBLE FIXED ASSETS**GROUP**

	Freehold land and buildings £000	Assets under construction	Furniture, fittings and equipment £000	Library books £000	2008 Total £000
Cost					
As at 1 August 2007	23,789	948	1,940	381	27,058
Additions at cost	674	1,137	570	31	2,412
Transfers	420	(420)	0	0	0
	<u>24,883</u>	<u>1,665</u>	<u>2,510</u>	<u>412</u>	<u>29,470</u>
Depreciation					
As at 1 August 2007	2,076	0	1,246	216	3,538
Charge for the year	498	0	243	23	764
	<u>2,574</u>	<u>0</u>	<u>1,489</u>	<u>239</u>	<u>4,302</u>
Net book value					
As at 31 July 2008	<u>22,309</u>	<u>1,665</u>	<u>1,021</u>	<u>173</u>	<u>25,168</u>
As at 31 July 2007	<u>21,713</u>	<u>948</u>	<u>694</u>	<u>165</u>	<u>23,520</u>

The insured replacement cost of freehold land and buildings as at 31 July 2008 was £83,004,000.

COLLEGE

	Freehold land and buildings £000	Assets under construction	Furniture, fittings and equipment £000	Library books £000	2008 Total £000
Cost					
As at 1 August 2007	23,789	948	1,921	381	27,039
Additions at cost	674	62	570	31	1,337
Transfers	420	(420)	0	0	0
	<u>24,883</u>	<u>590</u>	<u>2,491</u>	<u>412</u>	<u>28,376</u>
Depreciation					
As at 1 August 2007	2,076	0	1,229	216	3,521
Charge for the year	498	0	242	23	763
	<u>2,574</u>	<u>0</u>	<u>1,471</u>	<u>239</u>	<u>4,284</u>
Net book value					
As at 31 July 2008	<u>22,309</u>	<u>590</u>	<u>1,020</u>	<u>173</u>	<u>24,092</u>
As at 31 July 2007	<u>21,713</u>	<u>948</u>	<u>692</u>	<u>165</u>	<u>23,518</u>

The insured replacement cost of freehold land and buildings as at 31 July 2008 was £83,004,000.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

11. INVESTMENT ASSETS

GROUP AND COLLEGE	2008 £000	2007 £000
Market value at 1 August 2007	26,957	23,532
Additions	1,353	1,300
Disposals	(1,233)	(1,005)
Appreciation on disposals/revaluation	(2,300)	2,068
Increase in cash balances	9,244	1,062
	<hr/>	<hr/>
Market value at 31 July 2008	34,021	26,957
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Freehold land and buildings	6,936	6,751
Quoted securities - equities	12,730	15,141
Quoted securities - fixed interest	1,311	1,265
Cash held for reinvestment	13,044	3,800
	<hr/>	<hr/>
	34,021	26,957
	<hr/> <hr/>	<hr/> <hr/>

Investments held by the College also include an additional £2 (2007: £2) in each of the subsidiary undertakings, Fitzwilliam College Services Limited and Kawakawa Bay Limited.

12. DEBTORS

	Group		College	
	2008 £000	2007 £000	2008 £000	2007 £000
Members of the College	183	206	183	206
Amounts owed by subsidiary companies	0	0	1,426	442
Other debtors	1,143	1,166	1,066	1,148
	<hr/>	<hr/>	<hr/>	<hr/>
	1,326	1,372	2,675	1,796
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

13. CASH

	Group		College	
	2008	2007	2008	2007
	£000	£000	£000	£000
Current accounts	90	15	22	0
Cash in hand	1	1	1	1
	<u>91</u>	<u>16</u>	<u>23</u>	<u>1</u>
	<u><u>91</u></u>	<u><u>16</u></u>	<u><u>23</u></u>	<u><u>1</u></u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		College	
	2008	2007	2008	2007
	£000	£000	£000	£000
Bank overdraft	256	402	256	402
Amounts owed to subsidiary companies	0	0	517	600
Social security and other taxes	18	11	17	11
Members of the College	133	129	133	129
Other creditors	1,026	1,052	715	859
	<u>1,433</u>	<u>1,594</u>	<u>1,638</u>	<u>2,001</u>
	<u><u>1,433</u></u>	<u><u>1,594</u></u>	<u><u>1,638</u></u>	<u><u>2,001</u></u>

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

	Group		College	
	2008	2007	2008	2007
	£000	£000	£000	£000
Bank loan	10,000	10,000	0	0
	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
	<u><u>10,000</u></u>	<u><u>10,000</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

The bank loan is unsecured and to be repaid in full by 30 July 2058 at a fixed rate of 4.93% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

16. CAPITAL AND RESERVES**GROUP**

	Income/ expendable capital funds £000	Permanent capital funds £000	2008 Total £000	2007 Total £000
Restricted funds:				
<u>Funds for collegiate purposes</u>				
Trust funds	1,424	5,367	6,791	6,804
Donations & benefactions	0	0	0	9
Deferred capital funds	3,616	0	3,616	3,622
	<hr/>	<hr/>	<hr/>	<hr/>
	5,040	5,367	10,407	10,435
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Funds for non-collegiate purposes</u>				
Trust funds	107	15	122	128
	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds:				
<u>Designated funds</u>				
Special funds	3,283	129	3,412	3,142
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Undesignated funds</u>				
Corporate capital	0	31,727	31,727	33,085
Revenue reserves	3,556	0	3,556	3,532
	<hr/>	<hr/>	<hr/>	<hr/>
	3,556	31,727	35,283	36,617
	<hr/>	<hr/>	<hr/>	<hr/>
	11,986	37,238	49,224	50,322
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

16. CAPITAL AND RESERVES (continued)**COLLEGE**

	Income/ expendable capital funds £000	Permanent capital funds £000	2008 Total £000	2007 Total £000
Restricted funds:				
<u>Funds for collegiate purposes</u>				
Trust funds	1,424	5,367	6,791	6,804
Donations & benefactions	0	0	0	9
Deferred capital funds	3,616	0	3,616	3,622
	<u>5,040</u>	<u>5,367</u>	<u>10,407</u>	<u>10,435</u>
<u>Funds for non-collegiate purposes</u>				
Trust funds	107	15	122	128
	<u>107</u>	<u>15</u>	<u>122</u>	<u>128</u>
Unrestricted funds:				
<u>Designated funds</u>				
Special funds	3,283	129	3,412	3,142
	<u>3,283</u>	<u>129</u>	<u>3,412</u>	<u>3,142</u>
<u>Undesignated funds</u>				
Corporate capital	0	31,727	31,727	33,085
Revenue reserves	3,556	0	3,556	3,532
	<u>3,556</u>	<u>31,727</u>	<u>35,283</u>	<u>36,617</u>
	<u>11,986</u>	<u>37,238</u>	<u>49,224</u>	<u>50,322</u>
	<u><u>11,986</u></u>	<u><u>37,238</u></u>	<u><u>49,224</u></u>	<u><u>50,322</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

17. MOVEMENT IN CAPITAL AND RESERVES**GROUP**

	Balance at 1 August 2007 £000	Movement in year		Balance at 31 July 2008 £000
		Increase £000	Decrease £000	
Restricted funds:				
<u>Funds for collegiate purposes</u>				
Income/expendable capital	4,863	177	0	5,040
Permanent capital	5,572	0	205	5,367
	<hr/> 10,435	<hr/> 177	<hr/> 205	<hr/> 10,407
<u>Funds for non-collegiate purposes</u>				
Income/expendable capital	111	0	4	107
Permanent capital	17	0	2	15
	<hr/> 128	<hr/> 0	<hr/> 6	<hr/> 122
Unrestricted funds:				
<u>Designated funds</u>				
Income/expendable capital	3,003	280	0	3,283
Permanent capital	139	0	10	129
	<hr/> 3,142	<hr/> 280	<hr/> 10	<hr/> 3,412
<u>Undesignated funds</u>				
Income/expendable capital	3,532	24	0	3,556
Permanent capital	33,085	0	1,358	31,727
	<hr/> 36,617	<hr/> 24	<hr/> 1,358	<hr/> 35,283
	<hr/> 50,322	<hr/> 481	<hr/> 1,579	<hr/> 49,224
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

17. MOVEMENT IN CAPITAL AND RESERVES (continued)**COLLEGE**

	Balance at 1 August 2007 £000	Movement in year		Balance at 31 July 2008 £000
		Increase £000	Decrease £000	
Restricted funds:				
<u>Funds for collegiate purposes</u>				
Income/expendable capital	4,863	177	0	5,040
Permanent capital	5,572	0	205	5,367
	<u>10,435</u>	<u>177</u>	<u>205</u>	<u>10,407</u>
<u>Funds for non-collegiate purposes</u>				
Income/expendable capital	111	0	4	107
Permanent capital	17	0	2	15
	<u>128</u>	<u>0</u>	<u>6</u>	<u>122</u>
Unrestricted funds:				
<u>Designated funds</u>				
Income/expendable capital	3,003	280	0	3,283
Permanent capital	139	0	10	129
	<u>3,142</u>	<u>280</u>	<u>10</u>	<u>3,412</u>
<u>Undesignated funds</u>				
Income/expendable capital	3,532	24	0	3,556
Permanent capital	33,085	0	1,358	31,727
	<u>36,617</u>	<u>24</u>	<u>1,358</u>	<u>35,283</u>
	<u>50,322</u>	<u>481</u>	<u>1,579</u>	<u>49,224</u>

18. ANALYSIS OF RESTRICTED AND UNRESTRICTED DESIGNATED FUNDS

	Restricted funds £000	Designated funds £000	2008 Total £000	2007 Total £000
Fellowship and Research	2,213	0	2,213	2,333
Scholarships and Prizes	1,354	120	1,474	1,599
Chapel	594	0	594	409
Travel	228	0	228	199
Hardship	1,515	0	1,515	1,615
Building	4,176	3,158	7,334	7,191
Other	449	134	583	359
	<u>10,529</u>	<u>3,412</u>	<u>13,941</u>	<u>13,705</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

19. CAPITAL ALLOCATION

Capital is invested in the following categories of assets:

GROUP	Tangible fixed assets £000	Investment assets £000	Net current assets £000	Total £000
Restricted funds:				
<u>Funds for collegiate purposes</u>				
Income/expendable capital	3,723	1,317	0	5,040
Permanent capital	0	5,367	0	5,367
	<hr/>	<hr/>	<hr/>	<hr/>
	3,723	6,684	0	10,407
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Funds for non-collegiate purposes</u>				
Income/expendable capital	0	107	0	107
Permanent capital	0	15	0	15
	<hr/>	<hr/>	<hr/>	<hr/>
	0	122	0	122
	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds:				
<u>Designated funds</u>				
Income/expendable capital	1,731	1,552	0	3,283
Permanent capital	0	129	0	129
	<hr/>	<hr/>	<hr/>	<hr/>
	1,731	1,681	0	3,412
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Undesignated funds</u>				
Income/expendable capital	8,403	6,747	(11,594)	3,556
Permanent capital	11,311	18,787	1,629	31,727
	<hr/>	<hr/>	<hr/>	<hr/>
	19,714	25,534	(9,965)	35,283
	<hr/>	<hr/>	<hr/>	<hr/>
	25,168	34,021	(9,965)	49,224
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

19. CAPITAL ALLOCATION (continued)

Capital is invested in the following categories of assets:

COLLEGE	Tangible fixed assets £000	Investment assets £000	Net current assets £000	Total £000
Restricted funds:				
<u>Funds for collegiate purposes</u>				
Income/expendable capital	3,723	1,317	0	5,040
Permanent capital	0	5,367	0	5,367
	<hr/>	<hr/>	<hr/>	<hr/>
	3,723	6,684	0	10,407
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Funds for non-collegiate purposes</u>				
Income/expendable capital	0	107	0	107
Permanent capital	0	15	0	15
	<hr/>	<hr/>	<hr/>	<hr/>
	0	122	0	122
	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds:				
<u>Designated funds</u>				
Income/expendable capital	1,731	1,552	0	3,283
Permanent capital	0	129	0	129
	<hr/>	<hr/>	<hr/>	<hr/>
	1,731	1,681	0	3,412
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Undesignated funds</u>				
Income/expendable capital	7,327	6,747	(10,518)	3,556
Permanent capital	11,311	18,787	1,629	31,727
	<hr/>	<hr/>	<hr/>	<hr/>
	18,638	25,534	(8,889)	35,283
	<hr/>	<hr/>	<hr/>	<hr/>
	24,092	34,021	(8,889)	49,224
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

20. RECONCILIATION OF SURPLUS ON CONTINUING OPERATIONS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008	2007
	£000	£000
Surplus on continuing operations	388	495
Interest and dividends receivable	(722)	(650)
Depreciation	764	701
Increase in stocks	0	3
Decrease in debtors	103	(186)
Increase in creditors	29	(167)
Release of deferred capital funds	(88)	(85)
	<hr/>	<hr/>
Net cash inflow from operating activities	474	111
	<hr/> <hr/>	<hr/> <hr/>

21. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2008	2007
	£000	£000
Interest received	251	251
Dividends received	468	402
	<hr/>	<hr/>
Net cash inflow from returns on investments and servicing of finance	719	653
	<hr/> <hr/>	<hr/> <hr/>

22. CAPITAL TRANSACTIONS

	2008	2007
	£000	£000
Receipts from sales of tangible fixed assets	0	0
Receipts from sales of investment assets	1,184	1,005
Donations and benefactions	785	1,304
Capital grant received from colleges fund	288	327
Loan from Fitzwilliam Society	31	0
Bank loan	10,000	0
	<hr/>	<hr/>
Total capital receipts	12,288	2,636
	<hr/>	<hr/>
Payments to acquire tangible fixed assets	(2,048)	(1,220)
Payments to acquire investment assets	(1,353)	(1,300)
Capital Grant to Junior Members Association	(415)	(204)
Housing loans to fellows	(200)	0
	<hr/>	<hr/>
Total capital expenditure	(4,016)	(2,724)
	<hr/>	<hr/>
Net cash inflow from capital transactions	8,272	(88)
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

23. MANAGEMENT OF LIQUID RESOURCES

	2008	2007
	£000	£000
Placing/(withdrawal) from deposits	9,244	1,062
	<u> </u>	<u> </u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2007	Cash flows	At 31 July 2008
	£000	£000	£000
Cash at bank and in hand	16	75	91
Bank overdraft	(402)	146	(256)
	<u> </u>	<u> </u>	<u> </u>
	(386)	221	(165)
Cash held at fund managers and on deposit	3,800	9,244	13,044
Bank loan	0	(10,000)	(10,000)
	<u> </u>	<u> </u>	<u> </u>
	3,414	(535)	2,879
	<u> </u>	<u> </u>	<u> </u>

25. STAFF

	College fellows	Non- academic	2008 Total	2007 Total
	£000	£000	£000	£000
<i>Staff costs:</i>				
Emoluments	469	2,076	2,545	2,368
Social security costs	52	145	197	183
Other pension costs	24	390	414	365
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	545	2,611	3,156	2,916
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	No	No	No	No
<i>Average staff numbers:</i>				
Academic	52	0	52	48
Non-academic	0	82	82	91
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	52	82	134	139
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There are 56 Fellows in the Governing Body of which the 52 declared above are stipendiary.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

26. CAPITAL COMMITMENTS

At 31 July 2008 future capital expenditure authorised and committed amounted to £4,525,000 (2007 - £nil).

27. FINANCIAL COMMITMENTS

At 31 July 2008 and 31 July 2007 the College had no annual commitments under non-cancellable operating leases.

28. PENSION SCHEMES

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

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 31 March 2005. 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. 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 (plus an additional allowance for increases in salaries due to age and promotion and a further amount of £800m of liabilities to reflect recent experience) 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 (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 2.9% per annum.

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 indicating a deficit of £6,568 million. The assets therefore were sufficient to cover 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 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 (ie 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%.

Since 31 March 2005 the funding level of the scheme has undergone considerable volatility. The actuary has estimated that the funding level had increased to 91% at 31 March 2007 but that at 31 March 2008 it had fallen back to 77%. This fluctuation in the scheme's funding level is due to a combination of the volatility of the investment returns on the scheme's assets in the period since 31 March 2005 compared to the returns allowed for in the funding assumptions and also the changing gilt yields, which are used to place a value on the scheme's liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

28. PENSION SCHEMES (continued)**Universities Superannuation Scheme (continued)**

These estimated funding levels are based on the funding levels at 31 March 2005, adjusted to reflect the fund's actual investment performance and changes in gilt yields (ie the valuation rate of interest). On the FRS17 basis, using a AA bond discount rate of 6% based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%. An estimate of the funding level measured on a buy-out basis was approximately 78%.

The institution contribution rate required for future service benefits alone at the date of the valuation was 14.3% of pensionable salaries but the trustee company, on the advice of the actuary, decided to maintain the institution contribution rate at 14% of pensionable salaries. Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment.

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

The next formal triennial actuarial valuation is due as at 31 March 2008. The contribution rate will be reviewed as part of each valuation.

The total pension cost for the College was £237,834 (2007: £197,729). The contribution rate payable by the College was 14% of pensionable salaries.

Fitzwilliam College Assistant Staff Superannuation Fund

The Group also operates an insured pension fund for non- academic employees providing defined benefits to those employees based on their final pensionable salary. Contributions to the fund are based on the recommendation of professional advisors and with the agreement of the fund's actuary. The assets of the Fund are principally invested in a Unitised With-Profits policy with Norwich Union. The fund was valued by an independent actuary as at 1 August 2006. The valuation was carried out using the Defined Accrued Benefit method which is more appropriate for a Scheme which has ceased accrual.

The past service liability is calculated by estimating the future benefit payments from the Scheme based on pensionable service up to the date accrual ceased and final pensionable salaries projected to retirement. These are then discounted back to the valuation date at the valuation rate of interest. This gives the present value of the liabilities accrued up to the valuation date.

The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments and the rates of increase in salary and pensions. It was assumed that the yield up to retirement would be 5.75% per annum, salary increases would be 4.75% per annum and pensions would increase by 3.25% per annum.

At the valuation date, the value of the assets of the scheme was £1,930,000 and the value of the past service liabilities was £3,230,000 indicating a deficit of £1,300,000. The assets therefore were sufficient to cover 60% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The last full actuarial valuation showed a deficit of £1,090,000. The main reasons for the change between this deficit and the actual deficit produced now of £1,300,000 related mainly to changes in the assumptions previously made. The actuary also valued the scheme on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date). On this basis the actuary estimated that the funding level would have been approximately 52%.

Due to the current deficit a recovery plan has been put in place to ensure the statutory funding objective is met within a stated period. To eliminate the funding deficit, the employer agreed to contribute £179,000 each year from 1 October 2007 to 31 July 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

28. PENSION SCHEMES (continued)

Fitzwilliam College Assistant Staff Superannuation Fund (continued)

The next formal triennial actuarial valuation is due as at 1 August 2009.

The net charge to the income and expenditure account during the year was £179,000.

Financial Reporting Standard 17 requires disclosure in the financial statements of the fair value of the assets and liabilities arising from the group's retirement benefit obligations and any related funding at each balance sheet date. It also requires disclosure of key actuarial assumptions, the cost of providing retirement benefits, the related finance costs and any other changes in value of the assets and liabilities. The information shown is to be updated by the scheme's actuary at each balance sheet date. The Governing Body has concluded that it is not in its interest to incur the costs of an annual actuarial valuation. The above note therefore includes corresponding information from the most recent triennial valuation performed by the actuary for the pension scheme. It is not practicable to quantify the effect of this departure from accounting standards.

29. RELATED PARTY TRANSACTIONS

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

30. CONTRIBUTION ASSESSMENT

		2008		2007
30.a ASSESSABLE INCOME	£	£	£	£
External Revenue:				
College Estates let at rack rent	95,936		98,457	
Dividends and Interest gross	418,765		378,049	
	<u> </u>	514,701	<u> </u>	476,506
Less:				
Insurance of College Buildings	33,067		31,038	
Agency, Management charges	107,262		78,442	
	<u> </u>	140,329	<u> </u>	109,480
		<u> </u>		<u> </u>
		374,372		367,026
Trust & Other Funds Subject to Contribution		254,398		238,418
		<u> </u>		<u> </u>
ASSESSABLE INCOME		628,770		605,444
		<u> </u>		<u> </u>
Trust & Other Funds Not Subject to Contribution:				
Billygoats Society		3,864		3,515
		<u> </u>		<u> </u>
DEDUCTIBLE ITEMS				
Half sums paid to Scholars, Exhibitioners and Research Students				
		10,002		13,553
Prizes		20,150		13,560
Half maintenance of Chapel expenditure		1,066		599
Net expenditure on College Library		114,203		66,324
College Teaching Officers		143,294		102,784
College Research Fellows		27,512		62,573
College Building Fund (under Statute GII,4vii)		214,500		219,600
Donations for University Purposes:				
University Counselling Service		12,874		11,526
Other sums approved under Statute GII,4(xxiii)		3,403		3,514
		<u> </u>		<u> </u>
		547,004		494,033
Deductible items brought forward from: 2005/06				
		81,766		111,411
		<u> </u>		<u> </u>
		628,770		605,444
		<u> </u>		<u> </u>
NET ASSESSABLE INCOME		nil		nil
		<u> </u>		<u> </u>
Excess of deductible items carried forward from:				
	2007/08	0	2006/07	0
	2006/07	0	2005/06	115,296
		<u> </u>		<u> </u>
		0		115,296
		<u> </u>		<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2008

30. CONTRIBUTION ASSESSMENT (continued)

	£	2008 £	£	2007 £
30.b BUILDING FUND UNDER STATUTE GII,4(vii)				
Balance at 1 August 2007		52,917		50,656
Transfer for 2007/08 approved under GII,4(vii)	214,500		219,600	
Investment income	1,872		1,818	
	<u> </u>	216,372	<u> </u>	221,418
Less: expenditure incurred		0		(219,157)
Balance at 31 July 2008		<u>269,289</u>		<u>52,917</u>