



Trinity College
Annual Report and Financial Statements

Year ended 31 July 2019

Registered Charity No. 1143755

TRINITY COLLEGE
Annual Report and Financial Statements
Contents

	Page
Governing Body, Officers and Advisers	2
Report of the Governing Body	5
Auditor's Report	12
Statement of Accounting Policies	14
Consolidated Statement of Financial Activities	19
Consolidated and College Balance Sheets	20
Consolidated Statement of Cash Flows	21
Notes to the Financial Statements	22

TRINITY COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2019

MEMBERS OF THE GOVERNING BODY

The members of the Governing Body who are Professorial Fellows or who have been in post for more than one year are the College's charity trustees under charity law. The members of the Governing Body who served during the year are detailed below. Those members who were not trustees of the College during the year are indicated by an asterisk.

		(1)	(2)	(3)	(4)	(5)
Dame Hilary Boulding (President)		*	*	*	*	
Mrs Lynne Adam*	Joined 27 August 2019		*			
Professor Dame Frances Ashcroft						
Dr Xavier Bach*	JRF Joined October 2019					
Professor Nicholas Barber			*			
Professor Francis Barr						
Dr Fanny Bessard*	Joined October 2019					
Dr Maria del Pilar Blanco						
Mrs Felicity Susan Broers				*		
Professor Keith Buckler						
Professor Christopher Butler						
Professor Craig Clunas	Retired 30 September 2018					
Professor Pepper Culpepper	Resigned 30 September 2018					
Dr Jan Czernuszka						
Dr Stefano-Maria Evangelista						
Professor Paul Fairchild						
Mr Christopher Ferguson	Trustee 10 October 2018		*	*	*	
Dr Andrea Ferrero			*		*	
Dr Stephen Fisher		*				
Dr Kantik Ghosh						
Dr Anil Gomes						
Dr Ian Hewitt						
Professor Katherine Ibbett	Trustee 10 October 2018					
Ms Linda Irving-Bell*	29 Oct 2018 – 30 Sept 2019		*			
Dr Alexandros Kentikelenis	JRF Resigned 31 August 2018					
Professor Alexander Korsunsky						
Professor Marta Kwiatkowska			*			
Professor Louis Mahadevan						
Professor Martin Maiden		*				
Dr Karol Mazur*	JRF Joined October 2019					
Professor Peter McCulloch						
Dr James McDougall						
Professor Michael Moody						

TRINITY COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2019

		(1)	(2)	(3)	(4)	(5)
Professor Kim Nasmyth				*		
Dr Marie Ni Lethlobhair	Trustee 16 October 2019					
Revd Dr Emma Percy						
Dr Susan Perkin			*			
Professor Janet Breckenridge Pierrehumbert		*				
Professor Peter Read						
Dr Alexandra Reza	Trustee 16 October 2019					
Ms Josephine Roadknight*	Resigned 02 November 2018		*			
Dr Luke Rostill						
Dr Melanie Rupflin			*			
Professor Stephen Sheard		*				
Dr Pranav Singh	JRF Resigned 30 September 2019					
Dr Gail Trimble						
Dr Bryan Ward-Perkins	Retired 30 September 2019					
Professor Justin Wark			*			
Professor Charlotte Williams				*		
Professor Valerie Worth		*				
Professor Johannes Zachhuber						

The activities of the Governing Body are carried out through five main and a number of other committees. For the current academic year, Fellows' membership of the main committees is shown above.

- (1) Academic Committee
- (2) Bursarial Committee
- (3) Development Committee
- (4) Investment Committee
- (5) Remuneration Committee

In addition to the Fellows, The Bursarial, the Development, Investment and Remuneration Committees have external members who are appointed on the basis of their experience and expertise in the relevant fields.

COLLEGE OFFICERS

The Officers of the College to whom day-to-day management is delegated are:

President	Dame Hilary Boulding
Estates Bursar	Christopher Ferguson
Domestic Bursar	Josephine Roadknight – Resigned
	Linda Irving-Bell - Interim
	Lynne Adam – Joined
Senior Tutor	Professor Valerie Worth
Dean	Dr James McDougall
Chaplain and Welfare Dean	Reverend Doctor Emma Percy
Development Director	Susan Broers

TRINITY COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2019

COLLEGE ADVISERS

Investment manager

CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN

Lindsell Train Ltd, 5th Floor, 66 Buckingham Gate, London, SW1E 6AU

Fundsmith LLP, 33 Cavendish Square, London, W1G 0PW

Royal London Unit Trust Managers Limited, 55 Gracechurch Street, London, EC3V 0RL

Savills Investment Management, 33 Margaret Street, London, W1G 0JD

Lansdowne Partners (UK) LLP, 15 Davies Street, London, W1K 3AG

Land Agent

Laws & Fiennes, Warren Lodge, Broughton, Banbury, Oxfordshire OX15 5EF

Auditor

Critchleys Audit LLP, Beaver House, 23-28 Hythe Bridge Street, Oxford OX1 2EP

Bankers

Barclays Bank plc, Ground Floor, Apex Plaza, Forbury Road, Reading RG1 1AX

Solicitors

Freeths LLP, 5000 Oxford Business Park South, Oxford OX4 2BH

Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH

COLLEGE ADDRESS

Broad Street, Oxford, OX1 3BH

Website

www.trinity.ox.ac.uk

TRINITY COLLEGE
Report of the Governing Body
Year ended 31 July 2019

The members of the Governing Body present their Annual Report for the year ended 31 July 2019 under the Charities Act 2011, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The College of the Holy and Undivided Trinity in the University of Oxford, which is known as Trinity College (“the College”), is an eleemosynary chartered charitable corporation. It was founded by Sir Thomas Pope under a Letters of Patent issued by Philip and Mary dated 8 March 1555, and a deed of foundation dated 25 March 1555.

The College registered with the Charity Commission on 12 September 2011 (registered number 1143755). The names of all members of the Governing Body at the date of this report and of those in office during the year, together with details of the advisers of the College, are given on pages 2 to 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, The Lord Bishop of Winchester. The Governing Body is self-appointing.

The majority of the Governing Body members are Official Fellows who are either Tutorial Fellows, jointly appointed with the University on the basis of their academic excellence and ability to meet teaching and research needs of the College, or College Officers appointed to fulfil administrative roles in the College.

New members of the Governing Body are recruited by advertisement and inducted into the workings of the College, including the College’s policies and procedures, by the President and College Officers. In accordance with College Statutes, new Fellows, other than Professorial Fellows, do not have voting rights at Governing Body meetings during their first year in office, and are therefore not trustees of the charity.

Members of the Governing Body attend trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

The Governing Body determines the on-going strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the President. It is supported in its role by a number of committees, the most significant of which are listed on page 3. It delegates day-to-day management to the College Officers who are listed on the same page.

Remuneration of Members of the Governing Body

Members of the Governing Body receive no remuneration or benefits from their trusteeship of the College. Those trustees who are also employees of the College receive remuneration for their work as employees of the College based on the advice of the College’s Remuneration Committee. There are four external members of the Committee, one of whom is the Chairman. At the discretion of the Chairman, the President, Estates Bursar and one other trustee may be invited to attend all or part of any meeting to support the Committee. Fellows of the College may also attend meetings, at the discretion of the Chairman. The President and all Fellows are excluded from any discussions or votes where a conflict of interests arises.

Group structure and relationships

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

The College has two wholly owned non-charitable subsidiaries: Trinity College Oxford Limited, whose trading activities primarily comprise letting the College's facilities when not in use for their charitable objects, and Trinity College Developments Limited, which undertakes major building works to the College's buildings. The annual profits of the subsidiaries are donated to the College under the Gift Aid Scheme.

The College administers many trusts, as detailed in Notes 19 and 20 to the financial statements.

OBJECTIVES AND ACTIVITIES

Charitable Object and Aims

Object

The object of the College is to advance education, learning and research through the provision, maintenance, support and conduct of a college within the University of Oxford.

The aims set for the College's subsidiaries are to help finance the achievement of the College's object.

Public benefit

The trustees are mindful of their duty to ensure that the College provides a public benefit, and are satisfied that it fulfils this duty.

The College advances public learning by providing higher education for undergraduate and postgraduate students within Oxford University, and by supporting the pursuit of publicly disseminated research. During the year the student membership of the College averaged 306 undergraduates and 144 postgraduates. The Fellows have contractual obligations to teach and to undertake research.

The College provides public benefit by offering higher education to its undergraduates, much of it through the tutorial system which provides the opportunity to meet with a tutor on a weekly basis during term time. In addition, the College provides classes, seminars and other forms of teaching as appropriate, in conjunction with the University's departments.

Graduates at the College form an important part of the academic community. While they are taught and undertake research in Faculties and Departments of the University, every graduate student is assigned a College Graduate Adviser who is a Fellow of the College and who provides academic and pastoral support. In addition, the Senior Tutor maintains oversight of the academic progress of graduates, and of their welfare and needs.

To support student learning, the College provides the use of its library, IT network, chapel, buildings and accommodation. It actively promotes the wider cultural, moral and social development of its students through the provision of facilities for drama, music, sports, welfare support and careers advice, as well as religious worship.

The College employs Junior Research Fellows who, at an early career stage, have already shown outstanding promise in their chosen field of research, to enable them to concentrate on their research topic and to develop their career.

Recruitment and support for students

The College offers undergraduate places on the basis of academic merit. The College aims to attract students who are most able to benefit from an Oxford education regardless of sex, gender, income, ethnic origin, religion, disability or previous educational opportunity, and actively works to recruit students from

TRINITY COLLEGE
Report of the Governing Body
Year ended 31 July 2019

non-traditional backgrounds by promoting access. There are no geographical restrictions in the College's objectives and students and academic staff are drawn from across the UK and the wider world.

The College charges students fees which, where applicable, are set in accordance with rates approved by Government, and for accommodation and meals at affordable rates.

Financial support is available to students in financial need to assist them with the costs of tuition fees and living costs whilst at the College. In addition to student grants and loans available to undergraduates from within the EU, other financial support, in the form of an Oxford Bursary, is available to UK undergraduates who are from households where income is below a certain level. During the course of the academic year, 44 (2018 - 43) students received total support from the University and College in the form of fee waivers and bursaries of £178,000 (2018 - £169,000) under this programme; the cost to the College was £72,000 (2018 - £73,000). A further £59,000 (2018 - £69,000) in financial support was provided to undergraduates and graduates by the College.

The College also awarded scholarships, prizes and grants to undergraduates and graduates amounting to £318,000 (2018 - £342,000), of which £239,000 was awarded in scholarships to 23 graduate students.

ACHIEVEMENTS AND PERFORMANCE

Trinity's undergraduates were again successful in Finals, 28 (2018 - 28) students securing a First and 52 (2018 - 39) a 2.1. The percentage achieving a 2.1 or better was over 95% (2018 - 93%). Of the graduates, 44 (2018 - 39) completed their course of study, including 17 (2018 - 18) who were awarded their Doctorate of Philosophy (as of August 2019).

All Tutorial Fellows continued to undertake research, involving the preparation and completion of monographs and peer-reviewed articles, as one core part of their duties. A detailed report on the individual activities of the President and Fellows can be found in the Trinity College Report 2018-19, which can be obtained directly from the College.

Whilst the students' academic success is a key objective, the College seeks to enable students to participate fully in University and College sporting, cultural and recreational activities, and many students continue to do so. At the College level, student clubs and societies, notably the Trinity Players, the Boat Club, the Music Society and the Trinity Orchestra, are particularly active. On the sporting front, 18 (2018 - 14) students won Blues or Half Blues during the year.

During the year the College expanded its Access and Outreach programme, increasing the Access department's size from one to three members of staff. The newly-recruited Head of Access, supported by her team and a large number of undergraduate student assistants, organised a programme of events and activities to encourage able school pupils from all educational backgrounds to consider applying to Oxford University. Further information about outreach and access activity over the year can be found in the Trinity College Report 2018-19.

FINANCIAL REVIEW

Income from the College's teaching activities and from residential lettings amounted to £5,361,000 (2018 £5,068,000), a 6% increase on the previous year.

Donation and legacy income amounted to £1,417,000. This was a reduction of £234,000 on the previous year's figure of £1,651,000 mainly due to timing. The College continues to invest in its alumni relations and development activities, income from donations and legacies being an important means of both helping to secure the College's long-term financial sustainability and to support current students. The Governing Body is grateful to all donors who have supported the College over the past year, and previously.

TRINITY COLLEGE
Report of the Governing Body
Year ended 31 July 2019

Compared with the prior year, total expenditure increased by £1,200,000 from £8,716,000 to £9,916,000. The main cause of the increase was an adjustment of £863,000 to the College's provision for its pension deficits, as advised by the administrators of the two current pension schemes.

Total expenditure on teaching, research and residential costs amounted to £8,688,000, compared to an underlying expenditure of £7,523,000 in 2018 – an increase of £1,165,000 (15%). Expenditure on raising funds increased by £35,000 to £1,228,000 (3%). The depreciation charge increased to £764,000 (2018 - £705,000) due to capital expenditure in the prior year.

In order to balance the needs and interests of current beneficiaries of the College's activities with those of future beneficiaries, the College made the decision to invest on a total return basis from August 2017. Based on the findings of a 2017 Newton Investment Management review which considered sustainable portfolio withdrawal rates for charities, the College adopted a total return policy whereby notional income is calculated as 2.5% of the closing capital values of funds, averaged over the most recent five years, net of all fees. The intentions of this policy are, firstly, to achieve overall higher levels of investment returns by removing the constraint of being required to produce natural income rather than capital growth; and, secondly, to smooth income between years, allowing the College to plan more effectively for medium-term expenditure. In the second year of total return accounting, the total return gains allocated to income for the year amounted to £3,588,000 (2018 £3,400,000). In 2019, total natural investment income was £3,385,000 (2017-2018 £2,693,000). This represented an increase of £692,000, due mainly to an increase in equity dividends received. The College reviewed the Investment strategy and consequently transferred its core portfolio from Investec to CCLA. Further, the majority (three quarters) of the Lansdowne investment was divested then re-invested equally into three satellite investments so as to diversify the portfolio and spread risk. The donations received specifically for the Levine Building, together with their accumulated gains to date, amounting to £7,779,000 have been ring-fenced in a cash account to facilitate cash-flow requirements for the ongoing building project.

International and UK equity markets enjoyed another good year to 31st July 2019. The total value of the College's liquid investments (including those reclassified as current assets) grew by £15,093,000 (15%), to £114,427,000. The increase included net investment gains of £7,401,000 (7%) and the transfer to the liquid investment portfolio of £9,125,000. The value of the property portfolio increased by £10,884,000 following a resolution to grant planning consent for 320 houses at Drayton Lodge Farm. Further land and property additions totalled £1,744,000. However, proceeds of land disposals totalling £8,335,000 were transferred to the liquid investment portfolio. The property investment portfolio closed the year with a total value of £54,573,000 (2018: £50,280,000). Overall investment gains for the year totalled £18,286,000, compared with a gain of £8,162,000 in the prior year.

Over recent years the College has disposed of two blocks of development land with a total gross value of £27m. The £16m proceeds of the first sale are receivable in instalments through to July 2024 with £9,300,000 outstanding at the year-end. £11m proceeds from the second sale were received in two tranches in August 2017 and August 2018. In accordance with FRS102 a discount rate (5% per year) has been applied to future receipts from the first transaction to reflect in the net present value the College's cost of capital and the small risk which arises from the longer term nature of the agreement. The College will continue to explore development opportunities across its property portfolio.

The College operates two pension schemes, the Universities Superannuation Scheme and the Oxford Staff Pension Scheme. From 1st October 2017, the benefits for all new entrants to the Oxford Staff Pension Scheme accrue on a defined contribution basis. Existing defined benefit arrangements will remain in place for continuing employees within the Oxford Staff Pension Scheme and for all employees within the Universities Superannuation Scheme. The College's liability for the total deficit in both schemes at 31st July 2019 was £2,068,000 (2018: £1,205,000). The Universities Superannuation Scheme was subject to a revaluation during

TRINITY COLLEGE
Report of the Governing Body
Year ended 31 July 2019

the year. As a result of this, contribution rates for both employers and employees increased. Further information about the pension schemes can be found in Note 23 to the financial statements.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall, to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

Total funds of the College and its subsidiaries at the year-end amounted to £182,758,000. (2018: £163,787,000). This includes endowment capital of £154,801,000 and unspent restricted income funds totalling £9,482,000. Free reserves at the year-end amounted to £6,605,000 (2018: £7,814,000), representing retained unrestricted income reserves excluding an amount of £13,845,000 (2018: £11,260,000) for the book value of tangible fixed assets, other designated funds amounting to £70,000 (2018: £70,000) and holdings by subsidiaries of £23,000 (2018: £23,000).

The value of the free reserves of the College represents less than one year's total expenditure, and therefore is considered by the Trustees to be an appropriate sum. However, the College has outstanding property improvements which will, in due course, reduce the free reserves.

Risk management

The College has on-going processes for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee. Financial risks are assessed by the Bursarial Committee and investment risks are monitored by the Investment Committee. The Domestic Bursar and domestic staff heads of department meet regularly to review health and safety issues. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks. Following the 2016 referendum on the United Kingdom's membership of the European Union (Brexit), the consequences for the higher education sector remain unclear. In conjunction with the University, the College continues to monitor developments. Given the uncertainty which Brexit has created, the College is focusing on ensuring that it remains as operationally and financially sustainable as possible, to be ready to respond to any adverse consequences. With regard to its financial sustainability, it will particularly continue to focus on creating value from the realisation of development value from its agricultural holdings and, within reasonable risk parameters, from its non-property investments.

As stated above, income from donations and legacies continues to make an important contribution to the College's financial sustainability, both in the short and longer term. Given the voluntary nature of this support, the College continues to be aware of the risk of losing the goodwill of its Old Members and other friends. The Governing Body will continue to closely monitor the College's alumni relations and fund-raising activities to ensure that they comply with the evolving regulatory environment.

The Governing Body is aware of the risk posed by a rise in the rate of UK inflation, which may have an adverse effect on the College's costs in the short and medium term. Cost control will continue to be exercised in order to minimise this impact.

Investment policy, objectives and performance

The College's investment objectives are to balance the needs of current and future beneficiaries by:

- increasing the value of the investments in real terms over time;
- producing a consistent and sustainable return to support expenditure;

TRINITY COLLEGE

Report of the Governing Body

Year ended 31 July 2019

- observing the restrictions applied by the College's Socially Responsible Investment Policy; and
- delivering these objectives within acceptable levels of risk.

At the year end, the College's long term investments, combining property and other investments, totalled £161,221,000 (2018 - £149,616,000), an overall increase of 7.76%.

Fundraising practices

Trinity College is committed to implementing best practice in its fundraising activities in line with the guidance provided by the Fundraising Regulator and the Institute of Fundraising. The College's fundraising policy, which is displayed on the website, is in line with the code of practice provided by the Institute of Fundraising. It is followed by all members of the fundraising team.

The College employs five, professional, full-time members of staff in the Alumni & Development Office; their roles cover both fundraising and alumni relations, which are closely connected. From time to time assistance is sought from external consultants, notably in the case of telephone fundraising. On such occasions, the College enters into a formal written agreement with these consultants and monitors their work.

The Development Committee discusses fundraising and, along with the Governing Body to whom it reports, monitors the work of the fundraising team. The College's fundraising policy is brought to the Development Committee each year for review and, when agreed, it is endorsed by the trustees and an updated version displayed on the College website.

Fundraising is not directed at the general public. Instead, gifts are solicited only from individuals with whom the College has an active relationship – Old Members (alumni) and Friends – or those individuals or organisations that have been carefully identified as having a potential interest in supporting a specific activity or initiative. The College has always subscribed to the view that all gifts should be made without coercion, as an informed decision, with full transparency and agreement regarding the use of the gift.

Individuals are not subject to constant requests for donations. They are not approached directly with a solicitation more than once in any financial year. The College employs a range of direct solicitation methods, which include telethons and letters, as well as face-to-face approaches.

Members of the fundraising team do not intrude on the privacy of potential donors, nor adopt persistent or aggressive behaviour. If any individual or organisation asks to be excluded from fundraising approaches, this is recorded on the database and acted upon immediately so that they are excluded from all forms of solicitation, or those forms from which they have asked to be excluded.

Potential donors are not put under undue pressure to make a donation. In telethons, the student callers are trained carefully to ensure that they do not adopt an aggressive approach and while the callers ask for donations, this is only one element of the call. Meetings are conducted sensitively and when a meeting is requested, it is made clear that it has a fundraising purpose.

When the College is aware that someone is vulnerable, such a person is not approached for a donation. Should a donation be made at a time when the donor was not able to make an informed decision, but this was not clear to the fundraiser at the time, such a donation would be returned.

Trinity has not received any complaints about its fundraising activities. The college's policy for the handling of complaints is displayed on the website and follows Institute of Fundraising best practice.

FUTURE PLANS

The College will continue to recruit and retain world class academics to undertake both teaching and research, and the most academically able students from the widest possible background, with a particular focus on encouraging applicants from communities that are under-represented at Oxford University.

The College will continue to provide academic teaching and guidance to its students so they can achieve to the best of their abilities, and to provide the facilities and environment required for the development and enjoyment of students outside their academic studies.

TRINITY COLLEGE
Report of the Governing Body
Year ended 31 July 2019

In October 2018 the College received planning consent for the construction of a new building in its historic Broad Street grounds. The building, which will be named The Levine Building, will include 46 study bedrooms, an auditorium, teaching rooms, an extension to the library, a large function room and an informal social/study space. Construction work began in July 2019 and will take two years to complete.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net income or expenditure for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are 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 to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 27th November 2019 and signed on its behalf by:

Dame Hilary Boulding DBE
President

Independent auditor's report to the Members of the Governing Body of Trinity College

Opinion

We have audited the financial statements of Trinity College (the "Charity") for the year ended 31 July 2019 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable under law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2019 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members of the Governing Body have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

TRINITY COLLEGE
Statement of Accounting Policies
Year ended 31 July 2019

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities [set out on page 10], the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members of the Governing Body are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of 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 College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP
Statutory Auditor
Oxford

Date:

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

STATEMENT OF ACCOUNTING POLICIES

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows comprising the consolidation of the College and with its wholly owned subsidiaries, Trinity College Oxford Limited and Trinity College Developments Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiaries. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and each of its material subsidiaries for the reporting year are in note 13.

2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the SOFA. The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have most significant effect on amounts recognised in the financial statements.

The College carries its property investments at open market value on the balance sheet, with changes in valuation being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained periodically, as required, to determine fair value at the balance sheet date. Internal valuations are undertaken in the intervening years.

The College participates in two multi-employer defined benefit pension schemes. In the judgement of the Governing Body, there is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plans are accounted for as defined contribution plans (see note 23).

With respect to the next financial year, the most significant areas of uncertainty that affect the carrying value of assets held by the College are the level of investment return and the performance of investment markets.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

a. Income from fees, Office for Students support and other charges for services

Fees receivable, Office for Students support and charges for services and use of the premises are recognised in the period in which the related service is provided.

b. Income from donations and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executors of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

d. Total return accounting for investments

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1st August, 2017. The investment return to be applied as income is calculated as 2.5% (plus costs) of the average of the year-end values of the relevant investments in each of the last 5 years. For new funds less than 5 years old, the average is based on the age of the fund. The preserved (frozen) value of the invested endowment capital is either based on actual donation values or represents its open market value in 2005 together with all subsequent endowments valued at date of gift. The rate of return will be reviewed by the Governing Body at intervals of five years, with the first review due to take place in 2022.

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the SOFA.

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

6. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £1,000 together with expenditure on equipment costing more than £1,000 is capitalised.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

7. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	10 - 20 years
Equipment	2 -10 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

8. Heritage Assets

The College has chosen to hold heritage assets at cost. The College has a number of assets, including works of art, ancient books and manuscripts and silver that meet the definition of heritage assets under the SORP. Items purchased are recognised at cost and items donated to the College are recognised at fair value. The College has taken advantage of the exemption within FRS 102 not to disclose transactions before 1 January 2015 as obtaining fair values for these assets would be impracticable and the cost of obtaining such valuations would outweigh the benefits to the users of these financial statements.

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

Other financial instruments

a. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

10. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

11. Foreign currencies

The functional and presentation currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

12. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the College.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

13. Pension costs

Significant accounting policies

The College participates in Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme. These schemes are hybrid pension schemes, providing defined benefits (for members), as well as defined contribution benefits. The assets of the schemes are each held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to individual Colleges and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other Universities and Colleges employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the

TRINITY COLLEGE
Statement of Accounting Policies
Year ended 31 July 2019

profit and loss account represents the contributions payable to each scheme. Since the College has entered into agreements (the Recovery Plans) that determine how each employer within the schemes will fund the overall deficit, the college recognises a liability for the contributions payable that arise from the agreements (to the extent that they relate to the deficit) and therefore an expense is recognised.

Critical accounting judgements

USS notes: FRS 102 requires that accounting judgements which are considered to be critical by those charged with governance are explained in more detail as to why the judgement has been applied. The disclosure below may be useful where the treatment of the scheme as a multi-employer scheme and adopting defined contribution accounting is deemed to be critical.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents an industry-wide scheme such as Universities Superannuation Scheme or one for employers in the same locality such as the University of Oxford Staff Pension Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The trustees are satisfied that Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme both meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plans in existence at the date of approving the financial statements.

Trinity College
Consolidated Statement of Financial Activities
For the year ended 31 July 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		5,361	-	-	5,361	5,068
Other Trading Income	3	438	-	-	438	429
Donations and legacies	2	130	1,006	281	1,417	1,651
Investments						
Investment income	4	209	162	3,014	3,385	2,693
Total return allocated to income	14	2,679	717	(3,397)	-	-
Other income		-	-	-	-	15
Total income		8,817	1,885	(102)	10,601	9,856
EXPENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential		7,940	748	-	8,688	7,523
Generating funds:						
Fundraising		575	-	-	575	493
Trading expenditure		364	-	-	364	308
Investment management costs		11	-	279	289	392
Total Expenditure		8,890	748	279	9,916	8,716
Net Income/(Expenditure) before gains		(72)	1,137	(380)	685	1,140
Net gains/(losses) on investments	11, 12	584	498	17,204	18,286	8,162
Net Income/(Expenditure)		512	1,635	16,824	18,971	9,302
Transfers between funds	19	0	(0)	0	(0)	-
Net movement in funds for the year		512	1,635	16,824	18,971	9,302
Fund balances brought forward	19	17,962	7,847	137,977	163,787	154,485
Funds carried forward at 31 July		18,475	9,482	154,801	182,758	163,787

Trinity College
Consolidated and College Balance Sheets
As at 31 July 2019

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
FIXED ASSETS					
Tangible assets	9	13,845	11,260	13,845	11,262
Property investments	11	54,573	50,280	54,573	50,280
Other Investments	12	106,648	99,336	106,648	99,336
Total Fixed Assets		175,066	160,876	175,066	160,878
CURRENT ASSETS					
Stocks		75	86	75	86
Debtors	15	884	485	1,324	754
Investments - cash deposit	26	7,779	-	7,779	-
Cash at bank and in hand		2,418	4,816	1,970	4,403
Total Current Assets		11,156	5,387	11,148	5,243
LIABILITIES					
Creditors: Amounts falling due within one year	16	1,337	1,002	1,352	879
NET CURRENT ASSETS		9,819	4,385	9,796	4,364
TOTAL ASSETS LESS CURRENT LIABILITIES		184,885	165,261	184,862	165,242
CREDITORS: falling due after more than one year	17	-	214	-	214
Provisions for liabilities and charges	18	59	55	59	55
NET ASSETS BEFORE PENSION LIABILITY		184,826	164,992	184,803	164,973
Defined benefit pension scheme liability	23	2,068	1,205	2,068	1,205
TOTAL NET ASSETS		182,758	163,787	182,735	163,768
FUNDS OF THE COLLEGE					
Endowment funds	19	154,801	137,977	154,801	137,977
Restricted funds		9,482	7,847	9,482	7,847
Unrestricted funds					
General funds		6,605	7,814	6,605	7,814
Designated funds		13,938	11,353	13,915	11,334
Pension reserve	23	(2,068)	(1,205)	(2,068)	(1,205)
		182,758	163,787	182,735	163,768

The financial statements were approved and authorised for issue by the Governing Body of Trinity College on the 27th of November, 2019

President

Estates Bursar

Trinity College
Consolidated Statement of Cash Flows
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Net cash provided by (used in) operating activities	25	(1,617)	(1,553)
Cash flows from investing activities			
Dividends, interest and rents from investments		3,385	2,693
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(3,349)	(1,229)
Proceeds from sale of investments		100,987	11,272
Purchase of investments		(94,306)	(9,955)
Net cash provided by (used in) investing activities		6,717	2,781
Cash flows from financing activities			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Receipt of endowment		281	704
Net cash provided by financing activities		281	704
Change in cash and cash equivalents in the reporting period		5,381	1,932
Cash and cash equivalents at the beginning of the reporting period		4,816	2,884
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	26	10,197	4,816

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

1 INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,246	1,184
Tuition fees - Overseas students	645	630
Other Office for Students support	185	182
Other academic income	165	123
College residential income	3,120	2,948
Total Teaching, Research and Residential	5,361	5,068
Total income from charitable activities	5,361	5,068

The above analysis includes £1,454k received from Oxford University from publicly accountable funds under the CFF Scheme (2018: £1,408k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the College share of the fees waived amounted to £57k (2018: £53k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2019	2018
	£'000	£'000
Donations and Legacies		
Unrestricted funds	130	172
Restricted funds	1,006	775
Endowed funds	281	704
	1,417	1,651

3 INCOME FROM OTHER TRADING ACTIVITIES

	2019	2018
	£'000	£'000
Subsidiary company trading income	439	429
	438	429

4 INVESTMENT INCOME

	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Equity dividends	184	140
Income from fixed interest stocks	6	9
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	19	14
	209	163
<i>Restricted funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Equity dividends	157	114
Income from fixed interest stocks	5	8
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	-	-
	162	122
<i>Endowed funds</i>		
Agricultural rent	494	532
Commercial rent	290	261
Other property income	177	-
Equity dividends	1,992	1,513
Income from fixed interest stocks	60	100
Interest on fixed term deposits and cash	1	-
Other investment income	-	2
Bank interest	-	-
Other interest	-	-
	3,014	2,408
Total Investment income	3,385	2,693

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

5 ANALYSIS OF EXPENDITURE	2019 £'000	2018 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,049	3,819
Other direct costs allocated to:		
Teaching, research and residential	2,479	2,551
Support and governance costs allocated to:		
Teaching, research and residential	1,160	1,153
Total charitable expenditure	<u>8,688</u>	<u>7,523</u>
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	379	371
Trading expenditure	275	222
Other direct costs allocated to:		
Fundraising	129	72
Trading expenditure	89	86
Investment management costs	288	375
Support and governance costs allocated to:		
Fundraising	67	50
Investment management costs	1	17
Total expenditure on raising funds	<u>1,228</u>	<u>1,193</u>
Total expenditure	<u>9,916</u>	<u>8,716</u>

The 2018 resources expended of £8716k represented £7618k from Unrestricted funds, £742k from Restricted funds and £356k from Endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2019 Total £'000
Financial administration	48	197	245
Domestic administration	-	(17)	(17)
IT	18	160	178
Depreciation	-	764	764
Loss/(profit) on fixed assets	-	-	-
Other finance charges	-	24	24
Governance costs	2	32	34
	68	1,160	1,228

	Generating Funds £'000	Teaching and Research £'000	2018 Total £'000
Financial administration	46	197	243
Domestic administration	-	34	34
IT	19	165	184
Depreciation	-	705	705
Loss/(profit) on fixed assets	-	(1)	(1)
Bank interest payable	-	-	-
Other finance charges	-	20	20
Governance costs	2	33	35
	67	1,153	1,220

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.
Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.
Governance costs are allocated by reference to the volume of activity across the College.

	2019 £'000	2018 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	22	23
Auditor's remuneration - other services	-	1
Other governance costs	12	11
	34	35

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

7 GRANTS AND AWARDS	2019	2018
	£'000	£'000
During the year the College funded awards and bursaries to students from its restricted and unrestricted fund as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	16	24
Bursaries and hardship awards	16	13
Total unrestricted	32	37
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	302	318
Bursaries and hardship awards	115	131
Total restricted	417	449
Total grants and awards	449	486

The figure included above represents the cost to the College of the Oxford Bursary Scheme. Students of this college received £72k (2018: £73k). Some of those students also received fee waivers amounting to £57k (2018: £53k).

The above costs are included within the charitable expenditure on Teaching and Research. Other institutions comprise local charities.

8 STAFF COSTS	2019	2018
	£'000	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	4,058	3,721
Social security costs	365	334
Pension costs: (see note 23)		
Defined benefit schemes	1,455	527
Defined contribution schemes	62	-
Other benefits	82	141
	6,020	4,723
The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
	2019	2018
Tuition and research	11	9
College residential	58	55
Fundraising	5	5
Support	18	12
Total	92	81
The average number of employed College Trustees during the year was as follows.		
University Lecturers	19	19
CUF Lecturers	7	7
Other teaching and research	4	4
Other	5	5
Total	35	35

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

Two employees received gross pay and benefits (excluding NI and pension contributions) during the year within the £60,001 to £70,000 band (2018-one). No employees received gross pay and benefits (excluding NI and pension contributions) during the year within the £80,001 to £90,000 band (2018 - two).

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

9 TANGIBLE FIXED ASSETS

Group and College	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At start of year	18,498	2,143	20,641
Additions	3,143	206	3,349
At end of year	21,641	2,349	23,990
Depreciation and impairment			
At start of year	7,569	1,812	9,381
Depreciation charge for the year	578	186	764
At end of year	8,147	1,998	10,145
Net book value			
At end of year	13,494	351	13,845
At start of year	10,929	331	11,260

£0k (2018:£0k) of plant and machinery held under finance leases.

£0k (2018:£0k) of fixtures, fittings and equipment held under finance leases.

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 HERITAGE ASSETS

The College has collections of works of art, ancient books and manuscripts and silver which are held and maintained for their contribution to knowledge and culture. Because of their age, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees, the depreciated historical cost of these assets is now immaterial.

All heritage assets are maintained securely and conservation works are undertaken as and when advised by specialists to be necessary. Public access is possible by arrangement with the College.

There were no material acquisitions or disposals of heritage assets in recent years.

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

11 PROPERTY INVESTMENTS

Group and College				2019	2018
	Agricultural £'000	Commercial £'000	Dev't and Other £'000	Total £'000	Total £'000
Valuation at start of year	29,458	2,915	17,907	50,280	55,571
Transfers between categories	(455)	-	455	-	-
Additions and improvements at cost	616	-	1,128	1,744	227
Disposals	(77)	-	(8,258)	(8,335)	(6,074)
Revaluation gains/(losses) in the year	1,837	-	9,047	10,884	556
Valuation at end of year	31,379	2,915	20,279	54,573	50,280

A formal valuation of the agricultural properties was prepared by Carter Jonas LLP as at 31 July 2015. This valuation was updated to 31 July 2019 based on information supplied by the College's Land Agent.

A formal valuation of the commercial and other properties was prepared by Cluttons LLP as at 31 July 2015. The valuation as at 31 July 2019 was undertaken internally.

12 OTHER INVESTMENTS

All investments are held at fair value.

	2019 £'000	2018 £'000
Group investments		
Valuation at start of year	99,336	87,200
New money invested	9,125	4,530
Value of purchases	83,437	5,198
Amounts withdrawn		
Value of sales	(92,651)	(5,198)
Reinvested income	-	-
Investment management fees	-	-
(Decrease)/increase in value of investments	7,401	7,606
Group investments at end of year	106,648	99,336
College investments at end of year	106,648	99,336

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2019 Total £'000	Held outside the UK £'000	Held in the UK £'000	2018 Total £'000
	Equity investments	59,538	8,840	68,378	22,551	26,178
Global multi-asset funds	-	6,796	6,796	-	28,368	28,368
Property funds	-	8,673	8,673	-	7,218	7,218
Fixed interest stocks	-	14,358	14,358	3,259	4,804	8,063
Alternative and other investments	232	6,755	6,987	245	2,867	3,112
Fixed term deposits and cash	-	1,456	1,456	-	3,845	3,845
Total group investments	59,770	46,878	106,648	26,055	73,280	99,336

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Trinity College Oxford Limited (TCOL), a company providing conference and other event services on the College premises, and 100% of the issued share capital in Trinity College Developments Limited (TCDL), a company providing design and build construction services to the College. The investments are 1 ordinary £1 share in each company.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows:

	Trinity College	TCOL	TCDL
	£'000	£'000	£'000
Income	10,601	437	3,218
Expenditure	(9,916)	(289)	(3,205)
Donation to College under gift aid	161	(148)	(13)
Gains/(Losses)	18,286		
Result for the year	<u>19,132</u>	<u>-</u>	<u>-</u>
Total assets	186,214	201	643
Total liabilities	(3,479)	(201)	(620)
Net funds at the end of year	<u>182,735</u>	<u>-</u>	<u>23</u>

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1st August, 2017. The investment return to be applied as income is calculated as 2.5% (plus costs) of the average of the year-end values of the relevant investments in each of the last 5 years. For new funds less than 5 years old, the average is based on the age of the fund. The preserved (frozen) value of the invested endowment capital is either based on actual donation values or represents its open market value in 2005 together with all subsequent endowments valued at date of gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
At the beginning of the year:					
Gift component of the permanent endowment	40,594		40,594		40,594
Unapplied total return		80,576	80,576		80,576
Expendable endowment			-	16,807	16,807
Total Endowments	<u>40,594</u>	<u>80,576</u>	<u>121,170</u>	<u>16,807</u>	<u>137,977</u>
Movements in the reporting period:					
Gift of endowment funds	6		6	275	281
Recoupment of trust for investment		-	-		-
Allocation from trust for investment			-		-
Investment return: total investment income		2,605	2,605	409	3,014
Investment return: realised and unrealised gains and losses		15,948	15,948	1,256	17,204
Less: Investment management costs		(257)	(257)	(21)	(279)
Other transfers		(3)		3	3
Total	<u>6</u>	<u>18,293</u>	<u>18,302</u>	<u>1,921</u>	<u>20,224</u>
Unapplied total return allocated to income in the reporting period		(3,009)	(3,009)		(3,009)
Expendable endowments transferred to income			-	(388)	(388)
	<u>-</u>	<u>(3,009)</u>	<u>(3,009)</u>	<u>(388)</u>	<u>(3,397)</u>
Net movements in reporting period	<u>6</u>	<u>15,285</u>	<u>15,293</u>	<u>1,533</u>	<u>16,827</u>
At end of the reporting period:					
Gift component of the permanent endowment	40,600	-	40,600		40,600
Unapplied total return		95,861	95,861		95,861
Expendable endowment			-	18,340	18,340
Total Endowments	<u>40,600</u>	<u>95,861</u>	<u>136,460</u>	<u>18,340</u>	<u>154,801</u>

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

15 DEBTORS

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Amounts falling due within one year:				
Trade debtors	95	120	81	76
Amounts owed by College members	-	-	-	-
Amounts owed by Group undertakings	-	-	454	313
Loans repayable within one year	-	-	-	-
Prepayments and accrued income	612	86	612	86
Other debtors	177	279	177	279
	884	485	1,324	754

16 CREDITORS: falling due within one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Trade creditors	683	472	719	430
Amounts owed to College Members	27	9	27	9
Taxation and social security	91	123	107	100
College contribution	90	-	90	-
Accruals and deferred income	218	320	181	262
Other creditors	228	78	228	78
	1,337	1,002	1,352	879

17 CREDITORS: falling due after more than one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Other creditors	-	214	-	214
	-	214	-	214

Unsecured loan from an old member to be held and used for the exclusively charitable purpose and in the manner set out in the Deed of Gift between the College and the donor. The full amount of the loan is to be repaid no later than 24th April, 2020. The loan shall not bear interest.

18 PROVISIONS FOR LIABILITIES AND CHARGES

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
At start of year	55	68	55	68
Charged in the Statement of Financial Activities	4	(13)	4	(13)
Settled in the year	-	-	-	-
At end of year	59	55	59	55

The above provision relates to the College's liability with regard to a non-contributory retirement benefit scheme for certain employees.

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

19 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Endowment Funds - Permanent						
Permanent Endowment Fund	99,250	2,083	(230)	(2,489)	14,324	112,938
Frank Chadwick Fund	3,374	81	(4)	(80)	250	3,620
Ford Fund	1,405	34	(2)	(33)	104	1,508
Millard Fund	959	23	(1)	(23)	71	1,030
Blakiston Fund	961	23	(1)	(23)	71	1,031
Dr Blakiston's Fund	1,851	45	(2)	(44)	137	1,986
Dr W Hunt Fund	526	13	(1)	(12)	39	564
Mrs J H McKeown Fund	1,078	26	(1)	(26)	80	1,157
Professor John Mitchell Fund	1,204	29	(2)	(29)	89	1,292
Bursaries Fund	846	20	(1)	(20)	63	908
W P Haskett-Smith Fund	591	14	(1)	(14)	44	635
Whitehead Travelling Fund	1,084	26	(1)	(26)	80	1,164
Jeffrey Abbott Fund	548	13	(1)	(13)	41	588
Funds for student support	1,235	30	(2)	(29)	92	1,326
Funds for student prizes and awards	1,850	45	(2)	(44)	137	1,986
Funds to support Fellowships	1,408	34	(2)	(33)	104	1,511
Stephen Christie-Miller Fund	1,023	25	(1)	(24)	76	1,097
War Memorial Fund	676	16	(1)	(16)	50	725
Other funds	1,299	31	(2)	(31)	96	1,394
	-	-	-	-	-	-
Endowment Funds - Expendable						
War Memorial Fund	1,498	36	(2)	(36)	111	1,608
Brown Fellowship Fund	1,723	113	(2)	(39)	130	1,925
Hunt-Grubbe Fellowship Fund	809	19	(1)	(19)	60	869
Henry Birkhead Fund	613	15	(1)	(15)	45	658
King's Group Fund	697	17	(1)	(17)	52	748
Funds for student support	4,121	202	(5)	(96)	309	4,531
Funds to support Fellowships	6,692	265	(8)	(152)	500	7,296
Other funds	656	16	(1)	(15)	49	705
Total Endowment Funds - College	137,977	3,295	(279)	(3,397)	17,204	154,801
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	137,977	3,295	(279)	(3,397)	17,204	154,801
Restricted Funds						
New Building Fund	6,321	960	-	-	498	7,779
Dr Blakiston's Income Fund	26	-	-	23	-	48
Dr W Hunt Income Fund	(1)	-	(12)	12	-	(0)
Mrs J H McKeown Income Fund	17	-	(41)	26	-	2
Professor John Mitchell Income Fund	28	-	(9)	29	-	48
Bursaries Income Fund	100	12	(29)	42	-	125
Funds for student support	633	112	(206)	272	-	810
Funds to support Fellowships	321	23	(344)	244	-	243
Other funds	401	62	(107)	70	-	426
Total Restricted Funds - College	7,847	1,168	(748)	717	498	9,482
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	7,847	1,168	(748)	717	498	9,482
Unrestricted Funds						
General	7,814	6,138	(7,262)	(669)	584	6,605
Fixed asset designated Fund	11,260	-	(764)	3,349	-	13,845
Pension reserve	(1,205)	-	(864)	-	-	(2,068)
Funds for student support	70	-	-	-	-	70
	-	-	-	-	-	-
Total Unrestricted Funds - College	17,940	6,138	(8,890)	2,680	584	18,452
Unrestricted funds held by subsidiaries	23	-	-	-	-	23
Total Unrestricted Funds - Group	17,963	6,138	(8,890)	2,680	584	18,475
Total Funds	163,787	10,601	(9,916)	-	18,286	182,758

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

20 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:

Permanent Endowment Fund	A consolidation of gifts and donations which comprise the historic endowment of the College, which the Governing Body considers to be permanent endowment.
Frank Chadwick Fund	For general purposes.
Ford Fund	For general purposes.
Millard Fund	For general purposes.
Blakiston Fund	For general purposes.
Dr Blakiston's Fund	To fund improvements to the fabric of the College.
Dr W Hunt Fund	To fund extraordinary repairs to the fabric of the College.
Mrs J H McKeown Fund	Scholarship fund.
Professor John Mitchell Fund	To fund awards for outstanding 3rd and 4th year undergraduates.
Bursaries Fund	Fund created in 1870's to pool earlier smaller funds; student support.
W P Haskett-Smith Fund	Student support.
Whitehead Travelling Fund	To fund a travel award; balance for general purposes.
Jeffrey Abbott Fund	Scholarship fund.
Stephen Christie-Miller Fund	Student support.
War Memorial Fund	To fund library expenditure.

Endowment Funds - Expendable:

War Memorial Fund	Student support.
Brown Fellowship Fund	To fund the Fellowship in Classics.
Hunt-Grubbe Fellowship Fund	To fund the Fellowship in Engineering Sciences.
Henry Birkhead Fund	To fund study, education or research in history, literature or arts.
King's Group Fund	Scholarship Fund.

Restricted Funds:

New Building fund	Funds donated towards new building.
-------------------	-------------------------------------

Designated Funds

Fixed asset designated	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Pension Reserve	The pension reserve represents the amounts included in the balance sheet as a provision for future deficit reduction contributions

The transfers between funds reflected in Note 19 arise from resolutions approved by the Charity Commission or reclassifications better to reflect the purpose of donors.

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
Tangible fixed assets	13,845	-	-	13,845
Property investments	-	-	54,573	54,573
Other investments	4,717	1,703	100,228	106,648
Pensions Provisions	(2,068)			(2,068)
Provisions for liabilities and charges	(59)			(59)
Net current assets	2,040	7,779	-	9,819
Long term liabilities		-	-	-
	<u>18,475</u>	<u>9,482</u>	<u>154,801</u>	<u>182,758</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	11,260	-	-	11,260
Property investments	-	-	50,280	50,280
Other investments	3,791	7,847	87,697	99,336
Pensions Provisions	(1,205)			(1,205)
Provisions for liabilities and charges	(55)			(55)
Net current assets	4,171	214	-	4,385
Long term liabilities		(214)	-	(214)
	<u>17,962</u>	<u>7,847</u>	<u>137,977</u>	<u>163,787</u>

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

22 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the academic and other services they provide to the College.

Trustees of the College fall into the following categories:

The President
 Professorial Fellows
 Tutorial Fellows
 Official Fellows
 Fellows by Special Election
 Junior Research Fellows

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the College receive salaries for their work as employees. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

Tutorial, Official and Junior Research Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below. Seven trustees live in property owned by the College.

The College has a Remuneration Committee which makes recommendations to the Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out on page 5 of the Annual Report.

Remuneration paid to trustees

Range	2019		2018	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions
		£		£
£0,000- £2,999	2	2,300	1	700
£9,000- £9,999	0	-	1	9,400
£11,000-£11,999	0	-	2	23,400
£12,000-£12,999	1	12,300	1	12,700
£13,000-£13,999	2	26,900	1	13,600
£14,000-£14,999	1	14,500	0	-
£19,000-£19,999	0	-	1	19,300
£23,000-£23,999	0	-	1	23,100
£26,000- £26,999	1	26,800	0	-
£27,000- £27,999	0	-	4	111,200
£28,000- £28,999	0	-	3	85,800
£29,000- £29,999	5	146,100	7	204,700
£30,000- £30,999	7	213,700	0	-
£31,000- £31,999	1	31,000	0	-
£32,000- £32,999	0	-	2	64,900
£33,000- £33,999	1	33,600	0	-
£38,000- £38,999	1	38,800	1	38,700
£40,000- £40,999	1	40,200	0	-
£44,000- £44,999	0	-	1	44,900
£46,000- £46,999	2	92,000	0	-
£49,000- £49,999	0	-	1	49,300
£51,000- £51,999	1	51,200	0	-
£55,000- £55,999	1	55,700	0	-
£60,000- £60,999	0	-	2	120,400
£62,000- £62,999	1	62,200	0	-
£63,000- £63,999	0	-	1	63,900
£65,000- £65,999	1	65,000	0	-
£69,000- £69,999	0	-	1	69,800
£73,000- £73,999	1	73,600	0	-
£80,000- £80,999	0	-	1	80,400
£88,000- £88,999	1	88,200	0	-
£91,000- £91,999	0	-	1	91,000
£93,000- £93,999	1	93,500	0	-
£111,000- £111,999	1	111,700	0	-
£143,000- £143,999	0	-	1	143,800
£143,000- £143,999	1	147,500	0	-
Total	34	1,426,800	34	1,271,000

Nine trustees are not employees of the College and do not receive remuneration.

All trustees may eat at common table, as can all other employees who are entitled to meals while working.

Other transactions with trustees

No trustee claimed expenses for any work performed in discharge of duties as a trustee.

No termination and supplementary payments were made to trustees.

See also note 29 Related Party Transactions

Key management remuneration

The total remuneration (including employers national insurance) paid to key management, the Trustees of the College, was £1,638,000 (2018: £1,596,000).

23 PENSION SCHEMES

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis - based on contributions into the scheme). Both are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

However, in OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

The College has made available a National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension benefits.

Schemes accounted for under FRS 102 paragraph 28.11 as defined contribution schemes

Actuarial valuations Qualified actuaries periodically value the USS and OSPS schemes using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results.

Date of valuation:	USS	OSPS
Date valuation results published:	31/03/2017	31/03/2016
Value of liabilities:	28/01/2019	28/04/2017
Value of assets:	£67.5bn	£661m
Funding surplus / (deficit):	£60.0bn	£528m
Principal assumptions:	(£7.5bn)	(£133m)
	CPI - 0.53% to CPI	
• Investment return	- 1.32%pa c	-
• Rate of interest (periods up to retirement)	-	'Gilts' + 1.2%pa
• Rate of interest (periods up after retirement)	-	'Gilts' + 1.2%pa
• Rate of increase in salaries	CPI + 2%pa	RPI + 1%pa
• Rate of increase in pensions	CPI pa	Average RPI/CPI pa
Mortality assumptions:		
• Assumed life expectancy at age 65 (males)	24.5 yrs	22.4 yrs
• Assumed life expectancy at age 65 (females)	26.0 yrs	24.7 yrs
Funding Ratios:		
• Technical provisions basis	89%	80%
• Statutory Pension Protection Fund basis	72%	67%
• 'Buy-out' basis	48%	42%
• Estimated FRS 102 Total Funding level	77%	82%
Recommended employer's contribution rate (as % of pensionable salaries):	18% increasing to 24.2% by 01/04/2020	23% decreased to 19% from 01/08/2017
Effective date of next valuation:	31/03/2018	31/03/2019

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

- a. USS' actuarial valuation as at 31 March 2017 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions were 8% of salary but will increase in stages from 1 April 2019 to a level of 11.7% from 1 April 2020; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold. Further details about the benefits may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established an employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2019, 19.5% from 1 April to 30 September 2019, 22.5% from 1 October 2019 to 31 March 2020 and a long-term rate of 24.2%. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 5% p.a. of salaries from 1 April 2020. At 31 March 2019 USS reported that the estimated funding deficit was £5.7bn (92% funded).
- b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.
- c. USS' actuary has assumed that the investment return is CPI – 0.53% in year 1, decreasing linearly to CPI – 1.32% over 10 years, CPI + 2.56% from year 11 reducing linearly to CPI + 1.7% by year 21, remaining at CPI + 1.7%.
- d. USS' actuary has assumed that general pay growth will be CPI +2 in year 1, CPI + 2% in year 2 and thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a. less an inflation risk premium) less RPI/CPI gap of 1.0% p.a.
- e. The total USS employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section. The 2017 actuarial valuation was the fourth valuation for the scheme under the 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. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.
- f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

Sensitivity of actuarial valuation assumptions

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

Assumption	US\$ Change in assumption	Impact on US\$ liabilities
Initial discount rate	increase / reduce by 0.25%	decrease / increase by £3.3bn
Asset values	reduce by 10%	increase by £6.0bn
RPI inflation	increase / reduce by 0.25%	increase / decrease by £3.3bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn

Assumption	OSPS Change in assumption	Impact on OSPS technical provisions (from 80% funded at 31/03/2016)
Valuation rate of interest	decrease by 1.0%	68%
Rate of pension increases	increase by 1.0%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

	OSPS	US\$
Finish Date for Deficit Recovery Plan	30/06/2027	31/06/2034
Average staff number increase	3	1
Average staff salary increase	2.00%	2.00%
Average discount rate over period	1.40%	1.75%
Effect of 0.5% change in discount rate		
Effect of 1% change in staff growth		

A provision of £2.068m has been made at 31 July 2019 (2018 - £1.204m) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2019 £000's	2018 £000's
Universities Superannuation Scheme:		
Continuing charges	266	242
Pension provision change	664	6
University of Oxford Staff Pension Scheme:		
Continuing charges	372	298
Pension provision change	200	(33)
Other schemes – contributions	14	14
Total	1516	527

These amounts include £61,500 (2018: £66,000) contributions payable to defined contribution schemes at rates specified in the rules of those plans.

Included in creditors are pension contributions payable of £59,400 (2018: £66,000).

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

24 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary company(ies) because the directors of this/these company(ies) have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

25 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2019	2018
	Group	Group
	£'000	£'000
Net income/(expenditure)	18,971	9,302
Elimination of non-operating cash flows:		
Investment income	(3,385)	(2,693)
(Gains)/losses in investments	(18,286)	(8,162)
Endowment donations	(281)	(704)
Depreciation	764	705
(Surplus)/loss on sale of fixed assets	-	1
Decrease/(Increase) in stock	11	3
Decrease/(Increase) in debtors	(399)	(1)
(Decrease)/Increase in creditors	121	35
(Decrease)/Increase in provisions	4	(13)
(Decrease)/Increase in pension scheme liability	863	(26)
Net cash provided by (used in) operating activities	(1,617)	(1,553)

26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£'000	£'000
Cash at bank and in hand	2,418	4,816
Notice deposits (less than 3 months)	7,779	-
Bank overdrafts	-	-
Total cash and cash equivalents	10,197	4,816

Trinity College
Notes to the financial statements
For the year ended 31 July 2019

27 FINANCIAL COMMITMENTS

At 31 July 2019 the College had no annual commitments under non-cancellable operating leases (2018- nil).

28 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2019 for future capital projects totalling £1,630,000 (2018 - £743,000).

29 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in Note 21.

The College has one property with the following net book value owned jointly with Dr A Ferrero, a trustee, under a joint equity ownership agreement between the College and the trustee. Under the terms of the agreement, the trustee is not entitled to receive a Housing Allowance. The property is subject to sale on the departure of the trustee from the College.

	2019	2018
	£'000	£'000
Total net book value of property owned jointly with trustee	320	320

30 CONTINGENT LIABILITIES

As at 31 July 2019, there were no contingent liabilities (2018 - nil).

31 POST BALANCE SHEET EVENTS

Following the end of the financial year 2017, the College entered into an agreement with Miller Homes to sell development land near Banbury. The agreement allows for certain payments amounting to a gross total of £11.675 million. A payment of £4.670 million was received on the 17th of August, 2017 and the balance of £7.005 million was received on the 15th of August, 2018.

In 2016 the College entered into an arrangement with Bloor Homes to sell 480 plots at Bretch Hill near Banbury. As at the 31st of July, 2019 159 units have been sold and £4.900m income has been received by the College. Prudently estimating sales of approximately 75 units per year (2018-19 sold 82 units) the College predicts that the final units will be sold in 2023-2024.

There are ongoing negotiations on the funding of the USS pension deficit. This might cause further changes in the pension recovery plan provision in 2019/20.