



ST JOHN'S COLLEGE CAMBRIDGE

Annual Report and Financial Statements

**for the year ended
30 June 2011**

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Reference and Administrative Details

Summary Information

Name of the College	St John's College, Cambridge (formally the College of St John the Evangelist in the University of Cambridge)
Address	St John's Street Cambridge CB2 1TP
Charity registration number	1137428
Charity trustees during the year	The Master, Professor C.M. Dobson (Chairman) Dr A.M. Nicholls Professor G.C. Horrocks (from 1 October 2010) Professor I.N. McCave Dr A.C. Metaxas Dr S.M. Colwell Professor C.O. Lane Dr M. Dörrzapf Professor A.W. Woods Professor G.W.W. Barker Miss S. Tomaselli Mr C.F. Ewbank Dr D. Burdakov (to 30 September 2010) Dr J.R. Mair (from 1 October 2010) Dr A.G. Kesby (to 30 September 2010)

Senior Officers

Head of House	Professor C.M. Dobson, Master
Senior Tutor	Dr M. Dörrzapf
Senior Bursar	Mr C.F. Ewbank

Membership of the Governing Body

The members of the Governing Body of the College as at 30 June 2011 are set out below

Master: Professor C.M. Dobson

President: Dr A.M. Nicholls

Other Fellows (in order of election)

Dr E.D. James
 Professor R.A. Hinde
 Dr R.H. Prince
 Professor Sir J.R. Goody
 Mr G.G. Watson
 Dr J.A. Charles
 Dr D.J.H. Garling
 Professor R.N. Perham
 Dr G.A. Reid
 Professor P. Boyde
 Dr J.A. Leake
 Dr P.A. Linehan
 Dr A.J. Macfarlane
 Professor D.L. McMullen
 Dr E.K. Matthews
 Mr R.G. Jobling
 Dr A.A. Macintosh
 Professor J. Staunton
 Dr C.M.P. Johnson
 Professor M.A. Clarke
 Dr A.G. Smith
 Professor J.A. Emerton
 Dr R.A. Green
 Professor J. Iliffe
 Professor M. Schofield
 Dr G.A. Lewis
 Professor R.F. Griffin
 Dr T.P. Bayliss-Smith
 Professor S.F. Gull
 Dr H.P. Hughes
 Dr P. Goddard
 Professor P.T. Johnstone
 Professor I.M. Hutchings
 Professor H.R.L. Beadle
 Dr J.B. Hutchison
 Professor S.F.C. Milsom
 Dr D.G.D. Wight
 Professor Sir R.H. Friend
 Dr R.E. Glasscock
 Professor R.P. Tombs
 Dr R.E. McConnel
 Dr D.R. Midgley
 Professor P.H. Matthews
 Dr M. Richards
 Professor J.F. Kerrigan
 Professor G.J. Burton

Professor G.C. Horrocks
 Professor Sir P.S. Dasgupta
 Professor Sir M.E. Welland
 Dr H.R. Matthews
 Professor B.J. Heal
 Dr T.P. Hynes
 Professor I.N. McCave
 Dr A.C. Metaxas
 Colonel R.H. Robinson
 Professor S. Conway Morris
 Professor E.D. Laue
 Dr S.A. Edgley
 Mr R.A. Evans
 Dr S.M. Colwell
 Dr H.E. Watson
 Dr J.P. McDermott
 Professor C.O. Lane
 Dr C.J. Robinson
 Professor Y.M. Suhov
 Professor S.R.S. Szreter
 Professor D.J. Howard
 Mr R.C. Nolan
 Professor M.M.G. Lisboa
 Dr U.C. Rublack
 Professor B.D. Simons
 Dr K.C. Plaisted Grant
 Dr M. Ni Mhaonaigh
 Professor D.C. McFarlane
 Professor C.D. Gray
 Dr I.M. Winter
 Professor N.S. Manton
 Dr N.S. Arnold
 Dr S. Castelvechi
 Professor A.-L. Kinmonth
 Dr J.M. Lees
 Professor A.D.H. Wyllie
 Professor S.C. Reif
 Dr D.M. Fox
 Dr D.M.A. Stuart
 Dr M. Dörrzapf
 Dr V.J.L. Best
 Dr P. Antonello
 Dr P.T. Miracle
 Professor A.W. Woods
 Commodore J.W.R. Harris
 Professor S.M. Best

Dr P.M. Geraats
 Dr P.T. Wood
 Dr M.S. Olsaretti
 Dr E.J. Gowers
 Mr D.J. Dormor
 Professor U.C. Goswami
 Dr R.J. Samworth
 Professor G.W.W. Barker
 Dr K. Johnstone
 Dr D.L. Williams
 Miss S. Tomaselli
 Mr C.F. Ewbank
 Dr A. Galy
 Dr F.E. Salmon
 Dr C.G. Warnes
 Professor F.M. Watt
 Dr C.D. Jiggins
 Dr D. Burdakov
 Mr S.W. Teal
 Mr A.M. Nethsingha
 Dr J.R. Mair
 Dr A.G. Kesby
 Dr T. Larsson
 Dr R. D. Mullins
 Professor D.A. Lomas
 Dr T.P.J. Knowles
 Dr G.A. Mailer
 Dr E.J.L. Waring
 Dr J.J.W.A. Robinson
 Dr G.L. Evans
 Dr M. Atatüre
 Dr H.L.A. Johnston
 Dr. A.B. Reddy
 Dr. A.W. Truman
 Dr D.C. Ellis
 Dr J.K. Harmer
 Dr S.J. Thompson
 Professor Z. Ghahramani
 Professor J.S. Rink
 Dr O. Kucherenko
 Dr T.E.C. Button
 Dr B.R.M. Thomson
 Dr M.N. Goodhand
 Dr E. Reisner

Principal Advisers

Auditor	Deloitte LLP City House 126-130 Hills Road Cambridge CB2 1RY	Investment Managers	UBS AG 1 Finsbury Avenue London EC2M 2AN Partners Capital 5 th Floor 5 Young Street London W8 5EH
Bankers	Barclays Bank PLC PO Box 885 Mortlock House Histon Cambs CB24 9DE	Cash Managers	Royal London Cash Management 55 Gracechurch Street London EC3V 0UF
Solicitors	Mills & Reeve Francis House 112 Hills Road Cambridge CB2 1PH	Property Advisers	Savills (L&P) Ltd Unex House 132-134 Hills Road Cambridge CB2 2PA George Webb Finn 43 Park Road Sittingbourne Kent ME10 1DY
Actuaries	Cartwright Group Ltd Suite 7 – 2 nd Floor The Hub IQ Farnborough Hants GU14 7JP		

Introduction

St John's College, Cambridge is pleased to present its Annual Report and audited consolidated Financial Statements for the year ended 30 June 2011.

Founded in 1511, St John's College is one of the largest of the 31 colleges within the University of Cambridge, each of which is an independent, self-governing, body with its own property and income.

Operating and Financial Review

This operating and financial review is intended to give readers of the financial statements an overview of the operations and finances of the College group.

Scope of the Financial Statements

The consolidated financial statements include the College itself, St John's College School and the College's wholly-owned trading subsidiaries which are:

- St John's Enterprises Limited, which undertakes principally conference and tourism activities for the College;
- Aquila Investments Limited, which undertakes building construction and repair, property development, energy supply and farming;
- St John's Innovation Centre Limited, which provides administrative and business support to tenants of St John's Innovation Centre and encouragement of commercial application of intellectual property; and
- Lomas Developments Limited, which principally undertakes property development.

The accounts of dormant companies are also consolidated.

The financial statements are produced by the College in the Recommended Cambridge College Account (RCCA) format introduced through revisions to Statute G,III of the University which replaced the previous format introduced in 1926 by the University of Cambridge Commissioners.

Objects, Aims, Activities and Performance, and Future Plans

Objects

The charitable objects of the College are, for the public benefit, to advance education, religion, learning and research, particularly but not exclusively through the provision of a College within the University of Cambridge and through the provision of facilities for, and the conduct of, divine service within the College.

Aims

The College's aims are:

- To admit students on the basis of academic ability and potential alone irrespective of financial circumstances and social, religious or ethnic background, to preserve the College's ability to select the best students and to provide financial support to students;
- To maintain a balanced mix of undergraduate, taught graduate and research graduate students, and to preserve a broad range of academic activity whilst remaining small enough to retain a sense of community and individuality;
- To deliver an outstanding education for undergraduates and graduate students, and to sustain the supervision and tutorial welfare systems that are pivotal to the University's tradition of excellence;
- To encourage and support research of international importance by Fellows and graduate students, and to introduce undergraduates to the nature and excitement of original research;
- To carry forward the tradition, maintained continuously since its foundation, of being a place of reflection on matters of religious faith;
- To provide outstanding social, cultural, musical and sporting opportunities that are a key part of the experience offered by the College and which contribute to the personal development of its members;
- To conserve and enhance the College's historic buildings and grounds, an important part of the world's architectural heritage, whilst at the same time providing first-class facilities and infrastructure for the activities that take place within them;
- To preserve the College's independence and self-determination, which with that of other Colleges is a fundamental ingredient in the diversity and success of the collegiate University;
- To take a lead in sustaining and enhancing the ability of the University to continue as one of the world's very top academic institutions, in the face of increasing international competition;
- To recognise and value all our alumni as life-long members of the College community, appreciated for their continuing involvement in, and support of, the College; and
- To operate on a sustainable basis, deploying our resources in a way that preserves intergenerational equity, and living within our means.

The aims of St John's College School are:

- To educate and accommodate as boarders the Choristers of St John's College Choir who are admitted on the basis of vocal and musical ability;

- Otherwise, to continue a largely non-selective admissions policy;
- To offer an outstanding education that fosters the aptitudes and nurtures the growth of each pupil at the School;
- To match its commitment to academic excellence with outstanding non-academic tuition and activities to provide a rich and fulfilling curriculum;
- To give the highest priority to pastoral care and to provide excellent boarding provision;
- To foster a genuine sense of community among pupils, parents and staff as well as past pupils and parents; and
- To offer significant financial support through fee remission and bursaries.

Activities and Performance

In setting objectives and planning activities, the College Council has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education, advancing religion and on fee-charging.

The principal objectives of the College for the year were: to continue to strengthen the College's access and outreach programme; to enhance the very substantial financial support provided to its students; to strengthen the teaching capabilities of the College; to continue to improve academic performance in Tripos exams; to continue to contribute to the research capabilities of the University through the College's Research Fellowship scheme; to widen the opportunities for University post-doctoral researchers to become associated with the College; to continue with the College's major capital buildings programme; to explore options for improving the availability of accommodation for undergraduates in the vacations; to suitably commemorate the quincentenary of the College and to use the anniversary to reach out to the Johnian community worldwide; and to continue the success to date of the College's current £50 million fundraising Campaign centred around the College's 500th Anniversary.

Highlights of activities and achievements in the year were: hosting two summer schools and the Cambridge shadowing scheme, in addition to visiting some 60 schools and hosting approximately 60 school visits to the College; continued contribution to the Cambridge Bursary scheme which provides means-tested bursary support at levels far in excess of the Office for Fair Access requirements with some 120 bursaries being provided in the year, of which 55 were at the maximum bursary level; an expansion of the College's graduate scholarship provision; the introduction of a new College Teaching Associate scheme to enhance the teaching resource of the College and provide the flexibility to cover short and medium term teaching needs; the introduction of a new online student feedback system which provides student feedback to Tutors, Directors of Studies and supervisors; the election of seven new professorial and teaching Fellows to start in 2011/12 in subjects including Pure Mathematics, Organic Chemistry, Land Economy and Classics; the election of four outstanding new Research Fellows in Classics, Biological Physics, Anglo-Saxon History and Oceanography; the election of five new College Research Associates and eighteen new post-doctoral researchers offering a College affiliation to a significant number of talented post-doctoral researchers in the University; with regard to facilities, completing phase 1 of the Cripps project including the refurbishment of 56 rooms, the restoration of the remains of the Old Chapel in First Court and the construction of a new path and

the construction of an All Weather pitch on the playing fields; introducing a new accommodation model for undergraduates allowing them use of their rooms from the start of the Michaelmas term to the end of the Easter term; the celebration of the 500th anniversary of the College through a range of events in College, elsewhere in the UK and overseas involving many alumni and, including as a highpoint, the visit of the Queen on 27 April 2011; and continued successful fundraising, with some 90% of the £50 million Campaign target raised by the end of June 2011 (for which the College owes much to the alumni campaign volunteers).

The principal objectives of the School for the year were: to prepare for Ofsted inspection; to develop approaches to marking, focusing on teacher advice for improvement, peer and self-assessment; to increase paired teaching and peer observation by staff; to enhance E-teaching (the creation and use of materials by teachers to aid their teaching within lessons) and E-learning (the use by children of on-line learning materials created for them by the staff or by accessing software stored on the school's server or elsewhere online); to appoint a University Liaison officer to promote links with the University and wider community for the children's benefit; to undertake work towards gaining the International Schools Award as a formal recognition of the international charitable links the school has set up; to train all staff in the teaching of the Emotions for Learning (E4L) curriculum developed in-house; to embed the teaching of Philosophy; and to embark on a major buildings programme to enhance the school's provision.

Highlights of activities and achievements in the School in the year were: 59 leaving pupils gained 23 scholarships to their destination schools; the pass rate for the Common Entrance examination was 100%; the school was rated Outstanding in every category in the Ofsted inspection; the International Schools Award Intermediate Certificate was gained; all relevant staff were trained in the teaching of the Emotions for Learning (E4L) curriculum and Philosophy teaching was embedded in the curriculum; and a new boarding house was completed to provide outstanding accommodation for Choristers and other boarders.

Future Plans

The College has developed a Strategic Plan covering the period 2011-16. This sets out the College's ambitions to: enhance its outreach activities; provide greater financial support for students; further strengthen its teaching capabilities and raise academic performance; increase the number of Research Fellows; improve extracurricular opportunities; complete the current major building refurbishment programme; modernise its approach to human resources; and build on fundraising success to date by launching a major new fundraising campaign aimed at building the College's Endowment.

The School's plans include: the completion of the buildings development creating new classrooms and other facilities; a range of curricular developments to foster independent learning and critical thinking; further development of the work of the school's committees for charities and community links, international links and ecology; successful outcomes from inspection by the Independent Schools Inspectorate.

Financial Review

Overview of the Results for the Year

The College's Consolidated Income and Expenditure Accounts for the years ended 30 June 2011 and 2010 are summarised below:

	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
Income	27,846	25,957
Expenditure	27,730	27,184
Operating surplus/(deficit)	116	(1,227)
Contribution under Statute G,II	708	694
Deficit after Contribution under Statute G,II	(592)	(1,921)
Net transfers to accumulated income in Endowment funds	(59)	(103)
Retained deficit for the year	(651)	(2,024)

A number of accounting policy changes were implemented in 2011 in order to enable the Group and College's Financial Statements to comply with the new Recommended Cambridge College Account format. These changes are set out in note 33.

Income

The main sources of income for the College are academic fees and charges (12.0% in the year and 12.0% in the previous year), income from residences, catering and conferences (22.0% in the year and 22.5% in the previous year), Endowment and investment income (42.5% in the year and 43.0% in the previous year), revenue donations (2.7% in the year and 2.1% in the previous year) and other income (20.8% in the year and 20.4% in the previous year).

Income rose overall by £1,889k (7.3%) in 2010/11 as a result of increases in income across its range of activities.

Academic fees and charges received in the year were £3,326k, up £206k (6.6%) from £3,120k in the previous year due primarily to higher student numbers.

Total income from residences, catering and conferences in the year totalled £6,119k, up £284k (4.9%) from the previous year (£5,835k) as a result of price increases reflecting food price inflation.

Endowment and investment income, expressed net of expenditure, was £11,846k in the year, a rise of £693k (6.2%) on the previous year (£11,153k). This reflected the operation of the College's spending rule for distributions to support the College's operations (see the commentary on total return in the Statement of Principal Accounting Policies). In previous years, Endowment and investment income has been shown gross, with Endowment and investment expenditure falling within 'other expenditure'. The change has been made to reflect a change to the reporting format of the RCCA accounts for 2010/11.

Revenue donations in the year were £750k, up £217k or 40.7% from the prior year (£533k) reflecting increases in the support of donors for the College's activities.

Other income was £5,805k in the year, up 9.2% on the prior year (£5,316k). This primarily reflected a surplus on the disposal of an operational property and event income relating to the College's 500th anniversary celebrations in 2011.

Expenditure

The main areas of expenditure for the College were education (34.4%, compared to 34.0% in the prior year), residences, catering and conferences (40.0%, compared to 41.3% in the prior year), and other (25.6%, compared to 24.7% in the prior year).

Total expenditure was £27,730k in 2010/11, up £546k (2.0%) from the prior year (£27,184k).

Spending on Education during the year totalled £9,529k which was up £286k (3.1%) on the prior year (£9,243k). This reflects a rise in expenditure on scholarships & awards and research.

Expenditure on residences, catering and conferences totalled £11,104k in the year, down £132k (1.2%) on the prior year (£11,236k). This reflects a small reduction in staff numbers.

Other expenditure totalled £7,097k, up £392k (5.8%) on the prior year (£6,705k). This rise primarily reflects expenditure associated with the celebration of the College's quincentenary in 2011.

The expenditure for each of the activities described above is made up of staff costs, other operating expenses and depreciation.

Staff costs of both academic and non-academic staff (other than those deducted in determining Endowment and investment income) rose to £13,615k, an increase of £350k (2.6%) on the previous year. The College experienced a decrease to its FRS17 pension deficit for the Cambridge Colleges Federated Pension Scheme to £2,155k from £5,798k during the year, reflecting improved asset values at 30 June 2011 and a lower assumed rate of increase for salaries.

Other operating expenses of the College were £9,674k, up £56k (0.6%) on the prior year, a lower increase than income and general economic inflation, reflecting careful cost control.

Depreciation (other than that in respect of Endowment subsidiaries) was a total of £4,441k (£4,301k in the prior year). This charge is rising as the College completes projects within its building refurbishment programme.

Results

With income rising by £1,889k (7.3%) and expenditure rising by £546k (2.0%), the operating deficit of £1,227k in the prior year moved to an operating surplus of £116k in 2010/11.

The Contribution under Statute G,II for the year 2010/11 amounted to £708k, slightly up on the prior year (£694k). This contribution is an intercollegiate taxation charge which is contributed to the Colleges Fund which makes grants to colleges with inadequate Endowments.

After the payment of the Contribution under Statute G,II, the College incurred a deficit of £592k compared with a deficit of £1,921k the previous year.

After the transfer of £59k to accumulated income in Endowment funds (reflecting restricted trust fund income which could not be spent), the College made a deficit for the year of £651k retained within general reserves, compared with a deficit of £2,024k in the previous year.

In the financial statements, total Endowment and investment income shows the income from the underlying investments, save for the case of permanent Endowments managed on a total return basis for which only the income spent in the year is recognised in the Income & Expenditure account. The College manages its Endowment and long-term investments on a total return basis and determines, through a spending rule, a prudent distribution each year. Had the income in the Income & Expenditure statement instead been based on this “distribution basis” for Endowment and investment income, the retained deficit would have been £453k (2009/10: £1,843k) or approximately 1.6% (2009/10: 7.1%) of total income.

Capital Expenditure

The Group incurred capital expenditure on tangible fixed assets during the year amounting to £8,016k (compared to a prior year figure of £7,579k).

This high level of expenditure reflects the continued implementation of the College’s major building refurbishment programme. In 2010/11, the College spent a total of £7,564k on improvements to its operational buildings with the Cripps Phase 1, Master’s Lodge alterations, Warehouse hostel, First Court improvements and All Weather Pitch projects being completed in the year. Substantial expenditure will continue for some years until the College finishes its current building refurbishment programme with the completion of the last phase of the Cripps project.

Cash Flows

Net cash outflow from operating activities was £6,745k, £1,333k lower than the prior year’s cash outflow of £8,078k.

Net cash inflow from returns on investments and servicing of finance was £7,768k, up £490k on the prior year due to higher Endowment and investment income, partially offset by higher interest paid.

The contribution under Statute G,II paid in the year was £694k, up £48k from the £646k paid in the prior year.

Capital expenditure and financial investment gave a net cash outflow of £2,039k, compared to a net cash inflow in the prior year of £1,136k, reflecting higher capital expenditure on tangible fixed assets and lower net sales of long-term investments, partially offset by higher donation receipts and higher proceeds of disposals of tangible fixed assets.

Cash outflow before bank loan drawn in the year was £1,710k, up from an outflow of £310k in the prior year.

The College drew down £3,000k of its bank facility in the year to fund its building refurbishment programme.

Reserves

Consolidated total funds stood at £587,649k at 30 June 2011, up £30,228k (5.4%) on the prior year. This was mainly a result of an increase in the value of Endowment assets reflecting rises in the market value of investments and increases from benefactions and donations of a capital nature. At 30 June 2011, Reserves (including the fixed asset revaluation reserve, but excluding the pension reserve and Corporate Capital reserve) stood at £245,537k. After excluding from this figure, reserves represented by fixed assets and specific funds, and reserves in the School and subsidiary companies, general reserves were £6,641k.

Endowment and Investment Performance

Investment Policy

The majority of the College's fixed asset investments and Endowment assets are managed together as one investment portfolio. The investment objective is to produce the highest total return consistent with the preservation of long-term capital value in real terms (such that the College itself can fulfil its charitable objectives in perpetuity and be even handed between the interests of present and future beneficiaries), an acceptable degree of risk and the maintenance of appropriate liquidity.

The strategic asset allocation for the portfolio is set by the College Council on the recommendation of the Investments Committee. The College Council is also responsible for the appointment of the College's investment managers.

The College operates an ethical investments policy. Under the terms of that policy and having regard to the requirements of charity law to maximise returns, the College seeks to ensure that investments are not made in companies whose practices are in conflict with the charitable purposes of the College or are likely to alienate the members or benefactors of the College.

Investments

The total value of the College's endowment and investment portfolio at 30 June 2011 was £359.0 million, up £25.3 million (7.6%) from its value at 30 June 2010.

As at 30 June 2011 £186.7 million or 52.0% (£181.9 million or 54.5% in prior year) of the portfolio was invested in direct UK property, in a mix of agricultural, commercial and residential properties (those residential properties which are let or intended to be let to students, Fellows and staff are considered and valued as operational buildings and appear as part of tangible fixed assets rather than investments). Other investments had a value of £172.4 million (£151.9 million in the prior year), representing 48.0% (45.5% in the prior year) of the overall portfolio.

The College is exposed to foreign exchange risk on the investments it holds in foreign currencies and seeks to mitigate these risks by entering into partial cashflow hedges, which are managed by its advisers.

Development and Fundraising

The College is actively fundraising through a Campaign centered around its 500th anniversary, which commenced in 2005. The College's Campaign is closely associated with the University's 800th Anniversary Campaign, launched in September 2005 (the agreement with the University provides that a gift to the College for its purposes is also deemed to be a gift to the University campaign for Collegiate Cambridge).

In 2010/11, donations and benefactions received by the College excluding heritage assets totalled £5,696k (£3,834k in the prior year).

Principal Risks and Uncertainties

The principal risks the College must address are the long-term ability to maintain and develop its educational and research activities, to attract the best staff and students, and to maintain and renew its physical facilities.

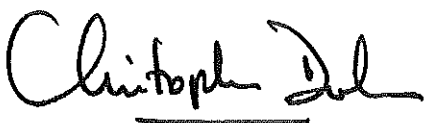
The key financial uncertainties and risks are:

- The full extent and impact of Government funding cuts in the funding of teaching, and higher tuition fees to be charged by the University, on College fee income;
- The costs of future student financial support;
- Movements in investment markets reducing the value of the Endowment and other investment assets;
- The long-term cost of pension provision; and
- An uncertain economic and financial environment potentially putting additional pressure on donations, levels of student support and other income.

In Conclusion

The College's group operations were in deficit in 2010/11 reflecting the financial challenges the College is facing. Viewed on a "distribution basis" for Endowment and investment income, the retained deficit was £453k or approximately 1.6% of total income. This deficit is unsustainable and the College is seeking to address it through a range of revenue enhancement and expenditure reduction initiatives. The College is committed to remaining financially robust during what is expected to be a difficult economic period ahead compounded by the uncertainty and challenges of the Higher Education sector. The College will therefore ensure that costs are tightly controlled and investments in infrastructure and improvements are carefully prioritised.

On behalf of the College Council



Professor Christopher Dobson
Master



Chris Ewbank
Senior Bursar

16 December 2011

Corporate Governance

The following statement is provided by the Council to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

Charity Status

Formerly an exempt charity under the terms of Schedule 2 of the Charities Act 1993, the College became a registered charity on 11 August 2010 with registration number 1137428 and is subject to regulation by the Charity Commission for England and Wales.

Governing Documents

The Governing documents of the College are its letters patent of 7 August 1509, its deed of foundation of 9 April 1511 and its Statutes of 1926 as variously amended from time to time (the Statutes). The Statutes describe, among other things, the membership and responsibilities of the Governing Body and Council; the election and duties of the Master and President; the election, admission, tenure and removal of Fellows; and the appointment and duties of College officers. The Statutes are supplemented by orders for the regulation of the College's affairs, made by the Council in accordance with the Statutes.

Governance

The members of the College Council, which is responsible for the day-to-day administration of the affairs of the College, are the charity trustees and are responsible for ensuring compliance with charity law. The members of the Council are the Master and twelve Fellows elected by the College's Governing Body for rotating four year terms. The members of the Council during the year ended 30 June 2011 are set out in 'Reference and administrative details' above.

The Governing Body of the College consists of the Master and all Fellows, and is the ultimate authority in the government of the College. It meets termly or more frequently as necessary.

All members of the Council are given, on appointment, an induction pack containing key Charity Commission guidance on public benefit and the good governance of charities and the policy of the College for the management of conflicts of interest. Members of the Council are also required to complete a Register of Interests and declarations of interest are made systematically at meetings.

Elected representatives of the junior members of the College attend College Council meetings for the discussion of matters directly affecting the interests of undergraduates and post-graduates.

The Master of the College is elected to office by the Fellows until retirement or earlier resignation. He is responsible for general oversight of the affairs of the College. The Master chairs the Governing Body and the Council.

The other College officers most involved in the governance of the College are as follows: the President, who is elected by the Fellows for a period of up to four years and, among other duties, acts as the Master's deputy in his absence; the Senior Tutor, who has overall responsibility for admissions, education and welfare of students; the Deans, who are responsible for overseeing the Chapel and the conduct of junior members of the College; the Senior Bursar, who is responsible for managing the College's finances; and the Domestic Bursar, who manages the domestic affairs of the College.

It is the duty of the Council to keep under review the effectiveness of the College's internal systems of financial and other controls. The Council appoints the Audit Committee of the Council whose duty it is to advise the Council on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to monitor risk management and control arrangements. The Audit Committee of the Council makes an annual report to the Council. Membership of the Audit Committee of the Council comprises three members of the Council who are not College Officers. The Council also appoints a separate Audit Committee (Board of Scrutiny) which acts as a Board of Scrutiny and reports to the Governing Body.

St John's College School has its own Governors, who are appointed by the College Council. As at 30 June 2011, six of the twelve Governors of the School were Fellows of the College. The School Governors are responsible to the College Council for the educational policy, management and finances of the School.

The Visitor of the College is the Bishop of Ely.

Statement of Internal Control

The Council is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Council is responsible, in accordance with the College's Statutes.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2011 and up to the date of approval of the financial statements.

The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

The Council has nineteen regular meetings each year and gives consideration to the major risks to which the College and its subsidiary undertakings are exposed and satisfies itself that systems or procedures are established in order to manage those risks.

Key controls used by the College include:

- Formal agendas for all Committee and Council activity;
- Clear terms of reference for all committees;
- Strategic planning, budgeting, management accounting and cash flow forecasting;
- Established organisational structure and lines of reporting;
- Formal written policies in key areas such as health and safety and child protection; and
- Authorisation and approval levels.

The College is seeking to enhance these controls through a formal risk-management process involving the creation of a risk register. The relevant individuals in College will be charged with responsibility for evaluating the risks coming within their areas of responsibility and advising the Council on the nature of the risk, the probability of occurrence and severity of impact, as well as steps taken to mitigate the risk. Through the risk register, the College will seek to identify and manage risks. However, the nature of the College's activities is such that the College is faced with a large number of risks, not all of which can be mitigated.

The Council's review of the effectiveness of the system of internal control is informed by the work of the various Committees, the Bursars and College Officers who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Responsibilities of the College Council

In accordance with the College's Statutes, the Council is responsible for the administration of the Group's and College's affairs.

The Council is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the College and of the surplus or deficit of the Group for that period. In preparing these financial statements the Council is required to:

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

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

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

Independent Auditor's Report to the Governing Body of St John's College, Cambridge

We have audited the financial statements of St John's College, Cambridge for the year ended 30 June 2011 which comprise the statement of principal accounting policies, the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and College balance sheets, the consolidated cash flow statement and related notes 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Governing Body, as a body, in accordance with the College's Statutes, and the Statutes of the University of Cambridge and our engagement letter dated 3 November 2011. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the College's Council and Auditor

As explained more fully in the statement of the responsibilities of the College Council, the College Council is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's and the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the College's affairs as at 30 June 2011 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; and
- have been prepared in accordance with the requirements of the Charities Act 1993, the College's Statutes, and the Statutes of the University of Cambridge.

Opinion on Other Matters Prescribed by the Statutes of the University of Cambridge

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

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Operating and Financial Review is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

16 December 2011

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

Statement of Principal Accounting Policies

Basis of Preparation

The Financial Statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom Accounting Standards and have been produced in accordance with the Recommended Cambridge College Accounts (RCCA) format introduced through revisions to Statute G,III of the University which replaced the previous format introduced in 1926 by the University of Cambridge Commissioners. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP), and the comparatives for 2010 have also been restated in order to comply.

The income and expenditure account includes activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to use of public funds. The analysis required by the SORP is set out at note 9.

The College's activities and financial position, together with the factors likely to affect its future development, performance and position, are set out in the Operating and Financial Review which forms part of this Annual Report. The Council has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt a going concern basis of accounting in preparing the annual Financial Statements.

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention, modified in respect of the treatment of investments which are included at valuation.

Basis of Consolidation

The consolidated Financial Statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 32. Intra-group balances are eliminated on consolidation. The consolidated Financial Statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and because these are viewed as autonomous activities.

Recognition of Income

Academic Fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The cost of any fees waived or written off by the College are included as expenditure.

Recognition of Income (continued)

Restricted Grant Income

Grants received for restricted purposes are recognised as income to the extent that relevant expenditure has been incurred.

Income from Research Grants

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

Rental Income

Rental income is recognised on an accruals basis according to the terms of the lease.

Donations and Benefactions

Charitable donations are recognised on receipt or when there is certainty of future receipt and the value can be measured reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. Donations with no substantial restrictions are recognised as income in the Consolidated Income and Expenditure Account. Donations which are to be retained for the future benefit of the College, and other donations with substantially restricted purposes, other than for acquisition or construction of tangible fixed assets, are recognised in the Consolidated Statement of Total Recognised Gains and Losses as new endowments.

Gifts, donations and benefactions that are expected to be spent within two years of receipt are shown as income in the year in which they are received, provided that they have been fully expended on that purpose within the year of receipt. Otherwise the gift may be deferred in full or in part and held within liabilities pending release.

Gifts, benefactions and legacies are treated as capital if there is a legally binding restriction or it can be inferred that the sum is intended to be retained or if the College does not expect to be able to fully spend the donation within two years. In determining the accounting treatment the Council considers the donor's correspondence and association with the College together with the size of the sum involved. Gifts, benefactions, and legacies treated in this way are recognised in the Consolidated Statement of Total Recognised Gains and Losses as new endowments received.

Capital Grants and Donations

Grants and donations are received for the purposes of funding the acquisition and construction of tangible fixed assets. In the case of depreciable assets these are credited to deferred capital grants and released to income over the estimated useful life of the respective assets in line with the depreciation policy. Grants and donations of, or for the acquisition of, freehold land or heritage assets, which are non-depreciable assets, are credited to the Income and Expenditure account in the year of acquisition.

Recognition of Income (continued)

Other Income

Income is received from a range of activities including residences, catering & conferences, and other services rendered. Income is recognised in the period in which the related goods or services are delivered.

Endowment and Investment Income

All investment income excluding endowment income from permanent endowments managed on a total return basis is credited to the Consolidated Income and Expenditure Account in the period in which it is earned.

Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the Consolidated Income and Expenditure Account to the unspent income segment of the endowment. When there is subsequent expenditure of accumulated income from a restricted capital fund, income is credited back to the Income and Expenditure Account from the restricted capital fund to match the expenditure through transfers from unspent income.

In the case of endowment income from permanent endowments managed on a total return basis, only the income spent in the year is recognised in the Consolidated Income and Expenditure Account, with any excess income remaining in the unapplied total return segment of the endowment fund.

Total Return

The College applies both a total return and standard method of accounting for fund investment returns. The standard method applies the investment income in the year it is earned. The standard method is applied until a permanent fund has a level of distributable reserves which are at least 20% of its original capital.

For other unrestricted permanent funds, a total return policy is applied. For these funds a proportion of the related earnings and capital appreciation is allocated to the Consolidated Income and Expenditure Account as a drawdown in accordance with the total return concept up to the amount spent from such funds in the year. Under this method the Endowment drawdown is determined by a spending rule which is designed to provide stable annual spending levels and to preserve the real value of the endowment portfolio over time. The surplus or deficiency of total return, after deducting the annual Endowment drawdown, is included in the Consolidated Statement of Total Recognised Gains and Losses and is carried forward as unapplied total return.

For other restricted permanent funds, a total return accounting policy is applied as above, except that the sum allocated to the Income and Expenditure Account is limited to the qualifying expenditure incurred in the year.

Recognition of Income (continued)

The spending rule adopted by the College is a 'Constant Growth with Cap and Floor' rule under which the drawdown from the Endowment for a particular year is the previous year's drawdown increased by RPI+1%, subject to a minimum payout of 3% and a maximum payout of 4% of a trailing 3 year average Endowment value. The target spending rate is 3.5%, which reflects long-run expected real returns given the College's asset allocation and long-run expected College inflation. However, the actual spending rate in any year will depend on the results of the spending rule and will therefore vary from the 3.5% target rate. The spending rule provides for the drawdown to be adjusted to reflect additions to the Endowment through donations.

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates or, where there are related forward foreign-exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year. Gains or losses on forward foreign-exchange contracts within the investment portfolio are however taken to reserves through the Consolidated Statement of Total Recognised Gains and Losses, as these are in substance part of the change in market value of the portfolio.

Tangible Fixed Assets

Land and Buildings

In accordance with the transitional provisions of Financial Reporting Standard 15 as applied to the College Accounts, land and buildings are stated at valuation on the basis of depreciated replacement cost. The valuation as at 30 June 2004 was carried out by Carter Jonas LLP, Chartered Surveyors. This valuation will not be updated and will be carried forward as the gross value to be depreciated over its expected useful economic life. It is not possible to quantify the difference between depreciation based on historic cost and depreciation based on this valuation because records of the historic cost of land and buildings were not required to be kept under the accounting regime applicable to Colleges within the University of Cambridge prior to 2004.

Freehold land is not shown separately. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives of 50 years. Freehold land is not depreciated. Where buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated in accordance with the depreciation policy for that asset class. The related benefactions are credited to a deferred capital grant and are released to the Income and Expenditure Account over the expected useful life of the related asset on a basis consistent with the depreciation policy.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

Finance costs which are directly attributable to the construction of buildings are not capitalised as part of the cost of those assets.

Statement of Principal Accounting Policies

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Land held specifically for development, investment and subsequent sale is included in endowment assets at market value.

The cost of additions to operational property shown in the balance sheet includes the cost of land, where applicable.

Maintenance of Premises

The College has a five year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to the Income and Expenditure Account as it is incurred. The cost of major refurbishment and maintenance which restores value is capitalised when the project valuation is above the capitalisation threshold of £20,000. Expenditure capitalised is depreciated on a straight-line basis over the expected useful economic life.

Equipment

Furniture, fittings and equipment costing less than £20,000 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised at cost and depreciated on a straight-line basis over their expected useful life as follows:

Plant and machinery	(long life)	10 years
Plant and machinery	(short life)	5 years
Motor vehicles		5 years
Furniture and soft furnishings		5 years
Computer network and equipment		5 years

Where equipment is acquired with the aid of specific bequests or donations, it is capitalised and depreciated as above, which is the same rate at which the associated deferred capital grant is released to the Consolidated Income and Expenditure Account.

Leased Assets

Rental costs under operating leases are charged to expenditure in equal amounts over the periods of the leases.

Heritage Assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. In accordance with FRS 15 and FRS 30 (Heritage Assets) heritage assets acquired before 1 July 2007 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and the volume of items and valuation issues (e.g. age, origin, veracity) mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 July 2007 and valued at over £20k are capitalised and recognised in the Balance Sheet at the cost or, in the case of donated assets, at valuation on receipt where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Operational assets are those that the College uses in the course of meeting its charitable purposes of education, learning, research and religion. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.

Investments

Fixed asset investment and Endowment assets are included in the Consolidated Balance Sheet at market value, except for investments in subsidiary undertakings which are stated in the College's Balance Sheet at cost and eliminated on consolidation. Investments for which no market value is readily obtainable are carried at historical cost less any provision for impairment in their value.

Realised and unrealised capital gains and losses are recognised as increases or decreases of market value of investment assets or endowment assets as appropriate within the Consolidated Statement of Total Recognised Gains and Losses.

The investment property portfolio is valued annually at open market value (using the desktop valuation method) by the College's principal property advisers, Savills (L&P) Limited, with the exception of certain residential long leasehold properties which are valued by Carter Jonas, property consultants, and certain agricultural and residential properties in Kent, which are valued by George Webb-Finn, Chartered Surveyors.

Due to the length of ownership of many of the investment properties, realised capital gains cannot be recognised with reference to historic cost.

Stocks

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

Provisions

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

Taxation

The College is a registered charity (number 1137428) and also a charity within the meaning of section 506(1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to Colleges from the Colleges Fund. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension costs

The College and its subsidiary undertakings participate in a number of pension schemes of both defined-benefit and defined-contribution types.

Cambridge College's Federated Pension Scheme

The College contributes to the Cambridge Colleges Federated Pension Scheme ("CCFPS"), which is a defined-benefit pension scheme. Unlike the other defined-benefit schemes (as noted below), this scheme has assets and liabilities directly attributable to the College.

Amounts charged to operating expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past-service costs are recognised immediately in the Consolidated Income and Expenditure Account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits to interest. Actuarial gains and losses are recognised immediately in the Consolidated Statement of Total Recognised Gains and Losses.

The scheme is funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. The scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined-benefit liability is presented separately after other net assets on the face of the Balance Sheet.

Other Defined-Benefit Pension Schemes

The College also makes contributions to the defined-benefit schemes set out below. The College is unable to identify its share of the assets and liabilities of these schemes on a consistent and reasonable basis. Therefore, these schemes are accounted for as if they were defined-contribution pension schemes. Contributions are charged to the Consolidated Income and Expenditure Account as they are incurred. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

- (i) The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Income and Expenditure Account represents the contributions payable to the scheme in respect of the accounting period.
- (ii) Church of England Funded Pensions Scheme: The College participates in the Church of England Funded Pensions Scheme. This is a defined-benefit scheme but the College is unable to identify its share of the underlying assets and liabilities.

- (iii) Teachers' Pension Scheme: The College participates in the Teachers' Pension Scheme which is a statutory, contributory, final-salary scheme. The College is unable to identify its share of the underlying assets and liabilities.

Defined-Contribution Pension Schemes

The College and its subsidiaries also contribute to a number of defined-contribution pension schemes. For defined-contribution schemes the amount charged to the Consolidated Income and Expenditure Account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Consolidated Balance Sheet.

Funds and Reserves

The RCCA format requires the College to distinguish between Deferred Capital Grants, Endowments, and Reserves.

Deferred Capital Grants

These are grants and donations used to purchase depreciating tangible fixed assets, which are released to income over the expected useful life of the assets concerned. Interest earned on the grant prior to the purchase of the asset is credited to the capital of the grant.

Endowments

Where the College receives donations that cannot be spent within 2 years of receipt, these are credited to endowment funds. Endowment funds are subdivided into:

Permanent restricted endowments (where the College can spend the income from the fund on expenditure that meets the fund's objectives).

Expendable restricted endowments (where the College can spend both the income and the capital of the fund on expenditure that meets the fund's objectives).

Permanent unrestricted funds (where the College can spend the income from the fund on any activity of the College).

Corporate Capital

The College's Corporate Capital has certain features of a permanent unrestricted Endowment (in that the majority is invested in perpetuity to provide an income to support the College's charitable activities) and certain features of a permanent reserve (in that it is established practice that Cambridge Colleges can borrow against their Corporate Capital to invest in operational property.) The portion of the College's Corporate Capital that is currently acting as an Endowment is included in permanent unrestricted endowments, while the portion that is currently acting as a reserve is included in reserves, but disclosed separately on account of its materiality.

The exact split between these two components varies over time, when Corporate Capital buys and sells investment assets so that the portion that falls within endowment assets varies, and the change is represented by an annual transfer between the Endowments note and the Reserves note.

Reserves

Funds that are neither Endowments nor Deferred Capital Grants are classed as reserves. The College's reserves are disclosed under the following four headings:

General reserves excluding pension reserve (containing all reserves not included in another category below);

Pension reserve (containing the surplus or deficit on the College's defined benefit pension schemes where this can be identified. When the schemes are in deficit, this reserve will necessarily be overdrawn as a consequence);

Corporate Capital reserve (containing the portion of the College's Corporate Capital, as described above, that is currently being used as a reserve rather than as an endowment); and

Fixed asset investment revaluation reserve (containing the unrealised investment gains on fixed asset investments held within the College's consolidated trust fund. These are the cumulative gains less cumulative losses since the underlying assets in the fund were acquired by the College, rather than acquired by the particular fund that currently holds them).

St John's College School

The School is viewed as a separate activity of the College. Control of its reserves has been delegated to its Board of Governors. Its reserves, including those representing its tangible fixed assets, are included in general reserves (except for its prize and trust funds which, being restricted rather than designated funds, are treated on an individual basis).

Consolidated Income and Expenditure Account

Year to 30 June		<u>2011</u>	<u>Restated</u>
	Note	<u>£'000</u>	<u>(note 33)</u>
			<u>2010</u>
			<u>£'000</u>
Income			
Academic fees and charges	1	3,326	3,120
Residences, catering and conferences	2	6,119	5,835
Endowment and investment income	3f	11,846	11,153
Revenue donations	4	750	533
Other income	5	5,805	5,316
		<u>27,846</u>	<u>25,957</u>
Expenditure			
Education	6	9,529	9,243
Residences, catering and conferences	7	11,104	11,236
Other expenditure	8	7,097	6,705
	9	<u>27,730</u>	<u>27,184</u>
Surplus/(Deficit) on continuing operations before Contribution under Statute G,II		116	(1,227)
Contribution under Statute G,II		708	694
Deficit on continuing operations after Contribution under Statute G,II		<u>(592)</u>	<u>(1,921)</u>
Net transfers to accumulated income in endowment funds	22	(59)	(103)
Deficit for the year retained within general reserves		<u>(651)</u>	<u>(2,024)</u>

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

Additional information:

Total income and deficit retained within general reserves as stated above do not include the element of endowment fund distributions funded out of long-term capital growth for funds that are classified as expendable endowments or general reserves. The corresponding figures including this element are:

	<u>2011</u>	<u>2010</u>
	<u>£'000</u>	<u>£'000</u>
Total income on a distribution basis (as defined on Page 10 of the Operating and Financial Review)	28,283	26,165
Deficit for the year retained within general reserves on a distribution basis	(453)	(1,843)

The notes numbered 1 to 33 form part of these Financial Statements

Consolidated Statement of Total Recognised Gains and Losses

					<u>Restated</u> <u>(note 33)</u>
Year to 30 June		<u>2011</u> <u>Restricted</u> <u>Funds</u> <u>£'000</u>	<u>2011</u> <u>Unrestricted</u> <u>Funds</u> <u>£'000</u>	<u>2011</u> <u>Total</u> <u>Funds</u> <u>£'000</u>	<u>2010</u> <u>Total</u> <u>Funds</u> <u>£'000</u>
	Note				
Deficit on Income and Expenditure account		-	(651)	(651)	(2,024)
Increase in cumulative unspent endowment fund income	22	59	-	59	103
Increase in market value of investments:					
Endowment assets	22	7,374	10,623	17,997	26,070
Fixed asset investments	23	-	3,372	3,372	2,686
Foreign exchange gains/(losses) linked to investments	22	-	1,043	1,043	(3,611)
Dilapidations (capital income)	22	-	6	6	100
New endowments	22	2,544	867	3,411	1,727
New deferred capital grants	21	1,440	-	1,440	1,753
Release of Grant income	21	(85)	-	(85)	(85)
Transfers		(160)	160	-	-
Actuarial gain/(loss) in respect of pension schemes	30	-	3,636	3,636	(1,328)
Total recognised gains relating to the year		11,172	19,056	30,228	25,391
Effect of prior year restatement	33f	207	117	324	
Total gains recognised since last annual report and financial statements		11,379	19,173	30,552	
Reconciliation:					
Opening capital and reserves as originally stated		63,298	493,799	557,097	531,686
Prior Year adjustments	33f	207	117	324	344
Opening capital and reserves restated		63,505	493,916	557,421	532,030
Total recognised gains relating to the year		11,172	19,056	30,228	25,391
Closing capital and reserves		74,677	512,972	587,649	557,421

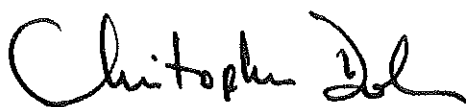
The notes numbered 1 to 33 form part of these Financial Statements

Consolidated Balance Sheet

As at 30 June			<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
	Note			
Fixed Assets				
Tangible assets	11		236,567	233,419
Investments	12		28,877	32,048
			<u>265,444</u>	<u>265,467</u>
Endowment Assets	13		330,171	301,747
Current Assets				
Stock	14		607	524
Debtors	15		2,381	2,293
Current asset investments	16		9,429	8,868
Cash at bank	16		1,109	394
			<u>13,526</u>	<u>12,079</u>
Current Liabilities				
Creditors: amounts falling due within one year	17		(7,165)	(6,900)
Net current assets			<u>6,361</u>	<u>5,179</u>
Total Assets less current liabilities			601,976	572,393
Creditors: amounts falling due after more than one year	18		(12,172)	(9,174)
Net assets excluding pension liability			<u>589,804</u>	<u>563,219</u>
Net pension liability	20		(2,155)	(5,798)
Net assets including pension liability			<u>587,649</u>	<u>557,421</u>

Represented by:		<u>2011</u> <u>Restricted</u> <u>Funds</u> <u>£'000</u>	<u>2011</u> <u>Unrestricted</u> <u>Funds</u> <u>£'000</u>	<u>2011</u> <u>Total</u> <u>Funds</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>Total</u> <u>Funds</u> <u>£'000</u>
Deferred capital grants	21	6,820	-	6,820	5,465
Endowments					
Expendable endowments	22	21,080	-	21,080	18,654
Permanent endowments	22	46,777	262,314	309,091	283,093
Reserves					
General reserves excluding pension reserve	23	-	241,224	241,224	242,674
Pension reserve	23	-	(2,155)	(2,155)	(5,798)
Corporate capital reserve	23	-	7,276	7,276	11,150
Fixed asset investment revaluation reserve	23	-	4,313	4,313	2,183
Total Funds		<u>74,677</u>	<u>512,972</u>	<u>587,649</u>	<u>557,421</u>

These Financial Statements were approved by the College Council and authorised for issue on 16 December 2011 and signed on their behalf by:



Professor Christopher Dobson
Master



Chris Ewbank
Senior Bursar

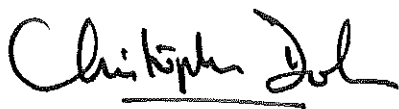
The notes numbered 1 to 33 form part of these Financial Statements

College Balance Sheet

As at 30 June			<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
	Note			
Fixed Assets				
Tangible assets	11		236,900	233,757
Investments	12		28,877	32,048
			<u>265,777</u>	<u>265,805</u>
Endowment Assets	13		334,743	303,698
Current Assets				
Stock	14		509	463
Debtors	15		5,517	6,894
Current asset investments	16		9,429	8,868
Cash at bank and in hand	16		716	-
			<u>16,171</u>	<u>16,225</u>
Current Liabilities				
Creditors: amounts falling due within one year	17		(15,130)	(15,949)
Net current assets			<u>1,041</u>	<u>276</u>
Total Assets less current liabilities			601,561	569,779
Creditors: amounts falling due after more than one year	18		(12,172)	(9,174)
Net assets excluding pension liability			<u>589,389</u>	<u>560,605</u>
Net pension liability	20		(2,155)	(5,798)
Net assets including pension liability			<u>587,234</u>	<u>554,807</u>

Represented by:		<u>2011</u> <u>Restricted</u> <u>Funds</u> <u>£'000</u>	<u>2011</u> <u>Unrestricted</u> <u>Funds</u> <u>£'000</u>	<u>2011</u> <u>Total</u> <u>Funds</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>Total</u> <u>Funds</u> <u>£'000</u>
Deferred capital grants	21	6,820	-	6,820	5,465
Endowments					
Expendable endowments	22	21,080	-	21,080	18,654
Permanent endowments	22	46,777	266,886	313,663	285,044
Reserves					
General reserves excluding pension reserve	23	-	240,809	240,809	240,060
Pension reserve	23	-	(2,155)	(2,155)	(5,798)
Corporate capital reserve	23	-	2,704	2,704	9,199
Fixed asset investment revaluation reserve	23	-	4,313	4,313	2,183
Total Funds		<u>74,677</u>	<u>512,557</u>	<u>587,234</u>	<u>554,807</u>

These Financial Statements were approved by the College Council and authorised for issue on 16 December 2011 and signed on their behalf by:



Professor Christopher Dobson
Master



Chris Ewbank
Senior Bursar

The notes numbered 1 to 33 form part of these Financial Statements

Consolidated Cash Flow Statement

Year to 30 June		<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
	Note		
Net cash outflow from operating activities	25	(6,745)	(8,078)
Returns on investments and servicing of finance	26a	7,768	7,278
Contribution under Statute G,II		(694)	(646)
Capital expenditure and financial investment	26b	(2,039)	1,136
		(1,710)	(310)
Financing			
Bank loan drawn down in year		3,000	3,000
Increase in cash in the year	27	1,290	2,690

RECONCILIATION IN NET CASH FLOW TO MOVEMENT IN NET DEBT

Increase in cash in the year	27	1,290	2,690
New bank loan		(3,000)	(3,000)
Change in net debt		(1,710)	(310)
Net (debt)/funds at beginning of year		(27)	283
Net debt at end of year	27	(1,737)	(27)

The notes numbered 1 to 33 form part of these Financial Statements

Notes to the Financial Statements

1. ACADEMIC FEES AND CHARGES

	<u>2011</u>	<u>Restated (note 33)</u>
	<u>£'000</u>	<u>2010</u>
		<u>£'000</u>
College Fees		
Fee income paid on behalf of undergraduates at the Publicly-funded undergraduate fee rate (per capita fee £3,861 (2010: £3,744))	2,079	2,005
Privately-funded undergraduate fee income (per capita fee £4,683 (2010: £4,462))	313	275
Fee income received at the Graduate fee rate (per capita fee £2,229 (2010: £2,184))	555	496
	<u>2,947</u>	<u>2,776</u>
Other Educational income	379	344
Total	<u>3,326</u>	<u>3,120</u>

2. RESIDENCES, CATERING AND CONFERENCES INCOME

	<u>2011</u>	<u>Restated (note 33)</u>
	<u>£'000</u>	<u>2010</u>
		<u>£'000</u>
Accommodation:		
College Members	3,319	3,131
Conferences	591	529
Catering:		
College Members	1,388	1,318
Conferences	821	857
Total	<u>6,119</u>	<u>5,835</u>

3. ENDOWMENT AND INVESTMENT INCOME

3a Analysis of Income

	<u>2011</u>	<u>Restated (note 33)</u>
	<u>£'000</u>	<u>2010</u>
		<u>£'000</u>
Freehold land and buildings	8,567	7,909
Quoted securities – equities	1,846	2,190
Fixed interest securities	475	573
Cash	112	171
St John's Innovation Centre and endowment income from other subsidiary undertakings	1,566	1,219
Total	<u>12,566</u>	<u>12,062</u>

3b Allocation of Income

	<u>2011</u>	<u>Restated (note 33)</u>
	<u>£'000</u>	<u>2010</u>
		<u>£'000</u>
Income belonging to:		
Permanent funds accounted for on a Total Return basis	11,334	10,199
Permanent funds accounted for on a Standard Income basis	137	374
Expendable funds	1,095	1,489
Total Income	<u>12,566</u>	<u>12,062</u>

3. ENDOWMENT AND INVESTMENT INCOME (continued)

3c Permanent Funds Accounted for on a Total Return Basis	Note	<u>2011</u>	<u>Restated</u>
		<u>£'000</u>	<u>(note 33)</u>
		<u>2010</u>	<u>2010</u>
		<u>£'000</u>	<u>£'000</u>
Endowment Income	3b	11,334	10,199
Apportioned gains on Endowment assets		19,469	21,466
Total Return for the year		30,803	31,665
Unapplied Total Return for the year included within change in market value of Endowment assets in the Statement of Total Recognised Gains & Losses	24	(15,904)	(18,178)
Investment management costs	3g	(4,285)	(4,197)
Endowment drawdown included in Income & Expenditure	3f	10,614	9,290

For the Permanent Endowment Funds invested on a Total Return basis, the total actual income and gains/losses in the year are taken to a reserve from which the planned Endowment drawdown is released to the Income and Expenditure Account. The remaining balance of the Total Return, after deducting the drawdown, is accumulated within the endowment fund as set out in Note 22.

3d Permanent Funds Accounted for on a Standard Income Basis	Note	<u>2011</u>	<u>Restated</u>
		<u>£'000</u>	<u>(note 33)</u>
		<u>2010</u>	<u>2010</u>
		<u>£'000</u>	<u>£'000</u>
Other Endowment Income	3b, 3f	137	374

3e Expendable Funds	Note	<u>2011</u>	<u>Restated</u>
		<u>£'000</u>	<u>(note 33)</u>
		<u>2010</u>	<u>2010</u>
		<u>£'000</u>	<u>£'000</u>
Other Endowment and investment income	3b, 3f	1,095	1,489

3f Reconciliation of Endowment and investment income included in the Income and Expenditure Account	Note	<u>2011</u>	<u>Restated</u>
		<u>£'000</u>	<u>(note 33)</u>
		<u>2010</u>	<u>2010</u>
		<u>£'000</u>	<u>£'000</u>
Endowment drawdown from permanent funds accounted for on a Total Return basis	3c	10,614	9,290
Endowment income from permanent funds accounted for on a Standard Income basis	3d	137	374
Endowment and investment income from Expendable funds	3e	1,095	1,489
Total Endowment and investment income		11,846	11,153

3g Investment Management Costs		<u>2011</u>	<u>Restated</u>
		<u>£'000</u>	<u>(note 33)</u>
		<u>2010</u>	<u>2010</u>
		<u>£'000</u>	<u>£'000</u>
Investment portfolio		349	412

Investment management costs associated with the management of the College's investment portfolio are taken directly from investment sales and purchase transactions. These have not, therefore, been included in the Income and Expenditure Account.

Other Investment management costs were as follows:

	Note	<u>2011</u>	<u>Restated</u>
		<u>£'000</u>	<u>(note 33)</u>
		<u>2010</u>	<u>2010</u>
		<u>£'000</u>	<u>£'000</u>
Land and buildings		2,554	2,949
St John's Innovation Centre and endowment costs from other subsidiary undertakings		1,681	1,248
Other investments		50	-
Total	3c	4,285	4,197

4. REVENUE DONATIONS

	Note	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
Unrestricted donations		99	75
Restricted donations		566	373
Released from deferred capital grants	21	85	85
Total revenue donations		750	533

Additional Information: Reconciliation of Donations and Benefactions Received

The College received the following gifts in the year ended 30 June 2011 (including donations of shares)

	<u>At beginning</u> <u>of year</u> <u>£'000</u>	<u>Received</u> <u>£'000</u>	<u>Recognised in</u> <u>Income &</u> <u>Expenditure</u> <u>Account</u> <u>£'000</u>	<u>At end</u> <u>of year</u> <u>2011</u> <u>£'000</u>
Revenue donations of cash and shares	174	845	612	407
Deferred capital grants	5,465	1,440	85	6,820
Capital benefactions and donations		3,411		
Total funds raised during the year, excluding heritage assets		5,696		
Donations of heritage assets			53	
Total Revenue donations			750	

5. OTHER INCOME

	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
School	5,396	5,204
Surplus on disposal of fixed assets	166	-
Quincentenary	91	-
Miscellaneous	152	112
Total	5,805	5,316

6. EDUCATION EXPENDITURE

	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
Teaching	3,712	3,738
Tutorial	1,522	1,477
Admissions	529	491
Research	1,480	1,382
Scholarships and awards	1,841	1,712
Other educational facilities	445	411
Other expenses	-	32
Total	9,529	9,243

7. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

	2011	Restated
	£'000	(note 33)
		2010
		£'000
Accommodation:		
College Members	7,398	6,999
Conferences	357	300
Catering:		
College Members	2,680	3,085
Conferences	669	852
Total	11,104	11,236

8. OTHER EXPENDITURE

	2011	Restated
	£'000	(note 33)
		2010
		£'000
School	4,866	4,862
Fundraising and alumni relations	766	821
Chapel & Choir (other than Tutorial related)	944	867
Quincentenary	281	19
Miscellaneous expenditure (including charitable gifts)	240	136
Total	7,097	6,705

9. ANALYSIS OF EXPENDITURE BY ACTIVITY**9a 2011 Expenditure**

		Staff	Other	Depreciation	2011
		Costs	Operating	(note 11)	Total
	Note	(note 10)	Expenses	£'000	£'000
		£'000	£'000		
Education	6	4,453	3,864	1,212	9,529
Residences, catering and conferences	7	5,022	2,900	3,182	11,104
Other	8	4,140	2,910	47	7,097
Total expenditure		13,615	9,674	4,441	27,730
Investment management	3g	754	3,512	19	4,285
Total costs		14,369	13,186	4,460	32,015

Costs of investment management are taken into account in calculating endowment income rather than included in expenditure. Staff Costs include finance costs of £173,000 relating to the Cambridge Colleges' Federated Pension Scheme. Other Operating Expenses include finance costs of £469,000.

9b 2010 Expenditure

		Staff	Other	Depreciation	Restated
		Costs	Operating	(note 11)	(note 33)
	Note	(note 10)	Expenses	£'000	2010
		£'000	£'000		Total
					£'000
Education	6	4,256	3,810	1,177	9,243
Residences, catering and conferences	7	4,658	3,501	3,077	11,236
Other	8	4,351	2,307	47	6,705
Total expenditure		13,265	9,618	4,301	27,184
Investment management	3g	628	3,550	19	4,197
Total costs		13,893	13,168	4,320	31,381

Costs of investment management are taken into account in calculating endowment income rather than included in expenditure. Staff Costs include finance costs of £296,000 relating to the Cambridge Colleges' Federated Pension Scheme. Other Operating Expenses include finance costs of £350,000.

9 ANALYSIS OF EXPENDITURE BY ACTIVITY (continued)**9c Auditor's remuneration**

	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
Other operating expenses include:		
Audit fees payable to the College's external auditor	71	64
Other fees payable to the College's external auditor	13	2
Audit fees payable to other firms	8	7

10. STAFF COSTS

Staff Costs	<u>College</u> <u>Fellows</u> <u>£'000</u>	<u>Other</u> <u>Academic</u> <u>£'000</u>	<u>Non-</u> <u>Academic</u> <u>£'000</u>	<u>2011</u> <u>Total</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>Total</u> <u>£'000</u>
Emoluments	1,785	148	9,641	11,574	11,558
Social security costs	137	11	736	884	889
Other pension costs	230	15	1,666	1,911	1,446
Total	2,152	174	12,043	14,369	13,893

Staff Numbers	<u>College</u> <u>Fellows</u>	<u>Other</u> <u>Academic</u>	<u>Non-</u> <u>Academic</u>	<u>2011</u> <u>Total</u>	<u>2010</u> <u>Total</u>
Stipendary Fellows	90	-	-	90	88
Average staff numbers (full-time equivalents)	-	6	354	360	376
Total	90	6	354	450	464

	<u>2011</u>	<u>2010</u>
The Governing Body of the College, comprising all Fellows, at 30 June was	138	141

Average staff numbers (full-time equivalents) includes 92 (2010: 92) School staff and 18 (2010:17) staff employed by the St John's Innovation Centre.

There were no officers or employees of the College, including Head of House and School, who received emoluments (excluding employer pension contributions) in excess of £100,000. The number of employees of the College's subsidiary undertakings who received emoluments (excluding employer pension contributions) in excess of £100,000 were as follows:

	<u>2011</u>	<u>2010</u>
Between £100,000 and £110,000	1	1

11. TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS							Restated (note 33)
Group	Freehold land and buildings £'000	Assets under construction £'000	Furniture and equipment £'000	Computer equipment £'000	Heritage assets £'000	2011 Total £'000	2010 Total £'000
Cost/Valuation							
As previously stated	249,138	5,935	2,180	938	328	258,519	251,108
Prior year adjustments (note 33)	78	1	(222)	142	-	(1)	-
At beginning of year (restated)	249,216	5,936	1,958	1,080	328	258,518	251,108
Additions at cost	5,463	2,101	292	107	53	8,016	7,579
Disposals at cost	(455)	-	(62)	-	-	(517)	(168)
Transfers	4,815	(4,815)	-	-	-	-	-
At end of year	259,039	3,222	2,188	1,187	381	266,017	258,519
Depreciation							
As previously stated	23,289	-	1,220	591	-	25,100	20,911
Prior year adjustments (note 33)	66	-	(174)	107	-	(1)	-
At beginning of year (restated)	23,355	-	1,046	698	-	25,099	20,911
Charge for the year	3,927	-	362	171	-	4,460	4,320
Eliminated on disposals	(47)	-	(62)	-	-	(109)	(131)
At end of year	27,235	-	1,346	869	-	29,450	25,100
Net Book value							
At end of year	231,804	3,222	842	318	381	236,567	233,419
At beginning of year (restated)	225,861	5,936	912	382	328	233,419	230,197
College	Freehold land and buildings £'000	Assets under construction £'000	Furniture and equipment £'000	Computer equipment £'000	Heritage assets £'000	2011 Total £'000	Restated (note 33) 2010 Total £'000
Cost/Valuation							
As previously stated	249,541	5,935	2,018	938	328	258,760	251,183
Prior year adjustments (note 33)	78	1	(222)	142	-	(1)	-
At beginning of year (restated)	249,619	5,936	1,796	1,080	328	258,759	251,183
Additions at cost	5,463	2,101	276	107	53	8,000	7,577
Disposals at cost	(455)	-	(62)	-	-	(517)	-
Transfers	4,815	(4,815)	-	-	-	-	-
At end of year	259,442	3,222	2,010	1,187	381	266,242	258,760
Depreciation							
As previously stated	23,300	-	1,112	591	-	25,003	20,694
Prior year adjustments (note 33)	66	-	(174)	107	-	(1)	-
At beginning of year (restated)	23,366	-	938	698	-	25,002	20,694
Charge for the year	3,935	-	343	171	-	4,449	4,309
Eliminated on disposals	(47)	-	(62)	-	-	(109)	-
At end of year	27,254	-	1,219	869	-	29,342	25,003
Net Book value							
At end of year	232,188	3,222	791	318	381	236,900	233,757
At beginning of year (restated)	226,253	5,936	858	382	328	233,757	230,489

11. TANGIBLE FIXED ASSETS (continued)

Freehold land and buildings comprise the operational buildings and site of the College. Assets under construction include the Divinity Project costs. This will provide new educational facilities for the College. The Heritage assets comprise books gifted to the College.

The insured value of freehold buildings as at 30 June 2011 was £279,329,000 (2010: £250,019,000).

The cost to the group of freehold buildings consists of the costs incurred by the College less the surplus recorded in the accounts of Aquila Investments Limited, a subsidiary undertaking, and eliminated on consolidation.

Heritage Assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2007 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result, the total included in the balance sheet is partial.

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

	<u>2011</u> <u>£'000</u>	<u>2010</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>	<u>2008</u> <u>£'000</u>
Value of acquisitions by donation	53	60	68	200
Total Acquisitions Capitalised	53	60	68	200

All the above recognised Heritage Assets were donated to the College rather than purchased by the College.

12. FIXED ASSET INVESTMENTS

Excluding assets belonging to Endowment Funds	Note	Group		College	
		<u>Restated</u> <u>(note 33)</u>		<u>Restated</u> <u>(note 33)</u>	
		<u>2011</u> <u>£'000</u>	<u>2010</u> <u>£'000</u>	<u>2011</u> <u>£'000</u>	<u>2010</u> <u>£'000</u>
Quoted securities – equities		21,015	21,292	21,015	21,292
Fixed interest securities		1,567	3,936	1,567	3,936
Other securities		4,922	5,473	4,922	5,473
Cash in hand and at investment managers		1,373	1,347	1,373	1,347
Total		28,877	32,048	28,877	32,048

Reconciliation including assets belonging to Endowment Funds

Balance at beginning of year		333,795	310,508	335,746	333,034
Additions		46,294	92,047	46,299	92,047
Disposals		(48,455)	(73,075)	(45,811)	(73,366)
Impairment		-	-	-	(22,290)
Increase in Market value		24,934	32,044	24,906	34,050
Foreign exchange gains/(losses) linked to investments		1,043	(3,611)	1,043	(3,611)
Other increases/(decreases) in investment cash balances held		1,437	(24,118)	1,437	(24,118)
Balance at end of year		359,048	333,795	363,620	335,746
Included in Endowment Assets	13	(330,171)	(301,747)	(334,743)	(303,698)
Fixed Asset Investments		28,877	32,048	28,877	32,048

Impairment of Endowment assets arose on the capital restructuring of certain dormant companies in 2010. This did not alter the net assets of the Group.

13. ENDOWMENT ASSETS

	Group		College	
		Restated (note 33)		Restated (note 33)
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Long term investments:				
Property	186,684	181,930	182,384	175,009
Quoted securities – equities	73,482	53,358	73,482	53,358
Fixed interest securities	12,506	16,979	12,506	16,979
Investments in subsidiary undertakings	-	-	8,872	8,872
Other securities	48,046	42,481	48,046	42,481
Cash in hand and at investment managers	9,453	6,999	9,453	6,999
Total	330,171	301,747	334,743	303,698

At the year end there were two (2010: three) forward exchange contracts outstanding. These partially hedge the exchange movement on endowment assets held in foreign currencies. The contracts matured on 23 September 2011 (2010: 23 and 24 September 2010). At the year end there was a 26.8m USD contract (2010: 29.4m USD) with a fair value of £105,000 (2010: £58,000) and a 0.3m Euro contract (2010: 1.7m Euro) with a fair value of (£5,000) (2010: £8,000). There was no Yen contract at the year end (2010: 25,400m Yen, fair value of (£3,000)).

14. STOCKS

	Group		College	
		Restated (note 33)		Restated (note 33)
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Goods for resale	564	480	470	424
Other stocks	43	44	39	39
Total stocks	607	524	509	463

15. DEBTORS

	Group		College	
		Restated (note 33)		Restated (note 33)
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Amounts due within one year:				
Net sums due from members of the College	363	230	363	230
Amounts due from subsidiary undertakings	-	-	3,690	4,910
Other trade debtors	964	724	461	503
Other loans	20	19	20	19
Other taxes	76	48	62	40
Other debtors	101	250	101	174
Prepayments	93	426	60	426
Accrued income	502	333	498	329
	2,119	2,030	5,255	6,631
Amounts due after more than one year:				
Other loans	172	193	172	193
Accrued income	90	70	90	70
	262	263	262	263
Total Debtors	2,381	2,293	5,517	6,894

Sums due from members of the College are shown net of student prepayments of £940,000 (2010: £993,000)

16. CASH AND BANK BALANCES

	Group		College	
	<u>Restated</u>		<u>Restated</u>	
	<u>(note 33)</u>		<u>(note 33)</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Fixed term bank deposits	275	-	275	-
Short term bank deposits	9,154	8,868	9,154	8,868
Current accounts	1,109	394	716	-
	10,538	9,262	10,145	8,868

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		College	
	<u>Restated</u>		<u>Restated</u>	
	<u>(note 33)</u>		<u>(note 33)</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Bank overdraft	-	289	-	289
Trade creditors	1,315	1,049	1,145	875
Members of the College	190	107	190	107
Amounts due to subsidiary undertakings	-	-	8,425	9,460
University fees	279	185	279	185
Contribution under Statute G,II	708	694	708	694
Other creditors	3,751	3,790	3,619	3,712
Accruals	609	642	451	483
Deferred income	313	144	313	144
Total	7,165	6,900	15,130	15,949

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

	Group and College	
	<u>Restated</u>	
	<u>(note 33)</u>	
	<u>2011</u>	<u>2010</u>
	<u>£'000</u>	<u>£'000</u>
Bank loans	12,000	9,000
Other creditors	78	114
Deferred income	94	60
Total	12,172	9,174

The bank loan which was entered into in 2006 is unsecured and repayable after 2015. The interest rate is fixed at 5.16% between July 2011 and June 2036.

19. PROVISIONS FOR LIABILITIES

No provisions for liabilities or charges were recognised, used, or outstanding in the years ended 30 June 2011 or 30 June 2010.

20. PENSION LIABILITIES

	Group and College	
	<u>Restated</u>	
	<u>(note 33)</u>	
	<u>2011</u>	<u>2010</u>
	<u>£'000</u>	<u>£'000</u>
Balance at beginning of year	5,798	4,620
Movement in year:		
Current service cost including life assurance	1,012	822
Contributions	(1,192)	(1,268)
Other finance cost	173	296
Actuarial (gain)/loss recognised in statement of total recognised gains and losses	(3,636)	1,328
Balance at end of year	2,155	5,798

21. DEFERRED CAPITAL GRANTS

	Group and College			
	<u>Grants</u>	<u>Donations</u>	<u>2011</u>	<u>Restated</u>
				<u>(note 33)</u>
	<u>£'000</u>	<u>£'000</u>	<u>Total</u>	<u>2010</u>
			<u>£'000</u>	<u>£'000</u>
Balance at beginning of year	3,335	2,130	5,465	3,797
Grants and donations received	1,350	86	1,436	1,748
Interest received on balances not yet spent	4	-	4	5
Released to income and expenditure account (note 4)	(41)	(44)	(85)	(85)
Balances at end of year	4,648	2,172	6,820	5,465

All the above Deferred Capital Grants are for the purpose of acquiring buildings.

22. ENDOWMENTS

Group	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Restricted</u>	<u>2011</u>	<u>2010</u>
	<u>Permanent</u>	<u>Permanent</u>	<u>Permanent</u>	<u>Expendable</u>	<u>Total</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Balance at beginning of year:						
Capital	146,726	27,045	173,771	18,392	192,163	169,664
Unapplied Total Return	96,981	12,198	109,179	-	109,179	91,025
Unspent income	-	143	143	262	405	302
	243,707	39,386	283,093	18,654	301,747	260,991
New endowments received	867	2,370	3,237	174	3,411	1,727
Income receivable from endowment asset investments	9,735	1,027	10,762	443	11,205	10,167
Expenditure funded out of income	(9,735)	(997)	(10,732)	(414)	(11,146)	(10,064)
Net transfer from income and expenditure account	-	30	30	29	59	103
Expenditure funded out of capital	-	-	-	(180)	(180)	(51)
Transfer from Corporate Capital reserve	3,874	-	3,874	-	3,874	16,358
Transfers in respect of reserves repatriated from subsidiary undertakings	2,194	-	2,194	-	2,194	-
Other transfers	-	20	20	-	20	60
Increase in market value of investments	10,623	4,971	15,594	2,403	17,997	26,070
Foreign exchange gains/(losses) linked to investments	1,043	-	1,043	-	1,043	(3,611)
Dilapidations (capital income)	6	-	6	-	6	100
Balance at end of year	262,314	46,777	309,091	21,080	330,171	301,747
Comprising:						
Capital	151,369	27,267	178,636	20,789	199,425	192,163
Unapplied Total Return	110,945	19,378	130,323	-	130,323	109,179
Unspent income	-	132	132	291	423	405
	262,314	46,777	309,091	21,080	330,171	301,747
Analysed by Primary Purpose:						
Chapel/Choir	-	435	435	1,770	2,205	1,854
Education	-	3,197	3,197	2,066	5,263	3,528
Field Sports	-	2,375	2,375	-	2,375	1,832
Library	-	200	200	923	1,123	1,000
LMBC	-	648	648	-	648	557
Maintenance	-	-	-	633	633	563
Research	-	6,458	6,458	98	6,556	5,736
Scholarship/Awards	-	32,272	32,272	14,994	47,266	41,390
School	-	746	746	397	1,143	1,006
Other	-	446	446	199	645	574
General Endowments	262,314	-	262,314	-	262,314	243,707
Total	262,314	46,777	309,091	21,080	330,171	301,747

Included in Unrestricted Permanent Endowments is £257,179,000 (2010: £239,900,000) of Corporate Capital, representing 97.2% (2010: 95.6%) of the Group's total Corporate Capital. The balance is in the Corporate Capital reserve (see note 23).

22. ENDOWMENTS (continued)

College	<u>Unrestricted Permanent £'000</u>	<u>Restricted Permanent £'000</u>	<u>Total Permanent £'000</u>	<u>Restricted Expendable £'000</u>	<u>2011 Total £'000</u>	<u>2010 Total £'000</u>
Balance at beginning of year:						
Capital	148,677	27,045	175,722	18,392	194,114	192,191
Unapplied Total Return	96,981	12,198	109,179	-	109,179	91,025
Unspent income	-	143	143	262	405	302
	<u>245,658</u>	<u>39,386</u>	<u>285,044</u>	<u>18,654</u>	<u>303,698</u>	<u>283,518</u>
New endowments received	867	2,370	3,237	174	3,411	1,727
Income receivable from endowment asset investments	11,929	1,027	12,956	443	13,399	32,457
Expenditure funded out of income	(9,735)	(997)	(10,732)	(414)	(11,146)	(10,064)
Net result	2,194	30	2,224	29	2,253	22,393
Expenditure funded out of capital	-	-	-	(180)	(180)	(51)
Transfer from/(to) Corporate Capital reserve	6,495	-	6,495	-	6,495	(4,218)
Other transfers	-	20	20	-	20	60
Increase in market value of investments	10,623	4,971	15,594	2,403	17,997	26,070
Impairment of investment in subsidiary undertakings	-	-	-	-	-	(22,290)
Foreign exchange gains/(losses) linked to investments	1,043	-	1,043	-	1,043	(3,611)
Dilapidations (capital income)	6	-	6	-	6	100
Balance at end of year	<u>266,886</u>	<u>46,777</u>	<u>313,663</u>	<u>21,080</u>	<u>334,743</u>	<u>303,698</u>
Comprising:						
Capital	155,941	27,267	183,208	20,789	203,997	194,114
Unapplied Total Return	110,945	19,378	130,323	-	130,323	109,179
Unspent income	-	132	132	291	423	405
	<u>266,886</u>	<u>46,777</u>	<u>313,663</u>	<u>21,080</u>	<u>334,743</u>	<u>303,698</u>
Analysed by Primary Purpose:						
Chapel/Choir	-	435	435	1,770	2,205	1,854
Education	-	3,197	3,197	2,066	5,263	3,528
Field Sports	-	2,375	2,375	-	2,375	1,832
Library	-	200	200	923	1,123	1,000
LMBC	-	648	648	-	648	557
Maintenance	-	-	-	633	633	563
Research	-	6,458	6,458	98	6,556	5,736
Scholarship/Awards	-	32,272	32,272	14,994	47,266	41,390
School	-	746	746	397	1,143	1,006
Other	-	446	446	199	645	574
General Endowments	266,886	-	266,886	-	266,886	245,658
Total	<u>266,886</u>	<u>46,777</u>	<u>313,663</u>	<u>21,080</u>	<u>334,743</u>	<u>303,698</u>

Included in Unrestricted Permanent Endowments is £261,751,000 (2010: £241,851,000) of Corporate Capital, representing 99.0% (2010: 96.3%) of the College's total Corporate Capital. The balance is in the Corporate Capital reserve (see note 23). The net result of £2,253,000 for the endowments in the College exceeds the net transfer from the Consolidated income and expenditure account by £2,194,000, relating to reserves repatriated to the College from subsidiary undertakings (see note 24). In the year ended 30 June 2010, the net result of £22,393,000 for the endowments in the College exceeded the net transfer from the Consolidated income and expenditure account by £22,290,000 for the same reason, however this resulted in an equal impairment loss, so had no effect on the total value of endowments.

23. RESERVES

Group	<u>General reserves £'000</u>	<u>Fixed asset investment revaluation reserve £'000</u>	<u>Corporate Capital reserve £'000</u>	<u>2011 Total £'000</u>	<u>Restated (note 33) 2010 Total £'000</u>
Balance at beginning of year as originally stated	175,120	-	-	175,120	176,101
Prior Year Adjustments (see note 33)	61,756	2,183	11,150	75,089	91,141
	236,876	2,183	11,150	250,209	267,242
Deficit retained for the year	(651)	-	-	(651)	(2,024)
Actuarial gain/(loss)	3,636	-	-	3,636	(1,328)
Transfer in respect of disposals or reallocations of fixed asset investments	1,242	(1,242)	-	-	-
Increase in market value of fixed asset investments	-	3,372	-	3,372	2,686
Net Transfers (to) Corporate Capital Endowment	(2,194)	-	(3,874)	(6,068)	(16,358)
Transfers to other Permanent Endowments	(20)	-	-	(20)	(60)
Transfers on spending Expendable Endowments	180	-	-	180	51
Balance at end of year	239,069	4,313	7,276	250,658	250,209

College	<u>General reserves £'000</u>	<u>Fixed asset investment revaluation reserve £'000</u>	<u>Corporate Capital reserve £'000</u>	<u>2011 Total £'000</u>	<u>2010 Total £'000</u>
Balance at beginning of year as originally stated	172,507	-	-	172,507	168,689
Prior Year Adjustments (see note 33)	61,756	2,183	9,199	73,138	68,614
	234,263	2,183	9,199	245,645	237,303
(Deficit)/surplus retained for the year	(646)	-	-	(646)	2,775
Actuarial gain/(loss)	3,636	-	-	3,636	(1,328)
Transfer in respect of disposals or reallocations of fixed asset investments	1,242	(1,242)	-	-	-
Increase in market value of fixed asset investments	-	3,372	-	3,372	2,686
Net Transfers (to)/from Corporate Capital Endowment	-	-	(6,495)	(6,495)	4,218
Transfers to other Permanent Endowments	(21)	-	-	(21)	(60)
Transfers on spending Expendable Endowments	180	-	-	180	51
Balance at end of year	238,654	4,313	2,704	245,671	245,645

24. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Included within endowments, the following amounts represent the Unapplied Total Return of the College's Permanent funds managed on a total return basis:

Group	Note	<u>Restated</u> <u>(note 33)</u>	
		<u>2011</u> <u>£'000</u>	<u>2010</u> <u>£'000</u>
Unapplied Total Return at beginning of year	22	109,179	91,025
Opening Unapplied Total Return of funds adopting total return for the first time in the year		3,046	-
Unapplied Total Return for the year	3c	15,904	18,178
Transfer in respect of reserves repatriated from/(ceded to) subsidiary undertakings		2,194	(24)
Unapplied Total Return at end of year	22	130,323	109,179

College	Note	<u>Restated</u> <u>(note 33)</u>	
		<u>2011</u> <u>£'000</u>	<u>2010</u> <u>£'000</u>
Unapplied Total Return at beginning of year	22	109,179	91,025
Opening Unapplied Total Return of funds adopting total return for the first time in the year		3,046	-
Unapplied Total Return for the year		18,098	18,154
Unapplied Total Return at end of year	22	130,323	109,179

25. RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS/(DEFICIT) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
Surplus/(deficit) on continuing operations before Contribution under Statute G,II	116	(1,227)
Depreciation of tangible fixed assets	4,460	4,320
Donations of heritage assets	(53)	(60)
Surplus on disposal of tangible fixed assets	(166)	-
Deferred capital grants released to income	(85)	(85)
Endowment and investment income	(11,846)	(11,153)
Interest payable	469	350
Pension costs less contributions payable	(7)	(150)
(Increase)/decrease in stocks	(83)	26
(Increase)/decrease in debtors	(88)	53
Increase/(decrease) in creditors	538	(152)
Net cash outflow from operating activities	(6,745)	(8,078)

26. CASH FLOWS

		<u>Restated</u> <u>(note 33)</u>
	<u>2011</u> <u>£'000</u>	<u>2010</u> <u>£'000</u>
26a Returns on investments and servicing of finance		
Endowment and investment income received	8,237	7,628
Interest paid	(469)	(350)
Net cash inflow from returns on income and servicing of finance	<u>7,768</u>	<u>7,278</u>
26b Capital expenditure and financial investment		
Purchase of tangible fixed assets	(7,963)	(7,519)
Donations for buildings and other deferred capital grants received	1,440	1,753
Dilapidations income	6	100
Proceeds of disposal of tangible fixed assets	574	37
Net sale of long-term investments	993	5,078
Purchase of fixed-term bonds	(499)	-
New endowments received	3,410	1,687
Net cash (outflow)/inflow from capital expenditure and financial investment	<u>(2,039)</u>	<u>1,136</u>

27. ANALYSIS OF CASH AND BANK BALANCES

	<u>At beginning</u> <u>of year</u> <u>£'000</u>	<u>Cash</u> <u>flows</u> <u>£'000</u>	<u>At end</u> <u>of year</u> <u>£'000</u>
Cash at bank	394	715	1,109
Bank overdrafts	(289)	289	-
Cash on deposit	8,868	286	9,154
Total cash	<u>8,973</u>	<u>1,290</u>	<u>10,263</u>
Debt due after 1 year	(9,000)	(3,000)	(12,000)
Net debt	<u>(27)</u>	<u>(1,710)</u>	<u>(1,737)</u>

28. CAPITAL COMMITMENTS

		<u>Restated</u> <u>(note 33)</u>
	<u>2011</u> <u>£'000</u>	<u>2010</u> <u>£'000</u>
Capital commitments at 30 June were as follows:		
Authorised and contracted	<u>7,286</u>	<u>1,629</u>

29. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases at 30 June were as follows:

	Group		College	
	2011	Restated	2011	Restated
	£'000	(note 33)	£'000	(note 33)
		2010		2010
		£'000		£'000
Expiring within one year	5	5	5	5
Expiring between one and five years	42	37	35	31
	47	42	40	36

30. PENSION SCHEMES

The College and its subsidiary undertakings participate in a number of defined benefit and defined contribution schemes.

The total pension cost for the year was as follows:

	2011	Restated
	£'000	(note 33)
		2010
		£'000
Cambridge Colleges' Federated Pension Scheme	1,012	822
Universities Superannuation Scheme	257	254
Teachers' Pension Scheme	272	270
Church of England Funded Pensions Scheme	8	8
Defined Contribution Pension Schemes	104	92
	1,653	1,446

Cambridge Colleges' Federated Pension Scheme

The College is a member of a multi-employer defined benefits scheme, the Cambridge Colleges' Federated Pension Scheme. The Scheme is a defined benefit final salary pension scheme that was originally set up, under the Interim Trust Deed, on 19 July 1977 as a defined benefit scheme. The Scheme is deemed to be a registered pension scheme under the terms of Schedule 36 of the Finance Act 2004. The College's employees covered by the Scheme are contracted-out of the State Second Pension (S2P). A full valuation was undertaken as at 31 March 2008 and updated to 30 June 2011 by a qualified independent Actuary.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	2011	2010
	% p.a.	% p.a.
Discount rate	5.5	5.3
Expected long-term rate of return on Scheme assets	6.2	6.3
Salary inflation: For next year	2.0	1.5
Over long term	3.2	4.4
Inflation: RPI	3.4	3.4
CPI	2.7	(n/a)
Pension increases (RPI linked)	3.4	3.4

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

30. PENSION SCHEMES (continued)**Employee Benefit Obligations**

The amounts recognised in the Balance Sheet as at 30 June 2011 to the nearest £'000 (with comparative figures as at 30 June 2010) are as follows:

	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
Present value of Scheme liabilities	(18,945)	(19,474)
Market value of Scheme assets	16,790	13,676
Deficit in the Scheme	(2,155)	(5,798)

The amounts recognised in Income and Expenditure for the year ended 30 June 2011 (with comparative figures for the year ended 30 June 2010) are as follows:

	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
Current service cost	1,012	822
Interest on Scheme liabilities	1,055	993
Expected return on Scheme assets	(882)	(697)
Total	1,185	1,118
 Actual return on Scheme assets	 1,995	 1,512

Changes in the present value of the Scheme liabilities for the year ended 30 June 2011 (with comparative figures for the year ended 30 June 2010) are as follows:

	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
Present value of Scheme liabilities at beginning of period	19,474	15,837
Service cost including Employee contributions	1,279	1,084
Interest cost	1,055	993
Actuarial (gains)/losses	(2,523)	2,144
Benefits paid	(340)	(584)
Present value of Scheme liabilities at end of period	18,945	19,474

Changes in the fair value of the Scheme assets for the year ended 30 June 2011 (with comparative figures for the year ended 30 June 2010) are as follows:

	<u>2011</u> <u>£'000</u>	<u>Restated</u> <u>(note 33)</u> <u>2010</u> <u>£'000</u>
Market value of Scheme assets at beginning of period	13,676	11,217
Expected return	882	699
Actuarial gains	1,113	815
Contributions paid by the College	1,192	1,268
Employee contributions	267	261
Benefits paid	(340)	(584)
Market value of Scheme assets at end of period	16,790	13,676

The agreed contributions to be paid by the College for the forthcoming year are 18.41% of Contribution Pay plus £420,068 p.a., subject to review at future actuarial valuations. This rate excludes PHI.

30. PENSION SCHEMES (continued)

The major categories of Scheme assets as a percentage of total Scheme assets for the year ended 30 June 2011 (with comparative figures for the year ended 30 June 2010) are as follows:

	<u>2011</u>	<u>2010</u>
Equities & Hedge Funds	56%	59%
Bonds & Cash	36%	32%
Property	8%	9%
Total	100%	100%

The expected long term rate of return on the Scheme assets has been calculated based upon the major asset categories shown in the above table and an expected rate of return on equities and hedge funds of 7.1% (2010: 7.1%), property 6.1% (2010: 6.1%) and an expected rate of return on bonds & cash of 4.8% (2010: 4.7%).

The analysis of the amount recognisable in the Consolidated Statement of Total Recognised Gains and Losses (STRGL) for the year ended 30 June 2011 (with comparative figures for the year ended 30 June 2010) is as follows:

	<u>2011</u>	<u>Restated</u>
	<u>£'000</u>	<u>(note 33)</u>
		<u>2010</u>
		<u>£'000</u>
Actual return less expected return on Scheme assets	1,113	815
Experience gains and losses arising on Scheme liabilities	80	495
Changes in assumptions underlying the present value of Scheme liabilities	2,443	(2,638)
Actuarial gain/(loss) recognised in STRGL	3,636	(1,328)

The figure of £2,443,000 in respect of changes in assumptions underlying the present value of the Scheme liabilities includes £142,000 in respect of changes of assumptions from RPI inflation to CPI inflation.

The cumulative amount of actuarial gains and losses recognised in the STRGL for the year ended 30 June 2011 (with comparative figures for the year ended 30 June 2010) is as follows:

	<u>2011</u>	<u>Restated</u>
	<u>£'000</u>	<u>(note 33)</u>
		<u>2010</u>
		<u>£'000</u>
Cumulative actuarial loss at beginning of period	(4,375)	(3,047)
Recognised during the period	3,636	(1,328)
Cumulative actuarial loss at end of period	(739)	(4,375)

Movements in the deficit during the year ended 30 June 2011 (with comparative figures for the year ended 30 June 2010) are as follows:

	<u>2011</u>	<u>Restated</u>
	<u>£'000</u>	<u>(note 33)</u>
		<u>2010</u>
		<u>£'000</u>
Deficit in Scheme at beginning of year	(5,798)	(4,620)
Service Cost (Employer Only)	(1,012)	(822)
Contributions paid by the College	1,192	1,268
Finance Cost	(173)	(296)
Actuarial gains/(loss)	3,636	(1,328)
Deficit in Scheme at the end of the year	(2,155)	(5,798)

30. PENSION SCHEMES (continued)

Amounts for the current and previous four accounting periods are as follows:

	<u>2011</u> <u>£'000</u>	<u>2010</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>	<u>2008</u> <u>£'000</u>	<u>2007</u> <u>£'000</u>
Present value of Scheme liabilities	(18,945)	(19,474)	(15,837)	(14,944)	(13,097)
Market value of Scheme assets	16,790	13,676	11,217	11,183	11,094
Deficit in the Scheme	(2,155)	(5,798)	(4,620)	(3,761)	(2,003)
Actual return less expected return on Scheme assets	1,113	815	(1,612)	(1,325)	302
Experience gain/(loss) arising on Scheme liabilities	80	495	(238)	(352)	(182)
Change in assumptions underlying present value of Scheme liabilities	2,443	(2,638)	1,009	(289)	381

Universities Superannuation Scheme

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

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of which at least one must be a USS pensioner member; one is appointed by the Higher Education Funding Councils; and a minimum of two and a maximum of four are co-opted directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2011 are also included in this note.

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

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

30. PENSION SCHEMES (continued)

Standard mortality tables were used as follows:

Male members' mortality	PA92 MC YoB tables – rated down 1 year
Female members' mortality	PA92 MC YoB tables – No age rating
Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates. The assumed life expectations on retirement at age 65 are:	
Males (females) currently aged 65	22.8 (24.8) years
Males (females) currently aged 45	24.0 (25.9) years

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

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

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

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

Since 31 March 2008 global investment markets have continued to fluctuate and as at 31 March 2011 the market's assessment of inflation has increased slightly. The Government has also announced a change to the inflation measure used in determining the "Official Pensions Index" from the Retail Prices Index to the Consumer Prices Index. The actuary has taken this all into account in his funding level estimates at 31 March 2011 by reducing the assumption for pension increases from 3.3% pa to 2.9% pa. The actuary has estimated that the funding level as at 31 March 2011 under the scheme specific funding regime had fallen from 103% to 98% (a deficit of circa £700 million). Over the past 12 months, the funding level has improved from 91%, as at 31 March 2010, to 98%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the three years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). The next formal valuation is as at 31 March 2011 and this will incorporate updated assumptions agreed by the trustee company.

With effect from 1 October 2011, new joiners to the scheme will join the new revalued benefits section rather than the existing final salary section. This change will have an impact, expected to be positive, on the future funding levels.

On the FRS17 basis, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 54%.

30. PENSION SCHEMES (continued)

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial valuation are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Valuation rate of interest	Increase/decrease by 0.5%	Decrease/increase by £2.2 billion
Rate of pension increases	Increase/decrease by 0.5%	Increase/decrease by £1.5 billion
Rate of salary growth	Increase/decrease by 0.5%	Increase/decrease by £0.7 billion
Rate of mortality	More prudent assumption (move to long cohort future improvements from the medium cohort adopted at the valuation)	Increase by £1.6 billion

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

The trustee believes that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a major exposure through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee needs to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities.

Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and considers the views of the employers. The strong positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate although the trustee is mindful of the desirability of keeping the funding level on the scheme's technical provisions close to or above 100% thereby minimizing the risk of the introduction of deficit contributions. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

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

At 31 March 2011, USS had over 142,000 active members and the College had 70 (2010:72) active members participating in the scheme.

The total pension cost for the College was £257,000 (2010: £254,000). The contribution rate payable by the College was 16% of pensionable salaries.

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme. This is a statutory, contributory, final salary scheme. The College is unable to identify its share of the underlying assets and liabilities and each employer in the scheme pays a common contribution rate. Since January 2007 the employer's contribution has been 14.1% of salary.

For schemes such as the Teachers' Pension Scheme, paragraph 9(b) of FRS17 requires the College to account for pension costs on the basis of contributions actually payable to the scheme in the year. The total pension cost for the College was £272,000 (2010: £270,000).

30. PENSION SCHEMES (continued)**Church of England Funded Pensions Scheme**

The College participates in the Church of England Funded Pensions Scheme and employs 1 member of the Scheme (2010: 1) out of a total membership of approximately 9,000 active members.

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

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from nil at 31 December 2009 to 2/3 by 31 December 2029, with the balance in return-seeking assets; and
 - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.
- Investment returns of 4.4% pa on gilts and 5.9% pa on equities;
- RPI inflation of 3.8% pa (and pension increases consistent with this);
- Increase in pensionable stipends of 3.8% pa; and
- Post-retirement mortality in accordance with 80% of the SINA tables, with allowance for future improvements according to the "medium cohort" projections, and subject to a minimum annual improvement in mortality rates of 1.5% for males and 1.0% for females.

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

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

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

Defined Contribution Pension Schemes

The College and its subsidiaries operate a number of defined contribution schemes for which the pension cost charge for the year amounted to £104,000 (2010: £92,000).

31. RELATED PARTY TRANSACTIONS

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

The College has a number of trading and dormant subsidiary undertakings which are consolidated into these accounts. All subsidiary undertakings are 100% owned by the College and are registered and operating in England and Wales.

32. SUBSIDIARY UNDERTAKINGS

The College's principal trading and dormant subsidiary undertakings at 30 June 2011 and 30 June 2010 were:

Undertaking	Activity
St John's Enterprises Limited	The provision of conference facilities and tourism administration at St John's College, Cambridge. The Company also undertakes activities in relation to medical insurance for the College.
Aquila Investments Limited	Building construction and repair, property development, energy supply and farming.
St John's Innovation Centre Limited	The provision of administrative and business support to tenants of St John's Innovation Centre and the encouragement of commercial application of intellectual property.
Lomas Developments Limited	Property development.
L M Tenancies 7 Limited	Dormant
Aquivar Management Services Limited	Dormant

The following subsidiary companies were dissolved on 1 February 2011 (they were dormant throughout the year ended 30 June 2010 and between 1 July 2010 and 1 February 2011):

L M Tenancies 2 Limited
 L M Tenancies 4 Limited
 L M Tenancies 5 Limited
 L M Tenancies 8 Limited

33. PRIOR YEAR ADJUSTMENTS

A number of accounting policy changes were implemented in 2011 in order to enable the Group and College's Financial Statements to comply with the new RCCA format, which requires for the first time full compliance with the Higher Education SORP. The impacts on the comparatives are as stated in notes 33a to 33i below. It has not been practicable on a cost-benefit basis to also calculate the impact of all the accounting policy changes on the results for the year ended 30 June 2011, however they are believed to be similar to those for the comparative year. The only change having an impact on the retained deficit for the year likely to be material is the exclusion of capital drawdown on expendable funds, and the total income and retained deficit for the year without this policy change are disclosed as additional information beneath the Consolidated Income and Expenditure account.

33a Consolidated Income and Expenditure Account – Overview

	Total Income (Note 33b) £'000	Total Expenditure (Note 33c) £'000	Operating Deficit £'000	Contribution under Statute G,II £'000	Net transfers to accumulated income in endowments £'000	Retained Deficit £'000
Year ended 30 June 2010 as originally stated	30,538	(31,381)	(843)	(694)	(267)	(1,804)
Adjustments:						
Aggregation of investment management costs into income as required by RCCA	(4,197)	4,197	-	-	-	-
Exclusion of capital drawdown on expendable funds, as prohibited by SORP	(208)	-	(208)	-	(45)	(253)
Exclusion from income of unapplied total return, as prohibited by SORP	(204)	-	(204)	-	204	-
Reclassify donations to designated funds as revenue donations to comply with SORP	63	-	63	-	-	63
Exclude income from a deferred gift reclassified as an expendable endowment	(25)	-	(25)	-	-	(25)
Other adjustments (aggregated)	(10)	-	(10)	-	5	(5)
Total adjustments	(4,581)	4,197	(384)	-	164	(220)
Year ended 30 June 2010 as restated	25,957	(27,184)	(1,227)	(694)	(103)	(2,024)

33. PRIOR YEAR ADJUSTMENTS (continued)**33b Consolidated Income and Expenditure Account – Income Detail**

	Academic fees and charges £'000	Residences, catering and conferences £'000	Endowment drawdown £'000	Revenue donations £'000	Other income £'000	Total Income (Note 33a) £'000
Year ended 30 June 2010 as originally stated	3,064	5,665	14,455	399	6,955	30,538
Adjustments:						
Aggregation of investment management costs into income as required by RCCA	-	-	(2,978)	-	(1,219)	(4,197)
Reanalysis of other income into RCCA categories where possible	56	170	98	96	(420)	-
Exclusion of capital drawdown on expendable funds, as prohibited by SORP	-	-	(208)	-	-	(208)
Exclusion from income of unapplied total return, as prohibited by SORP	-	-	(204)	-	-	(204)
Reclassify donations to designated funds as revenue donations to comply with SORP	-	-	-	63	-	63
Exclude income from a deferred gift reclassified as an expendable endowment	-	-	-	(25)	-	(25)
Other adjustments (aggregated)	-	-	(10)	-	-	(10)
Total adjustments	56	170	(3,302)	134	(1,639)	(4,581)
Year ended 30 June 2010 as restated	3,120	5,835	11,153	533	5,316	25,957

33c Consolidated Income and Expenditure Account – Expenditure Detail

	Education £'000	Residences, catering and conferences £'000	Other expenditure £'000	Total Expenditure (Note 33a) £'000
Year ended 30 June 2010 as originally stated	(10,321)	(10,674)	(10,386)	(31,381)
Adjustments:				
Aggregation of investment management costs into income as required by RCCA	-	-	4,197	4,197
Absorption of other expenditure into RCCA categories where possible	(97)	(253)	350	-
Reclassification of chapel and choir expenditure for consistency with new year's treatment	616	250	(866)	-
Reversal of overhead allocation for consistency with new year's treatment	559	(559)	-	-
Total adjustments	1,078	(562)	3,681	4,197
Year ended 30 June 2010 as restated	(9,243)	(11,236)	(6,705)	(27,184)

33. PRIOR YEAR ADJUSTMENTS (continued)**33d Consolidated Balance Sheet – Assets and Liabilities**

	Year ended 30 June 2010 as originally stated £'000	Reclassification of assets belonging to endowment funds as endowment assets £'000	Reclassification of a deferred income fund as an expendable endowment £'000	Other adjustments (aggregated) £'000	Total adjustments £'000	Year ended 30 June 2010 as restated £'000
Tangible Fixed Assets	233,419	-	-	-	-	233,419
Fixed Asset Investments	333,439	(301,391)	-	-	(301,391)	32,048
Endowment Assets	-	301,424	319	4	301,747	301,747
Stock	524	-	-	-	-	524
Debtors	2,293	-	-	-	-	2,293
Current Asset						
Investments	9,220	(33)	(319)	-	(352)	8,868
Cash at bank	394	-	-	-	-	394
Creditors (amounts falling due within one year)	(6,936)	-	35	1	36	(6,900)
Creditors (amounts falling due after more than one year)	(9,458)	-	284	-	284	(9,174)
Pension liability	(5,798)	-	-	-	-	(5,798)
Net assets	557,097	-	319	5	324	557,421

In addition to the above, Tangible Fixed Assets of total net book value £48,000 belonging to St John's College School have been reclassified out of 'furniture and equipment' and into categories appropriate to the nature of the assets in question. This adjustment had no effect on total Tangible Fixed Assets, and hence is not reflected above, but the effects can be seen in note 11.

33e College Balance Sheet – Assets and Liabilities

	Year ended 30 June 2010 as originally stated £'000	Reclassification of assets belonging to endowment funds as endowment assets £'000	Reclassification of a deferred income fund as an expendable endowment £'000	Other adjustments (aggregated) £'000	Total adjustments £'000	Year ended 30 June 2010 as restated £'000
Tangible Fixed Assets	233,757	-	-	-	-	233,757
Fixed Asset Investments	335,391	(303,343)	-	-	(303,343)	32,048
Endowment Assets	-	303,376	319	3	303,698	303,698
Stock	463	-	-	-	-	463
Debtors	6,894	-	-	-	-	6,894
Current Asset						
Investments	9,220	(33)	(319)	-	(352)	8,868
Cash at bank	-	-	-	-	-	-
Creditors (amounts falling due within one year)	(15,985)	-	35	1	36	(15,949)
Creditors (amounts falling due after more than one year)	(9,458)	-	284	-	284	(9,174)
Pension liability	(5,798)	-	-	-	-	(5,798)
Net assets	554,484	-	319	4	323	554,807

In addition to the above, Tangible Fixed Assets of total net book value £48,000 belonging to St John's College School have been reclassified out of 'furniture and equipment' and into categories appropriate to the nature of the assets in question. This adjustment had no effect on total Tangible Fixed Assets, and hence is not reflected above, but the effects can be seen in note 11.

33. PRIOR YEAR ADJUSTMENTS (continued)**33f Consolidated Balance Sheet – Capital and Reserves Overview**

	Deferred capital grants £'000	Restricted expendable endowments £'000	Permanent endowments £'000	Reserves (Note 33g) £'000	Total Capital and Reserves £'000
Year ended 30 June 2010 as originally stated	5,465	18,588	357,924	175,120	557,097
Adjustments:					
Reclassification of the reserve holding the College's operating land, as the SORP prohibits operating assets from being endowment assets	-	-	(63,466)	63,466	-
Reclassification of the reserve holding the College's heritage assets, as the SORP prohibits operating assets from being endowment assets	-	(328)	-	328	-
Exclusion from endowments of the portion of Corporate Capital not invested in a qualifying endowment asset	-	-	(11,150)	11,150	-
Reclassification of a deferred income fund as an expendable endowment	-	319	-	-	319
Funds held on behalf of other funds reclassified as belonging to the beneficiary fund rather than the holding fund	-	74	(217)	143	-
Other adjustments (aggregated)	-	1	2	2	5
Total adjustments	-	66	(74,831)	75,089	324
Year ended 30 June 2010 as restated	5,465	18,654	283,093	250,209	557,421

33g Consolidated Balance Sheet – Reserves Detail

	General reserves excluding pension reserve £'000	Pension reserve £'000	Corporate capital reserve £'000	Fixed asset investment revaluation reserve £'000	Total Reserves (Note 33f) £'000
Year ended 30 June 2010 as originally stated	175,120	-	-	-	175,120
Adjustments:					
Reclassification of the reserve holding the College's operating land, as the SORP prohibits operating assets from being endowment assets	63,466	-	-	-	63,466
Reclassification of the reserve holding the College's heritage assets, as the SORP prohibits operating assets from being endowment assets	328	-	-	-	328
Exclusion from endowments of the portion of Corporate Capital not invested in a qualifying endowment asset	-	-	11,150	-	11,150
Reanalysis of reserves required by new RCCA format	3,615	(5,798)	-	2,183	-
Funds held on behalf of other funds reclassified as belonging to the beneficiary fund rather than the holding fund	143	-	-	-	143
Other adjustments (aggregated)	2	-	-	-	2
Total adjustments	67,554	(5,798)	11,150	2,183	75,089
Year ended 30 June 2010 as restated	242,674	(5,798)	11,150	2,183	250,209

33. PRIOR YEAR ADJUSTMENTS (continued)**33h College Balance Sheet – Capital and Reserves Overview**

	Deferred capital grants £'000	Restricted expendable endowments £'000	Permanent endowments £'000	Reserves (Note 33i) £'000	Total Capital and Reserves £'000
Year ended 30 June 2010 as originally stated	5,465	18,588	357,924	172,507	554,484
Adjustments:					
Reclassification of the reserve holding the College's operating land, as the SORP prohibits operating assets from being endowment assets	-	-	(63,466)	63,466	-
Reclassification of the reserve holding the College's heritage assets, as the SORP prohibits operating assets from being endowment assets	-	(328)	-	328	-
Exclusion from endowments of the portion of Corporate Capital not invested in a qualifying endowment asset	-	-	(9,199)	9,199	-
Reclassification of a deferred income fund as an expendable endowment	-	319	-	-	319
Funds held on behalf of other funds reclassified as belonging to the beneficiary fund rather than the holding fund	-	74	(217)	143	-
Other adjustments (aggregated)	-	1	2	1	4
Total adjustments	-	66	(72,880)	73,137	323
Year ended 30 June 2010 as restated	5,465	18,654	285,044	245,644	554,807

33i College Balance Sheet – Reserves Detail

	General reserves excluding pension reserve £'000	Pension reserve £'000	Corporate capital reserve £'000	Fixed asset investment revaluation reserve £'000	Total Reserves (Note 33h) £'000
Year ended 30 June 2010 as originally stated	172,507	-	-	-	172,507
Adjustments:					
Reclassification of the reserve holding the College's operating land, as the SORP prohibits operating assets from being endowment assets	63,466	-	-	-	63,466
Reclassification of the reserve holding the College's heritage assets, as the SORP prohibits operating assets from being endowment assets	328	-	-	-	328
Exclusion from endowments of the portion of Corporate Capital not invested in a qualifying endowment asset	-	-	9,199	-	9,199
Reanalysis of reserves required by new RCCA format	3,615	(5,798)	-	2,183	-
Funds held on behalf of other funds reclassified as belonging to the beneficiary fund rather than the holding fund	143	-	-	-	143
Other adjustments (aggregated)	1	-	-	-	1
Total adjustments	67,553	(5,798)	9,199	2,183	73,137
Year ended 30 June 2010 as restated	240,060	(5,798)	9,199	2,183	245,644