

# **MURRAY EDWARDS COLLEGE**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2013**

Charity Registration number 1137530

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**MURRAY EDWARDS COLLEGE**

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**Administrative details**

Address	Murray Edwards College Huntingdon Road Cambridge CB3 0DF
Charity Registration number	1137530
Senior officers	
President (resigned 02.07.2012)	Dr Jennifer C Barnes
Acting President	Professor Ruth Lynden-Bell
Vice President	Mrs Elsa Strietman
Bursar (to 31.12.2012)	Mrs Paola Morris
Bursar (from 01.01.2013)	Mrs Joanna Womack
Senior Tutor	Dr David A Jarvis

**Principal advisors**

Auditors (internal)	Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA
Auditors (external)	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Barclays Bank PLC PO Box 885 Mortlock House Histon Cambridge CB24 9DE
Investment Managers	SandAire Limited 105 Wigmore Street London W1U 1QY
	Ruffer LLP 80 Victoria Street London SW1E 5JL
Investment Advisers	Cambridge Associates Ltd Cardinal Place 80 Victoria Street London SW1 E 5J
Legal Advisers	Mills & Reeve Botanic House 100 Hills Road Cambridge CB2 1PH
Taylor Vinters	Merlin Place Milton Road Cambridge CB4 0DP

**MURRAY EDWARDS COLLEGE**

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**Trustees of the Charity – Council members**

Acting President  
Vice-President  
Bursar  
Senior Tutor

Professor W Bennett (from 01.10.12)  
Dr P Filippucci (from 01.10.12)  
Dr F Henson  
Dr R Hiley  
Professor C Huang  
Ms T Ilanko  
Ms N Jones (from 11.03.13)  
Dr R Lyne  
Ms L McMahon (to 10.03.13)  
Dr L Mellor  
Ms S-J Parker (to 30.05.13)  
Dr A Piotrowski (to 30.09.12)  
Dr R Polonsky (from 01.10.12)  
Dr O Saxton  
Mrs E Strietman  
Dr S Turenne (to 30.09.12)  
Ms F Ward (from 11.03.13)  
Dr D Weiss (from 09.09.12)  
Ms E Wilkinson (to 10.03.13)

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **OPERATING AND FINANCIAL REVIEW (continued)**

##### **Introduction**

The College was founded on 11 March 1954 as an unincorporated association to promote a third foundation for women in the University of Cambridge. It was incorporated as New Hall, Cambridge, a company limited by guarantee, on 20 April 1954. On 3 November 1965, the University granted recognition to New Hall as an approved foundation within the University. A Royal Charter of Incorporation in the name of "The President and Fellows of New Hall in the University of Cambridge" was granted on 28 June 1972. Previously an exempt charity, from 17 August 2010, it has been registered with the Charity Commission (No. 1137530). Its registered office is at Murray Edwards College, Huntingdon Road, Cambridge CB3 0DF. College Statutes provide for the constitution and government of the College including the membership and responsibilities of Governing Body and College Council.

In June 2008 the College announced a donation of £30million from Ros Smith (NH1981) and her husband Steve Edwards, the largest personal donation to a Cambridge college in the University's 800 year history. The donation is paid to the College in instalments, over 10 years.

This transformational endowment gift is already making a difference in a number of areas. The Edwards' donation is building up our permanent capital over a decade, and as a direct consequence, since 2005, the College has been able to launch several initiatives, such as employing a full-time Schools' Liaison Officer, reinstating our Junior Research Fellowships, and initiating the Gateway Programme of study skills and professional development for students.

On 14<sup>th</sup> June 2011 the College's Supplemental Charter was received from the Privy Council. This document, authorised by HM the Queen, confirms that the name on our Charter and Statutes has been changed to "The President and Fellows of Murray Edwards College, founded as New Hall, in the University of Cambridge." The new name honours in perpetuity both our first President, Dame Rosemary Murray, and the Edwards family.

##### **Scope of the Financial Statements**

The consolidated financial statements cover the activities of the College and its two subsidiary companies. These undertake activities which, for legal or commercial reasons, are more appropriately carried out by limited companies.

##### **Aims and Objectives of the College**

The principal objects of the College, as set out in its Charter, are to advance education, learning and research in the University of Cambridge. It is committed to the highest standards of education for women of all backgrounds.

Murray Edwards is a College within the University of Cambridge. It fulfils its objectives by selecting and admitting undergraduate students for University courses, and accepting graduates admitted by the University. It provides, with the University, an education of the highest quality, through small group teaching, academic supervision, and the provision of library, computing and cultural facilities, living accommodation, and support for students in personal or financial need. The College provides rooms for Fellows' teaching and research and also funds facilities for Research Fellows to help them establish themselves in the academic world through post-doctoral research. Measures of success include the high ranking of Cambridge University in the world, and the very low drop-out rate compared with students in other Universities.

In furtherance of its objectives, the College maintains and manages an endowment of assets, including a property. Governance arrangements for the College are set out on page 12.

As at 30 June 2013, the College comprised the President, 51 Governing Body Fellows, 378 students in respect of whom undergraduate fees were received, 157 registered graduate students and 84.5 full time equivalent non-academic staff.

## MURRAY EDWARDS COLLEGE

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### OPERATING AND FINANCIAL REVIEW (continued)

##### Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The College's purpose is to provide a world-class education to the students with the most potential in each subject, whatever their means or social background. It is the aim of the College to attract the best applicants from the widest range of schools and colleges. By encouraging applications, the College aims to help achieve the Government's aspiration for a greater number of places being taken up by students from the maintained sector. To this end, the College undertakes an extensive programme of outreach, including school visits (22 in 2012-13, with 42 different schools involved and 928 pupils participating overall), two College open days, a subject specific open day for Mathematics and a regional Open Day for students from Greater Manchester. The aim of these activities is also to encourage students who would not otherwise do so to apply to University.

Once here, students have access to several sources of financial assistance. In 2012-13, £212,600 (2011-2012: £192,250) was received through the Cambridge Bursary Scheme, which is operated in common with the University, other colleges and the Isaac Newton Trust and exists to provide bursary support for students of limited financial means, to enable them to meet the cost of their Cambridge education. That scheme is approved by the Office of Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. Students may also be eligible for a variety of other grants and awards in support of their academic and other ambitions, and may apply for hardship grants if they are in financial difficulties. In total £358,499 was spent in the year on student support.

The College has a reputation for its excellent community relations and its wide range of public events.

Our College gardens continue to attract attention with their welcoming and inclusive ethos and range of creative community initiatives.

The College is the home of the New Hall Art Collection, a collection of works by leading women artists which is unrivalled in the UK or Europe. Public interaction with the art at Murray Edwards College is promoted through outreach projects and workshops. Our leaflet, 'A Guide to the Collection' is an essential tool for both guided and self-led tours, encouraging public access within the College buildings. There is a touch-screen guide available in the main College walkway and the Art Collection website provides another avenue for access and exploration. We are also involved with many national and local open access, art and culture initiatives, such as Heritage Open Days, Open Cambridge and Twilight at the Museums. Our Temporary Exhibitions Space holds a programme of shows promoting both established women artists and those who are just emerging in their field. This programme provides them with a free space, marketing and access, which all help to bolster their proposals to exhibit in other spaces.

Alongside the New Hall Art Collections sit our regular lectures and tours which continue to create platforms, build audiences, and encourage public participation in the arts.

Highlights included:

- September 2012: The College partnered once more with *Irregular Circle* to run a series of evening drawing sessions using the Art Collection, architecture and gardens for inspiration.
- September 2012: The College participated in *Open Cambridge*, offering tours of the Art Collection, Library and Gardens, along with an opportunity to meet exhibiting artist, Carolyn Blake.
- January 2013: A major rehang of the public areas of the College was undertaken assisted by Ann Jones, Curator of the Arts Council Collection, and Sara Holdsworth, former Head of Programmes at Manchester Art Gallery.
- March 2013: The College hosted a lecture by Laura Ford, an artist who represented her native Wales

## MURRAY EDWARDS COLLEGE

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### OPERATING AND FINANCIAL REVIEW (continued)

at the Venice Biennale in 2005. Ford has an international reputation for her narrative sculptures which, through allusion to fairy tales and childhood, hint at the bleakness and blackness that exists on the margins of a Beatrix Potter world.

- April 2013: Swiss artist, Anne-Lise Saillen, ran a free workshop at the College on painting with acrylics.

#### Funding

The College derives its income from fees, accommodation charges to students, catering charges, conferences and events, endowment income (including drawdown from funds invested on the basis of Total Return) and annual donations.

The main sources of income in the Income & Expenditure Account were as follows (previous year's figures shown in brackets): the College fee £1,818,324 (£1,781,965); investments £1,675,522 (£1,546,204); donations £395,707 (£385,067); events and conferences £714,614 (£873,478); and charges to members for accommodation and catering £2,050,332 (£2,008,960).

2012-2013 was the first year of a new regime for undergraduate tuition fees. University Tuition fees for first year undergraduates were raised to £9,000pa, and a fee of £4,500 per student was allocated to Colleges. After taking account of increased bursary support for students, the net impact of the increased fees on the College was approximately neutral.

Investments are held in two funds, the Segregated Fund managed by Ruffer LLP, which is invested on a Total Return basis, and the Amalgamated Fund managed by SandAire Limited, which pays dividends and interest as received. Overall income yield on the two funds, taken together, was 3.85% based on 30 June 2012 values.

Cambridge Colleges differ significantly in the size of their endowment. For this reason, an arrangement exists for the better-endowed colleges to assist those less well-endowed, through the Colleges Fund. As a relatively young and under-endowed college, Murray Edwards College derived a significant proportion of its corporate capital from annual grants from the Colleges Fund between 1970 and 2011. There was no payment from the Colleges Fund to the College in 2012 or 2013, and it seems likely that this source of capital enhancement has now ceased. As at 30 June 2013, the value of the College's corporate capital, which for accounting reasons is included in General Reserves, was £20,290,376. For many years this type of capital was understood by the College to be permanent endowment and accounted for as such, and the College has determined to continue to protect it as if it were permanent endowment.

The College Development Office aims to raise donations from benefactors, including alumnae, Trusts and Foundations, and is also keen to explore sponsorship opportunities. In total £228,300 was received in donations in 2012-2013.

Efforts are made to maximise income from events and conference business out of term, to contribute towards general overhead costs. Following a review and reorganisation in 2011, which included a number of changes of policy, income from the College's conference and event business declined, but plans have now been made to bring the income from these activities back to the levels experienced previously. In order to increase the contribution to overhead costs, the College also holds day meetings and events in certain rooms in term-time, subject to precedence being given to College events.

In 2012-2013, following a year in which rents increased by RPI only (5%), the College increased student rents by RPI +1% (6.6%) with a view to achieving a level of income which covers accommodation costs. The College understands the need to ensure that rents are affordable and seeks to avoid prejudicing this.

The original College buildings date from the 1960s and in the past ten years have required substantial refurbishment and renovation, with particular emphasis being placed on the Dome and Dining Hall and the Library. These and other capital intensive works, principally rebuilding Buckingham House, building 40 new graduate student rooms, and the refurbishment of a large number of undergraduate rooms in Orchard Court.

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **OPERATING AND FINANCIAL REVIEW (continued)**

were carried out with the assistance of bank loans that total £13.5m. Interest payments amount to nearly £700k per year, which places a strain on the Income and Expenditure Account.

#### **Achievements and Performance 2012-2013**

##### **Academic Community**

The overarching mission of the College, as a secular, self-governing institution committed to the highest standards of education for women of all backgrounds, is to advance education, learning and research in the University of Cambridge.

2011-2012 was celebrated as a year of outstanding academic success for our students, with the results of our graduating cohort close to the best in the College's history. 2012-2013 continued in the same vein, with 93% of our graduates achieving a 2.1 or 1st. Particular highlights included five of our ten History Finalists and three out of nine English Finalists achieving 1sts as did two out of three Finalists in Experimental and Theoretical Physics, two out of four Chemistry Finalists and four out of seven third year Engineers. Students obtained five University prizes, including two students topping their year. The College also enjoyed its best performance in Mathematics across all years for over a decade and other highlights included two distinctions for final year clinical medics.

Murray Edwards students were again prominent across a range of university activities, not least student journalism, where the College has produced disproportionate number of paper editors and sub-editors, drama and sport. Particular achievements of note included:

- Rebecca Sugden was one of only six Cambridge winners of a prestigious National Undergraduate Award, a competition attracting nearly four thousand entries for an essay on Diderot
- Helena Eccles (Modern Languages) was nominated in the Young Star category at the 2013 'Women of the Future' awards for her work as an IBM project manager in her gap year
- Zoah Hedges-Stocks appeared on television and in several national newspapers, covering her journey from her childhood in a travelling fairground community to graduation with a First in History
- The College Netball team won the Cuppers competition, edging out Queen's College in the final.

Our Gateway Programme continues to provide support for students in their transition to Cambridge, in strengthening key academic skills and in their personal/professional development. The programme is exploring the use of a Personal Development Planning grid as an integral feature. The Internship Initiative has evolved from a pilot into an integral strand of the programme. We work with a number of partner organisations and have recorded the progress of the initiative and the outcomes in order to inform further good practice. We presented a paper about the initiative at an educational conference and have submitted a paper to a research journal for peer review. The Gateway Programme and its various elements continue to attract interest from within and beyond the University.

At the beginning of July 2012, following a period of extensive activity at the College, Dr Jennifer Barnes resigned from her role as President in order to concentrate on her current leadership role in the University as Pro Vice-Chancellor for International Strategy and as a Deputy Vice-Chancellor. Professor Ruth Lynden-Bell continued as Acting President and a committee led by the College Vice-President undertook a wide-ranging search for Dr Barnes' successor. In March 2013 the College was delighted to elect Dame Barbara Stocking, former Chief Executive of Oxfam UK and one of the College's most distinguished alumnae, as its fifth President, to take up office in July 2013.

In August 2012 we were very sad to record the death of Dr Elizabeth Acton, Fellow and Director of Studies in Engineering. A Memorial Service was held in the College on 2<sup>nd</sup> March 2013, when a series of moving tributes were given by friends and colleagues, reflecting on the enormous contribution made by Dr Acton to the College, to women's education and to engineering over a period of more than thirty years.

We continue to promote the work of our Fellowship, whose academic research, publications and comment have reached a global audience. Highlights included:



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### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### OPERATING AND FINANCIAL REVIEW (continued)

- Professor Wendy Bennett was elected President of the Philological Society, the oldest learned society in Great Britain devoted to the scholarly study of language and languages.
- Professor Ashok Venkitaraman, Emeritus Fellow, was elected first Jubilee Professor of the Indian Academy of Sciences
- Dr Peter Forster was elected to the German National Academy of Sciences
- Professor Chris Huang was appointed President-Elect of the Cambridge Philosophical Society
- Dr Robin Hiley was elected Honorary Treasurer of the British Pharmacological Society
- Dr Raphael Lyne was appointed to a University Readership and Dr Greg Davis to a University Senior Lectureship
- Dr James Dawson was elected to a Chair in Fluid Mechanics at the Norwegian University of Science and Technology
- Dr Juliet Usher-Smith was elected to a University Clinical Lectureship in General Practice
- Dr Vicky Neale was appointed Senior Teaching Associate in the Department of Pure Mathematics and Mathematical Statistics
- Dr Caroline Jolley was appointed NIHR Clinical Lecturer in Respiratory Medicine at King's College, London
- Professor Joanna MacGregor, Honorary Fellow, was awarded an OBE in the Queen's Birthday Honours List
- Professor Wendy Bennett's book "Remarques et observations sur la langue française: Histoire et évolution d'un genre" (Classiques Garnier 2011), which was written with Visiting Scholar Magali Seijido, was awarded the Priz Georges Dumézil by the French Academy
- The French translation of Dr Rachel Polonsky's book, "Molotov's Magic Lantern" ("La lanterne magique de Molotov: voyage à travers l'histoire de la Russie" (Denoël) was a finalist for the prix Médicis essai 2012
- Professor Kiernan Ryan, Emeritus Fellow, delivered the annual F.W. Bateson Lecture in Oxford. His lecture, "Here's fine revolution: Shakespeare's Philosophy of the Future" was published in the April issue of Essays in Criticism. On Shakespeare's birthday, Professor Ryan delivered the annual public Shakespeare lecture at the University of Hull, entitled "Shakespeare's Inhumanity", which will be published in Shakespeare Survey in October 2013. In June he delivered the keynote lecture on Shakespeare at the annual conference of the Romanian Society for English and American Studies
- Dr Vicky Neale is one of the London Mathematical Society's two Popular Lecturers for 2013
- Dr Rebecca Simmons' work on diabetes screening was published in "The Lancet" and her work was also named Research Paper of the Year by the British Medical Journal
- Dr Jennifer Bavidge, Fellow in English, was awarded a 2013 Pilkington Prize for Excellence in Teaching by the University of Cambridge

#### Governance Review

A Working Party on College Governance, Chaired by Emeritus Fellow Dr Penny Wilson, reported to the Council and Governing Body in the Michaelmas Term 2012 and made a number of recommendations which are gradually being adopted as good practice for College governance.

#### Widening Access

As part of the College's commitment to widening access and creating greater opportunity for gifted women from all backgrounds, the Admissions Team ran a number of events in College and the Schools Liaison Officer visited a number of schools (with particular emphasis on our outreach areas). Our Aspiration Events (half day events in College aimed at year 10) are proving particularly popular and are usually fully booked. We are also aware that teachers from less advantaged catchment areas are particularly appreciative of our Gateway Programme as they see the emphasis on academic transition and on future career prospects as very important in attracting and supporting their students.

Highlights included:

- In July 2012, eighty outstanding sixth form students from over twenty schools attended our second 'Pathways to Success' conference. Several schools have reported the positive impact that the event has made on the aspirations of the able young women who attend and several have specifically

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **OPERATING AND FINANCIAL REVIEW (continued)**

asked us to run this as an on-going annual event.

- In April 2013 we welcomed over 60 high achieving students from Manchester for a two day visit as part of the Cambridge HE+ initiative. As in previous years we noted the academic energy and enthusiasm of the participants. Feedback was very positive and the teachers increasingly report the impact on academic ambition and achievement amongst this vibrant group.

#### **Operational Activity**

Following two and a half years of intensive activity, in the course of which major improvements were made to the College's management structure, policies and procedures and financial performance. Mrs Paola Morris was awarded a period of study leave for calendar year 2013, in order to prepare for a Doctorate of Business Administration at Cranfield University. She relinquished the office of Bursar with effect from 31 December 2012 and her duties were taken over by Mrs Joanna Womack, Emeritus Fellow, who had previously served as College Bursar from 1983 to 1990.

2012-2013 was a second year of consolidation following the operational review in 2010-2011. A new Head of Operations was appointed, with line management responsibilities for Maintenance, Accommodation, Housekeeping, Porters and Gardens. A major task for him was to begin to implement the previously agreed five-year Maintenance Plan for College buildings. He also oversaw a Security Audit and the approval of the Security Policy which had been developed by the Head Porter. A new part-time Human Resource Manager joined the College, and the Catering and Events Department was reorganised under a General Manager, whose post was established at the end of the financial year when the catering project run by external advisers Elixir came to an end. A comprehensive Management Development Programme for line managers and some staff supervisors commenced with the help of external consultants, and it is intended that this will be embedded into the College in future years. Appraisals have been carried out with all levels of staff. An internal review of the College's pay and grading structure is due to take place in 2013-2014.

In the Finance Department, work continued on the implementation of the new financial system (Phase I of the Great Plain Dynamics project), which produced management accounts in a new and clearer format and successfully delivered the statutory accounts at the end of the first full year of operation. The system is being worked on further to enhance its capabilities. A streamlined process for College budgeting was agreed, and will be fully implemented next year.

The Corporate Risk Register was completely overhauled and all operational risk registers updated, with a new timetable agreed for the annual process. In 2013-2014 work will commence on a comprehensive Disaster Recovery Planning process.

Many new policies and procedures had been put in place in 2011-2012, and these have continued to be embedded, with a further comprehensive review and update of the Staff Handbook.

#### **Financial Performance**

The Income and Expenditure Account showed an operating deficit of £60,814. While it is disappointing to return to deficit after a surplus in 2012, there were particular factors which are not expected to recur, and the operations were cash sensitive even after taking account of capital expenditure. Donation income recognised in the Income and Expenditure Account increased by £10,423 in the year. Expenditure included loan interest repayable of £687,622 and past service deficit costs of the CCFPS pension scheme of £121,302 (within the overall contributions paid by the college, disclosed in note 24). The cost of education exceeded income from the College Fee by £1,300,038 representing an education subsidy per student for the year of £2,430 financed out of investment income. Depreciation accounted for £740,246. Following a capital withdrawal of £1m from the Amalgamated Fund during 2011-2012, to finance the Library and Grove Lodge projects referred to in last year's accounts, the College has now started to replace the capital over 25 years, by way of internal transfers in instalments of £40,000 per annum.

The College uses monthly management accounts for in-year financial management.

The College continues to be challenged in terms of resources but Fellows and staff work hard to put it on the

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **OPERATING AND FINANCIAL REVIEW (continued)**

best possible footing operationally and financially. However, the margins are very small and the College's income remains under pressure, especially as the Grade 2\* listed buildings require a great deal of maintenance and upgrading. This presents us with an obvious and pressing challenge and we have continued to meet it head on in the last twelve months by scrutinising our cost bases to ensure that we have consistent, efficient and effective costing models and a long term strategy making the procurement of goods and services as streamlined as possible.

The College is a member of the Cambridge Colleges' CRC Consortium through which the Colleges work together to meet their obligations under the Government's CRC Energy Efficiency scheme. Throughout the year the College has continued to maintain the systems necessary to comply with the new requirements. The Bursar continues to work with other colleges to develop a range of robust key performance indicators which assist the College to ensure that all activities are delivered effectively, at the right quality and providing value for money.

#### **Capital Expenditure**

Total capital expenditure incurred during the year was £232,105, a considerable reduction from the previous year's total (£970,140). This included payment of retentions relating to the refurbishment of Grove Lodge which was completed in March 2012, work on fire escapes in Orchard Court, installation of a new fire alarm system, major refurbishment of student accommodation in Beaufort House, works to the main kitchen water heaters and flue and the final payment relating to Phase I of the GP Dynamics financial system.

#### **Investments**

The value of the College's investments at the year-end was £4,488,598 higher than at 30 June 2012, compared with a drop of £3,164,609 last year. The investments are held in a variety of instruments and property as set out in note 10, in accordance with the policy described below.

The total investment portfolio was valued at £46.7m at the end of June 2013. This represents the College's endowment assets, part of its corporate capital and general cash reserves. In order to maintain, in present and foreseeable circumstances, an increasing standard of excellence in teaching and research, and to keep its buildings in good order, the College needs to increase its capital substantially, through generating surpluses to build up reserves and through active and effective fundraising.

#### **Staff Costs and Pensions**

The College makes pension-fund contributions on behalf of its employees to two defined benefits and one defined contributions schemes:

- The Cambridge Colleges Federated Pension Scheme (CCFPS) on behalf of some non-academic staff.
- The Universities Superannuation Scheme (USS) on behalf of academic and some non-academic staff.
- The AVIVA (DC) Scheme on behalf of some non-academic staff.

The College's staging date for auto-enrolment of all staff is May 2014 and work continues to identify an appropriate pension scheme to use for this purpose, and to ensure that payroll and HR processes are fit for this purpose.

Payroll costs (academic and non-academic) decreased by £63,733 (1.9%) against the previous year.

#### **Reserves Policy**

The College intends to continue to pursue its objects in perpetuity. It takes a long-term view of its investments and aims to maintain an equitable balance between the interests of the present members of the College and future generations. The real value of permanent endowment and corporate capital will be protected over the long-term and unrestricted funds and reserves will be built up as much as possible. Any new donations or bequests received in future years will be added to unrestricted funds unless the donor has made it clear that the funds are to be used for a specific project.

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **OPERATING AND FINANCIAL REVIEW (continued)**

##### **Investment Policy**

The College's Finance Committee formulates general investment policy on the advice of its Investment Committee, which oversees the management of the College's investments and instructs fund managers as appropriate. The College's investments are currently managed by two external firms. SandAire invests on a traditional basis, providing a regular flow of income from dividends and interest, and Ruffer invests on a Total Return basis, with an annual drawdown being made of 4% of the capital value. The College benefits from an arrangement under which Cambridge Associates provide a certain amount of investment advice each year. The policy followed is to achieve the highest total return on investments over the long term consistent with preservation and growth of capital in real terms, and income requirements in the shorter term. There is a prudent policy of limited individual exposures. The College encourages socially responsible investment and will not directly invest in companies that are in conflict with its own objectives, nor will it hold shares in tobacco companies.

##### **Principal Risks and Uncertainties**

Last year, the College designed and implemented a root and branch risk management framework that covers all areas of operation, feeding into the higher-level corporate risk planning and amelioration of risk. A Risk Policy and Register were approved by Council in March 2012. Risk management is becoming embedded within College activity and mitigation of identified risks is carried out where possible. The risk management framework is reviewed and refreshed annually and approved by Council. In 2012-2013 the high-level corporate risks were all reviewed and a new corporate risk register was approved which identifies risk areas in governance, physical security of buildings and assets, personnel, IT, finance and funding and reputation, and sets out appropriate mitigation action to be overseen by the designated risk owners. All operational risks were also reviewed by the relevant line managers and revised as necessary, so as to ensure that this continues to be a living and useful process.

The impact of tuition fees has, as expected, had no 'knock on' financial benefit for the College - but student expectation of enhanced service provision from the College is now very real. We continue to compete for the best students without being able to offer the additional financial support and enhanced facilities that some better endowed Colleges can provide.

We continue to seek resources to invest in:

- Refurbishment and upgrading of College buildings, including provision of enhanced communal spaces and offices and improved IT facilities and communication networks.
- Additional teaching provision through Fellowships.
- Bursaries for Graduate Studentships.
- Personal development training and support for students.

##### **Plans for the Future**

Under the leadership of Dame Barbara Stocking, Fellows and staff will work to formulate a new strategy to take the College forward for the next five to ten years. This will provide a new articulation of our core mission and values and will outline key strategic goals and mechanisms for delivery.

We will continue to strive towards excellence of academic performance and will take our pioneering Gateway Programme to the next level; in particular assessing the impact of the first two years of the internship programme.

We will continue to prioritise fundraising. The annual telephone campaign has proved to be an extremely successful way of raising regular income for student support and this will be combined with wider annual fund activity, launching a legacy programme, and researching and reaching out to a new pool of mid-range and top-range individual donor prospects. March 2014 marks the start of the College's 60<sup>th</sup> anniversary year and there will be a wide range of activities to celebrate this.

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **OPERATING AND FINANCIAL REVIEW (continued)**

The College will continue to work proactively towards increasing student recruitment with high profile initiatives, including a third year of the 'Pathways to Success' event, with an overnight stay, presentations and workshop sessions for high flying young women, providing a forum for them to discuss their options, their hopes and their aspirations for their University choices and professional careers. We continue to seek out and actively promote our positive points of difference to potential applicants and are looking to secure philanthropic money to fund a push on marketing and communications, including improvements to the College website and greater use of social media where appropriate.

The College will continue to promote the activities of its Fellowship, students, alumnae and staff, as well as the Art Collection and the gardens, and will seek to enhance its image and reputation both nationally and internationally.

Our busy schedule of outreach/public events will continue with regular temporary exhibitions taking place throughout the year and ongoing participation in Open Cambridge, Heritage Open Days and Twilight at the Museums.

The College continues to struggle with under-capitalisation, the uncertain economic environment and the current challenges of the higher education sector, but in the last twelve months has made considerable advances in terms of putting itself on a better financial footing. In the next twelve months we will continue to scrutinise our income and costs whilst working hard to improve our performance, without losing sight of our primary purpose – the promotion of excellence in the higher education of women.

## MURRAY EDWARDS COLLEGE

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### CORPORATE GOVERNANCE

##### Statement of Corporate Governance

The Governing Body has the ultimate authority in the government of the College, which it exercises in accordance with and subject to the College Statutes. The Governing Body comprises the President and all Fellows other than Emeritus or Honorary Fellows, and meets at least once in each Term. Statutes specify that one meeting of the Governing Body in each academic year shall be the Audit Meeting.

Subject to ultimate authority being vested by Statute in the Governing Body, the College Council is the chief executive body of the College, responsible for administering the affairs of the College and managing its property and income. Under Statutes, the College Council consists of the President, Vice President, Senior Tutor, and Bursar (all ex officio), plus nine members of the Governing Body, elected by the Governing Body, and two Junior Members elected by undergraduate and graduate students. One additional student representative attends Council meetings. From 2011-12 there are also two Staff Observers in attendance at Council meetings, and this arrangement has now been made permanent. Council members are the College Trustees for the purpose of Charity Law.

The President chairs Governing Body and Council; the Senior Tutor has overall responsibility for admissions, education, and welfare of graduate and undergraduate students; the Bursar has overall responsibility for the finances, buildings, and administration of the College. Officers are appointed, and may be removed, by Council. Council fulfils its responsibilities through a committee structure.

The following statement is provided by Council as the College Trustees 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.

- 1 The College is a registered charity (registered number 1137530) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
- 2 The Trustees are advised in carrying out their duties by a number of Committees. They are:
  - Academic Policy (Sub-Committees: Admissions, Library, Fellowship, Research Fellowship);  
Fellowship Review Group;
  - Funding and External Relations and Communications (Sub-Committees: Art, Development, IT Strategy, Film);
  - Domestic and Estates (Sub-Committees: Events and Catering, Health and Safety, Gardens, Wine);
  - Finance (Sub-Committees: Budget, Investments);
  - Personnel (Sub-Committees: Health and Safety, Staff Joint Consultative);
  - Audit;
  - Student Matters Sub-Committees: Graduate Liaison, Undergraduate Liaison, Graduate Funding, Undergraduate Funding.
- 3 The principal officers of the College are:
  - President: Dr JC Barnes (resigned 02.07.2012), Dame BM Stocking (appointed 15.07.2013)
  - Acting President: Professor R M Lynden-Bell (from 03.01.2012)
  - Vice President: Mrs E Strietman
  - Bursar: Mrs P Morris (to 31.12.2012, on leave 2013), Mrs J M Womack (from 01.01.2013, resigned 30.09.13), Mr RG Gardiner (appointed 01.10.2013)
  - Senior Tutor: Dr D Jarvis (resigned 30.09.2013), Dr J Foster (appointed 01.10.2013)
- 4 It is the duty of the Audit Committee to keep under review the effectiveness of the College's internal systems of financial and other controls, including Standing Financial Instructions and Financial Delegations; to advise the Trustees on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Trustees. Membership of the Audit Committee consists of three Fellows other than the Bursar, one to be elected annually each for a

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **CORPORATE GOVERNANCE**

term of three years, together with one external adviser. Serving members of the Finance Committee shall not be eligible for election.

The Audit Committee may examine the accounts, consult with the auditor, and is required to report to Council and to Governing Body at the Audit Meeting on matters of general policy in relation to the accounts as they see fit.

- 5 There are Registers of Interests of Trustees and of the senior administrative officers. Declarations of interest are made systematically at meetings.
- 6 The College's Trustees during the year ended 30 June 2013 are set out on page 2.

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **CORPORATE GOVERNANCE (continued)**

##### **Statement of Internal Controls**

1. The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives whilst safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.
2. 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.
3. 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 2013 and up to the date of approval of the financial statements.
4. The Trustees are responsible for reviewing the effectiveness of the system of internal control.
5. The Trustees' review of the effectiveness of the system of internal control is informed by the work of the Finance and Audit Committees, Bursar 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.

Council is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept and money appropriately spent.

Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

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

##### **Transactions between College and Members of the Governing Body**

Most Fellows hold office or employment with the College and receive remuneration for the services they provide. This ranges from full time employment to occasional teaching. Stipends, salaries and fees for these services are set by Council.

##### **Financial Management and Control**

The College operates a devolved budgeting system under which individual budget holders are responsible for managing income and expenditure within their own areas of operation, and for bringing forward budget proposals through an annual budgeting process. Fellows, members of staff and students are encouraged to participate in the process through their membership of the College's Committees. The Finance Committee is responsible for turning the proposals into a coherent and transparent budget proposal which is part of a sustainable financial plan. The budget is considered in detail to ensure that it is consistent with the College's strategic aim and objectives and then recommended to Council for approval.



**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**CORPORATE GOVERNANCE (continued)**

**Statement of Trustees' Responsibilities**

College Council, as Charitable Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

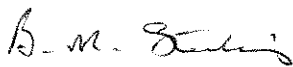
The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and parent college and of the incoming resources and application of resources of the group for the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the college will continue in operation.

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the college's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent college and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge, the Charities Act 2011 and regulations made thereunder. They are also responsible for safeguarding the assets of the group and parent college and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by College Council on 11<sup>th</sup> November 2013



Dame Barbara Stocking  
President

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2013**

#### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MURRAY EDWARDS COLLEGE**

We have audited the group and parent college financial statements ("financial statements") of Murray Edwards College for the year ended 30 June 2013 which comprise 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 the related notes. 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 College's Council Members, as a body, in accordance with College's Statutes, the Statutes of the University of Cambridge, and regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the College's Council Members 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 College's Council Members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Council Members and auditor**

As explained more fully in the statement of Council Members' responsibilities, the Council Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 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 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 group's and parent college's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council Members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to consider whether such other information is consistent 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's and parent college's affairs as at 30 June 2013 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge and regulations made thereunder; and
- show the contribution due from the College to the University which 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.

**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2013**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF MURRAY EDWARDS COLLEGE**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where regulations made under the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Council's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the College's 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.

**BDO LLP**

**BDO LLP**  
Statutory Auditor  
London  
United Kingdom  
25 November 2013

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **NOTES TO THE ACCOUNTS**

##### **Basis of Preparation**

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable Accounting Standards. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP).

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 the use of public funds. The analysis required by the SORP is set out in note 7.

##### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and certain operational properties that are included at valuation.

##### **Basis of Consolidation**

The consolidated financial statements consolidate the financial statements of the College and its subsidiary undertakings for the year ended 30 June 2013. The activities of student societies have not been consolidated. A separate balance sheet and related notes for the College only has not been included because the balance sheet would not be materially different to the one included in these financial statements. Details of the subsidiary companies are included in note 26. The College has applied the FRS 8 exemption on disclosing intragroup transactions.

##### **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.

###### *Restricted grant income*

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

###### *Donations and benefactions*

Charitable donations are recognised on receipt or where 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 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 the acquisition or construction of tangible fixed assets, are recognised in the statement of total recognised gains and losses as new endowments.

##### **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 a restricted expendable capital fund and then released over the same estimated useful life that is used to determine the depreciation charge for respective assets.

###### *Endowment and investment income*

All investment income is credited to the 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 income and expenditure account to restricted endowments.

## MURRAY EDWARDS COLLEGE

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### NOTES TO THE ACCOUNTS

##### *Total return on Segregated Funds*

The College also holds certain restricted and unrestricted permanent capital, derived from specific donations, in a Segregated Fund, the terms of which require that 4% per annum of the capital value at the end of January each year is recognised as income in the Income and Expenditure Account. The income is stated net of investment management and property fees.

##### *Other Income*

Income is received from a range of activities including residences, catering, conferences and other services rendered.

##### **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 forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of the income and expenditure for the financial year.

##### **Tangible and Fixed Assets**

###### **a) Operational Land and Buildings**

Operational land and buildings are stated at valuation. In accordance with FRS 15 'Tangible Fixed Assets' full valuations are undertaken at least every five years and an interim valuation is carried out in year three. The aggregate surplus or deficit on revaluation is transferred to a revaluation reserve included within Expendable Unrestricted Designated Reserves. Buildings on the main College site, being specialised properties, were valued on the basis of their depreciated replacement cost at 30 June 2010 by Davis Langdon LLP, property consultants. Certain off-campus land and buildings are valued on the basis of their existing use. The most recent valuation was carried out by Carter Jonas LLP, property consultants, as at 30 June 2010.

Land purchased prior to 1 July 2002 is not capitalised unless it is held for investment purposes. Land purchased since 1 July 2002 is capitalised in the balance sheet. Freehold land is not depreciated.

Operational buildings are depreciated on a straight-line basis over their expected useful economic lives at the rate of 1.5% per annum.

Where buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account at the rate of 1.5% per annum.

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

Buildings under construction are valued at cost, based on the value of the architects' certificates and other direct costs incurred to the balance sheet date and are depreciated at the rate of 1.5% per annum when they are brought into use.

###### **b) Maintenance of Premises**

The cost of routine maintenance is charged to the Income and Expenditure account as it is incurred. The cost of major refurbishment and maintenance that restores value is capitalised and depreciated at the rate of 1.5% per annum.

###### **c) Furniture, Fittings and Equipment**

Furniture, fittings and equipment with a cost of more than £5,000 are capitalised and depreciated at the rate of 10% per annum. Project specific IT equipment costs (Great Plains Dynamics and Project Red implementations), were capitalised in 2011-12 and are being depreciated at a rate of 20% per annum from 2012-13.

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **NOTES TO THE ACCOUNTS**

##### **Heritage Assets**

According to FRS30 (Heritage Assets), works of art, books and other valuable artefacts should be capitalised and recognised in the balance sheet at the cost or value of the acquisition 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.

The College has a large Art Collection most of which has been gifted to the College. The collection is formally valued every five years. The College will include all assets over £10k as valued and include additions in between valuations at a fair value if applicable.

All heritage assets are maintained and conserved by College staff with access available by permission of the College. The assets held are properly insured if appropriate, with records kept by those responsible for care of the assets.

##### **Investments**

###### **a) Securities**

Securities are shown at their market value. Investment income is included when dividends and interest become payable. Interest on bank deposits is included as earned.

###### **b) Investment Properties**

Investment properties are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Total Recognised Gains and Losses. In accordance with SSAP 19, no depreciation has been charged on investment properties.

##### **Stocks**

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

##### **Provisions**

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, and 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.

##### **Endowment Funds**

Endowment funds are classified under three headings:

- Unrestricted permanent endowment – where the donor has specified that the fund is to be permanently invested to generate an income stream for the general purposes of the College.
- Restricted permanent endowment – where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied for a restricted purpose.
- Restricted expendable endowment – where the donor has specified a particular objective other than the acquisition or construction of tangible fixed assets and the College must or may convert the donated sum into income.

##### **Deferred Capital Grants**

These comprise funds that have been set up by the College from donations that have been given to fund the purchase or refurbishment of buildings.

## **MURRAY EDWARDS COLLEGE**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **NOTES TO THE ACCOUNTS**

##### **General Reserves**

These include all other donations, including grants from the Colleges Fund which are treated by the College as if they were unrestricted permanent endowment, and income reserves.

##### **Taxation**

The College is a registered charity (number 1137530) within the meaning of Section 467 of the Corporate Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 - 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

##### **Contribution under Statute G, II**

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

##### **Operating Leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

##### **Pension Schemes**

The College participates in the following pension schemes:-

Universities Superannuation Scheme (USS) - a defined benefit scheme that 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 scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution 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 scheme is closed to new non-academic members of the College.

Cambridge Colleges Federated Pension Scheme (CCFPS) - a similar defined benefit scheme which is externally funded and contracted out of the (S2P). The scheme is closed to new members of the College. As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by FRS 17 'Retirement Benefits'. As a result, the amount charged to the Income and Expenditure Account represents the amount calculated under FRS17 guidelines.

Aviva - a defined contributions pension scheme set up for non-academic staff in 2010-11. The College matches employee contributions to a maximum of 5%. The scheme is administered by Aviva. Contributions are charged to the Income and Expenditure account in the period to which they relate.

**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 Total £	2012 Total £
<b>INCOME</b>			
Academic fees and charges	1	2,063,771	2,001,225
Residences, catering and conferences	2	2,764,946	2,882,438
Endowment income	3	1,675,522	1,546,204
Donations	4	395,707	385,067
Other income		49,590	53,893
<b>Total income</b>		<b>6,949,536</b>	<b>6,868,827</b>
<b>EXPENDITURE</b>			
Education	5	3,118,362	2,975,466
Residences, catering and conferences	6	3,462,127	3,418,487
Fundraising		283,835	378,087
General administration		149,020	49,544
<b>Total expenditure</b>	7a	<b>7,013,344</b>	<b>6,821,584</b>
Surplus/(deficit) on continuing operations before Contribution under Statute G, II		(63,808)	47,243
Contribution under Statute G,II	7d	-	-
(Deficit)/Surplus on continuing operations after contribution under Statute G, II		(63,808)	47,243
Surplus for year transferred to accumulated income in endowment funds		2,994	36,896
<b>(Deficit)/Surplus for the year retained within general reserves</b>		<b>(60,814)</b>	<b>84,139</b>

All items dealt with in arriving at the (deficit)/surplus for 2013 and 2012 relate to continuing operations.



MURRAY EDWARDS COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<b>Total funds 2013</b>	<b>Total funds 2012</b>
	£	£	£	£
Surplus/(Deficit) on income and expenditure account	-	(60,814)	<b>(60,814)</b>	<b>84,139</b>
Unspent restricted income transferred to endowments	(2,994)	-	<b>(2,994)</b>	<b>(36,896)</b>
Realised/Unrealised gains/(losses) on investments	456,526	4,061,218	<b>4,517,744</b>	<b>(1,305,390)</b>
Actual return on Segregated Fund	25,931	493,615	<b>519,546</b>	<b>237,916</b>
Endowment - 4% return transferred to Income & Expenditure Account	(55,754)	(1,064,008)	<b>(1,119,762)</b>	<b>(1,091,067)</b>
New endowments	51,855	278,262	<b>330,117</b>	<b>10,573</b>
Heritage assets capitalised / revalued	9a -	-	-	<b>166,000</b>
Actuarial loss in respect of pension scheme	19 -	(317,729)	<b>(317,729)</b>	<b>(773,151)</b>
<b>Total Recognised Gains/(Losses) for the Year</b>	<b>475,564</b>	<b>3,390,544</b>	<b>3,866,108</b>	<b>(2,707,876)</b>
<b>Reconciliation</b>				
<b>Opening Reserves and Endowments</b>	4,961,196	55,042,899	<b>60,004,095</b>	62,711,971
Total recognised (losses) and gains for the year - above	475,564	3,390,544	<b>3,866,108</b>	<b>(2,707,876)</b>
<b>Closing reserves and endowments</b>	<b>5,436,760</b>	<b>58,433,443</b>	<b>63,870,203</b>	<b>60,004,095</b>

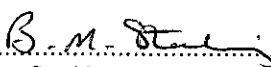
MURRAY EDWARDS COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

BALANCE SHEET AT 30 JUNE 2013

	Note	Consolidated			
		2013	2012		
		£	£		
<b>FIXED ASSETS</b>					
Tangible assets	9	39,042,470	39,550,611		
Investments	10	14,670,501	13,178,970		
<b>ENDOWMENT ASSETS</b>					
Endowments	11	32,493,702	29,597,764		
<b>CURRENT ASSETS</b>					
Stocks		19,598	25,747		
Debtors	12	282,559	447,222		
Cash at bank and in hand	13	1,825,125	1,573,142		
		<u>2,127,282</u>	<u>2,046,111</u>		
Creditors: amounts falling due within one year	14	(965,928)	(961,851)		
<b>Net current assets</b>		<u>1,161,354</u>	<u>1,084,260</u>		
Creditors: amounts falling due after one year	15	(13,500,000)	(13,500,000)		
<b>Net Assets excluding Pension Liability</b>		<u>73,868,027</u>	<u>69,911,605</u>		
Net Pension (Liability)	16	(1,697,760)	(1,441,116)		
<b>Net Assets including Pension Liability</b>		<u><u>72,170,267</u></u>	<u><u>68,470,489</u></u>		
<b>Represented by</b>					
		<b>Restricted funds</b>	<b>Unrestricted funds</b>	<b>2013 Total</b>	<b>2012 Total</b>
		£	£	£	£
<b>Deferred capital grants</b>	17	<b>8,300,064</b>	-	<b>8,300,064</b>	<b>8,466,394</b>
<b>Endowments</b>					
Expendable endowments		803,709	-	803,709	762,572
Permanent endowments	18	4,633,051	27,056,942	31,689,993	28,835,192
		<u>5,436,760</u>	<u>27,056,942</u>	<u>32,493,702</u>	<u>29,597,764</u>
<b>Reserves</b>					
General reserves excluding pension reserve of which corporate capital		-	33,074,261	33,074,261	<b>31,847,447</b>
			20,290,376	20,290,376	<b>20,078,810</b>
Pension Reserve	19	-	(1,697,760)	(1,697,760)	<b>(1,441,116)</b>
		<u>-</u>	<u>31,376,501</u>	<u>31,376,501</u>	<u>30,406,331</u>
<b>Closing Reserves and Endowments</b>		<u>5,436,760</u>	<u>58,433,443</u>	<u>63,870,203</u>	<u>60,004,095</u>
<b>Total</b>		<u><u>13,736,824</u></u>	<u><u>58,433,443</u></u>	<u><u>72,170,267</u></u>	<u><u>68,470,489</u></u>

These accounts were approved by the College Council on 11th November 2013 and are signed on their behalf by:

  
.....  
Dame Barbara Stocking  
President

**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**CONSOLIDATED CASH FLOW STATEMENT**

		2013	2012
		£	£
<b>OPERATING ACTIVITIES</b>			
<b>Net cash outflow from operating activities</b>	23	<u>(365,065)</u>	<u>(676,466)</u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Net investment income		1,075,306	528,998
Effects of foreign exchange		-	(64,895)
Interest paid		(687,622)	(689,626)
<b>Net cash inflow from returns on investment and servicing of finance</b>		<u>387,684</u>	<u>(225,523)</u>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible fixed assets		(232,105)	(970,140)
Net sale/(purchase) of investment assets		2,594,820	(1,045,254)
New endowments received		331,194	24,750
<b>Net cash inflow/(outflow) from capital transactions</b>		<u>2,693,909</u>	<u>(1,990,644)</u>
<b>Net cash inflow/(outflow) before financing</b>		<u>2,716,528</u>	<u>(2,892,633)</u>
<b>Increase/(Decrease) in cash in the year</b>		2,716,528	(2,892,633)
Net debt at beginning of year	23	(10,427,848)	(7,535,215)
Change in net debt resulting from cash flows		-	-
<b>Net debt at end of year</b>	23	<u>(7,711,320)</u>	<u>(10,427,848)</u>

**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**NOTES TO THE ACCOUNTS**

**1 ACADEMIC FEES AND CHARGES**

	<b>2013</b>	<b>2012</b>
	£	£
<b>COLLEGE FEES</b>		
Fee income paid on behalf of undergraduates at the Publicly-funded		
Undergraduate rate (per capita fee £3,951 2012 - £3,951)	1,001,120	1,342,369
Undergraduate rate (per capita fee £4,500)	396,000	-
Privately-funded undergraduate fee income (per capita fee £5,367 2012 -£5,016)	196,790	173,899
Affiliated students paying reduced college fee	1,176	-
Graduate fee income (per capita fee £2,349 - 2012 £2,289)	217,050	265,697
Graduate part time students with reduced college fee	6,188	-
Sub-total College Fees	<u>1,818,324</u>	<u>1,781,965</u>
Degree Fees and Other Academic Income	245,447	219,260
Total	<u>2,063,771</u>	<u>2,001,225</u>

Income in respect of the Cambridge Bursary Scheme is included in Degree Fees and Other Academic Income.

**2 INCOME FROM RESIDENCES, CATERING AND CONFERENCES**

		<b>2013</b>	<b>2012</b>
		£	£
Accommodation	College members	1,675,978	1,627,474
	Conferences	398,211	493,648
Catering	College members	374,354	381,486
	Conferences	316,403	379,830
<b>Total</b>		<u>2,764,946</u>	<u>2,882,438</u>

**3 ENDOWMENT INCOME**

	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>Income from</b>	<b>Income from</b>	<b>Total</b>	<b>Total</b>
	<b>restricted funds</b>	<b>unrestricted</b>		
	£	£	£	£
Total return contribution from Segregated Fund	55,754	1,064,008	1,119,762	1,091,068
Amalgamated Administration Fee	32,520	140,022	172,542	166,331
Quoted securities-equities	46,169	197,561	243,730	168,853
Quoted securities-fixed interest	24,445	104,603	129,048	110,071
Cash (Variable Interest)	8,654	1,786	10,440	9,881
<b>Total Endowment Income</b>	<u>167,542</u>	<u>1,507,981</u>	<u>1,675,522</u>	<u>1,546,204</u>

**3b SUMMARY OF TOTAL RETURN**

	<b>2013</b>	<b>2012</b>
	£	£
Income from:		
Quoted securities & cash	383,218	288,805
Segregated fund	519,546	237,917
Gains/losses on Endowment Assets	4,517,744	(1,305,390)
Total return for year	<u>5,420,508</u>	<u>(778,668)</u>
Return transferred to income & expenditure account	(1,675,522)	(1,546,204)
Unapplied/(Applied) total return for the year included within statement of total recognised gains & losses	<u>3,744,986</u>	<u>(2,324,872)</u>

**4 DONATIONS**

	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>Income from</b>	<b>Income from</b>	<b>Total</b>	<b>Total</b>
	<b>restricted funds</b>	<b>unrestricted</b>		
	£	£	£	£
Donations	107,375	120,924	228,300	217,877
Release of Deferred Capital	167,407	-	167,407	167,190
	<u>274,782</u>	<u>120,924</u>	<u>395,707</u>	<u>385,067</u>

**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**NOTES TO THE ACCOUNTS**

**5 EDUCATION EXPENDITURE**

	<b>2013</b>	<b>2012</b>
	£	£
Teaching	1,732,480	1,832,302
Tutorial	476,380	424,289
Admissions	300,083	206,642
Research	92,010	141,247
Scholarships and Awards	337,991	268,607
Other Educational Facilities	179,418	102,379
<b>Total</b>	<b>3,118,362</b>	<b>2,975,466</b>

Gross expenditure in respect of the Cambridge Bursary Scheme is included in Scholarships and Awards.

**6 RESIDENCES, CATERING AND CONFERENCES EXPENDITURE**

		<b>2013</b>	<b>2012</b>
		£	£
Accommodation	College members	2,284,643	1,843,798
	Conferences	569,194	831,172
Catering	College members	379,752	421,270
	Conferences	228,538	322,247
<b>Total</b>		<b>3,462,127</b>	<b>3,418,487</b>

**7a ANALYSIS OF 2012/13 EXPENDITURE BY ACTIVITY**

	<b>Staff costs (note 8)</b>	<b>Other operating expenses</b>	<b>Depreciation</b>	<b>Total</b>
	£	£	£	£
Education (note 5)	1,734,551	1,255,210	128,601	3,118,362
Residences, catering and conferences (note 6)	1,345,195	1,505,287	611,645	3,462,127
Fundraising	185,590	98,245	-	283,835
General Administration	121,649	27,371	-	149,020
	<b>3,386,985</b>	<b>2,886,113</b>	<b>740,246</b>	<b>7,013,344</b>

**7b ANALYSIS OF 2011/2012 EXPENDITURE BY ACTIVITY**

	<b>Staff costs (note 8)</b>	<b>Other operating expenses</b>	<b>Depreciation</b>	<b>Total</b>
	£	£	£	£
Education (note 5)	1,707,456	1,180,188	87,822	2,975,466
Residences, catering and conferences (note 6)	1,488,734	1,314,631	615,122	3,418,487
Fundraising	220,020	158,067	-	378,087
General Administration	36,406	13,138	-	49,544
	<b>3,452,616</b>	<b>2,666,024</b>	<b>702,944</b>	<b>6,821,584</b>

Gross expenditure in respect of the Cambridge Bursary Scheme is included in Other operating expenses.

**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**NOTES TO THE ACCOUNTS**

**7c AUDITORS REMUNERATION**

	<b>2013</b>	<b>2012</b>
	£	£
Other operating expenses include:-		
Auditors fees payable to College's external auditors	19,500	19,500
Other fees payable to the College's external auditors	5,740	5,261
Internal Auditors fees paid	3,000	6,017

**7d CONTRIBUTION UNDER STATUTE G,II**

There is no liability under Statute G,II.	-	-
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**8 STAFF**

	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
	Head of House & College Fellows	Non-Academic Staff	Sub-Total	External Supervisors & Directors of Studies	Total	Total
	£	£	£	£	£	£
Staff costs:						
Emoluments	852,408	1,557,038	2,409,446	-	2,409,446	2,494,112
Social security costs	71,235	113,380	184,615	-	184,615	198,613
Pension costs (see note 19)	116,356	189,241	305,597	-	305,597	359,556
Other staff costs	152,916	182,145	335,061	-	335,061	246,172
	<u>1,192,915</u>	<u>2,041,804</u>	<u>3,234,719</u>	-	<u>3,234,719</u>	<u>3,298,453</u>
External Supervisors, Directors of Studies, etc	-	-	-	152,265	<u>152,265</u>	<u>154,163</u>
Total	<u>1,192,915</u>	<u>2,041,804</u>	<u>3,234,719</u>	<u>152,265</u>	<u>3,386,984</u>	<u>3,452,616</u>

Total College Staff as at 30 June	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
				Total	Total
Head of House (on sabbatical from 01.01.12)	-	-	-	-	1
Acting Head of House	1	-	-	1	1
Fellows-Academic	48	-	-	48	50
Fellows-Non-Academic	3	-	-	3	4
Academic Staff-Other	-	-	-	-	1
Non-Academic Staff (Full-time equivalents)	-	-	85	85	81
<b>Total as at 30 June</b>	<u>52</u>	<u>-</u>	<u>85</u>	<u>137</u>	<u>138</u>

Of the 52 Fellows declared above, 50 are stipendiary (2012 - 53 stipendiary).  
 No officer or employee of the College, including the Head of House, received emoluments of over £100,000.  
 The trustees receive no emoluments in their role as trustees of the charity  
 During the year the trustees received £353,732 (2012 £412,586) in remuneration for college duties.

**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**NOTES TO THE ACCOUNTS**

<b>9 FIXED ASSETS</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
<b>9a TANGIBLE FIXED ASSETS</b>	<b>Freehold land and buildings</b>	<b>Furniture, fittings and equipment</b>	<b>Heritage Assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST/VALUATION</b>				
As at 1 July 2012	40,056,125	1,181,556	310,500	41,548,181
Surplus on revaluation				-
Additions at cost	213,733	18,372	-	232,105
Disposals as cost	-	-	-	-
Cost/valuation as at 30 June 2013	<u>40,269,858</u>	<u>1,199,928</u>	<u>310,500</u>	<u>41,780,286</u>
<b>DEPRECIATION</b>				
As at 1 July 2012	1,195,165	491,905	-	1,687,070
Depreciation on disposals				-
Charge for the year	609,600	130,646	-	740,246
Accumulated Depreciation as at 30 June 2013	<u>1,804,765</u>	<u>622,551</u>	<u>-</u>	<u>2,427,316</u>
<b>Net Book Value</b>				
At 30 June 2013	<u>38,465,093</u>	<u>577,377</u>	<u>310,500</u>	<u>39,352,970</u>
At 30 June 2012	<u>38,860,960</u>	<u>689,651</u>	<u>310,500</u>	<u>39,861,111</u>

Included in the Balance sheet as follows:	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Fixed Assets	<u>39,042,470</u>	<u>39,550,611</u>
Endowment Assets (see note 11)	<u>310,500</u>	<u>310,500</u>

The College's land and buildings were revalued at 30 June 2010 and in accordance with the accounting policies will be revalued after five years.

The insured value of freehold operational buildings (excluding investment assets) at 30 June 2013 was £78,785,607 (2012 £63,659,981).

**9b HERITAGE ASSETS**

According to FRS30 (Heritage Assets), works of art, books and other valuable artefacts acquired should be capitalised and recognised in the balance sheet at the cost or value of the acquisition where such a cost or valuation is reasonably obtainable. The College holds and conserves an Art Collection which has been built up over a number of years and which consists of mainly donated works. The Art Collection is preserved, conserved and managed in accordance with recognised national standards and the collection on display is open to the public for viewing. Those items not on general display can be accessed by the wider public by prior arrangement. The works are normally donated on a permanent basis so will be included as endowment assets. The Collection is professionally valued every five years, the latest being carried out in 2012 by Bonhams. As stated in the Statement of Accounting Policies all works of art valued over £10,000 are included in the accounts. Movement in value in the year Nil (2012 £22,000).

MURRAY EDWARDS COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

NOTES TO THE ACCOUNTS

10 INVESTMENTS

	2013	2012
	£	£
<b>Balance at 1 July 2012</b>	42,226,868	45,391,477
Additions	20,234,139	27,907,446
Disposals	(22,764,348)	(26,862,192)
Appreciation/(depreciation) on disposals/revaluation	4,517,744	(1,076,440)
Increase/(decrease) in cash balances	2,501,063	(3,133,423)
<b>Balance at 30 June 2013</b>	<u>46,715,466</u>	<u>42,226,868</u>
<b>Represented by:</b>	£	£
Freehold buildings	2,309,399	2,309,399
Quoted securities - equities	22,085,777	19,101,719
Quoted securities - fixed interest	12,308,391	15,734,471
Alternative investments	6,247,256	3,816,845
Loan-Joint Colleges Nursery Scheme	3,935	4,790
Cash held for reinvestment	3,760,708	1,259,644
<b>Total Investment Assets</b>	<u>46,715,466</u>	<u>42,226,868</u>

One property was acquired as an investment asset in 2011 and is included at management valuation of £2,309,399. The College incurred investment management advice charges of £362,645 (2012 £364,028) in the year. £122,789 (2012 £126,313) has been deducted from income in note 3 and £239,856 (2012 £237,715) has been included in gains and losses for the year. This reflects the treatment by fund managers and advisers.

Allocated as:-	£	£
<b>Fixed Asset investments</b>	14,670,501	13,178,970
<b>Endowment Investments</b>	32,044,965	29,047,898
<b>Total Investment Assets</b>	<u>46,715,466</u>	<u>42,226,868</u>

11 ENDOWMENT ASSETS

<b>Investments - as above</b>	£	£
Freehold buildings	2,309,399	2,309,399
Quoted securities - equities	14,411,150	12,690,237
Quoted securities - fixed interest	8,989,331	10,508,608
Alternative investments	4,235,040	2,537,989
Loan-Joint Colleges Nursery Scheme	770	942
Cash held for reinvestment	2,099,275	1,000,723
<b>Total Investment Assets</b>	32,044,965	29,047,898
Heritage Assets - see notes 9a and 9b	310,500	310,500
Other Assets included in Cash	138,237	239,366
	<u>32,493,702</u>	<u>29,597,764</u>



**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**NOTES TO THE ACCOUNTS**

<b>12 DEBTORS</b>	<b>2013</b>	<b>2012</b>
	£	£
Members of College	29,538	90,499
Other Debtors	253,021	356,723
	<u>282,559</u>	<u>447,222</u>

<b>13 CASH</b>	£	£
Bank and Building Society deposits	1,779,934	1,390,285
Current accounts	181,206	419,926
Cash in hand	2,222	2,297
	<u>1,963,362</u>	<u>1,812,508</u>
Endowment Assets (Note 11)	(138,237)	(239,366)
	<u>1,825,125</u>	<u>1,573,142</u>

The cash held in subsidiaries at the year end was £176,507 (2012 £410,241) included in Current accounts above.

<b>14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	£	£
Members of College	38,016	88,665
Other creditors	927,912	873,186
	<u>965,928</u>	<u>961,851</u>

<b>15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	£	£
Loan-Barclays Bank	13,500,000	13,500,000
	<u>13,500,000</u>	<u>13,500,000</u>

During 2009/10 the repayment terms of the bank loans of £13.5m were rescheduled and are repayable as follows: £3 million by March 2025, £1.5 million by March 2029 and £9 million by March 2048.

The loans are subject to the following fixed interest rate contracts:

Loan amount	Rate	Maturity
£3m	5.65%	2016
£1.5m	4.56%	2029
£9m	5.00%	2048

<b>16 PENSION LIABILITY</b>	£	£
Deficit in scheme at 1 July 2012	(1,441,116)	(734,561)
Movement in year		
Current service cost	(36,304)	(66,570)
Contributions paid by college	138,372	149,796
Finance cost	(40,983)	(16,630)
Actuarial loss recognised in STRGL	(317,729)	(773,151)
Deficit in scheme at 30 June 2013 - see note 24	<u>(1,697,760)</u>	<u>(1,441,116)</u>

<b>17 DEFERRED CAPITAL GRANTS</b>	£	£
Balance brought forward at 1 July 2012	8,466,394	8,619,407
Donations received	1,077	14,177
Released to Income and expenditure account	(167,407)	(167,190)
	<u>8,300,064</u>	<u>8,466,394</u>

MURRAY EDWARDS COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS  
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NOTES TO THE ACCOUNTS

18 ENDOWMENTS	2013	2013	2013	2013	2013	2012
	Restricted Permanent £	Unrestricted Permanent £	Total Permanent £	Restricted Expendable £	Total £	Total £
Balance at beginning of year	4,198,624	24,636,568	28,835,192	762,572	29,597,764	30,592,018
(Decrease)/increase in investments	394,368	2,656,861	3,051,229	58,933	3,110,162	(280,466)
Income receivable from endowment asset investments	25,931	493,615	519,546	-	519,546	237,916
4% drawdown to Income and exp	(55,754)	(1,064,007)	(1,119,761)	-	(1,119,761)	(1,091,067)
New endowments received	34,596	278,262	312,858	17,259	330,117	10,573
Heritage Assets capitalised	-	-	-	-	-	166,000
Capital returned from Alternative investment Transfers	3,225	61,384	64,609	-	64,609	-
		(5,741)	(5,741)		(5,741)	(314)
Income receivable from endowment asset investments and donations	57,084	361	57,445	149,791	207,236	212,238
Expenditure	(25,023)	(361)	(25,384)	(184,846)	(210,230)	(249,134)
Net transfer from Income and expenditure accounts	32,061	0	32,061	(35,055)	(2,994)	(36,896)
Balance at end of year	4,633,051	27,056,942	31,689,993	803,709	32,493,702	29,597,764
Representing:-						
Awards Funds	427,048	18,744	445,792	218,927	664,719	132,349
Hardship Funds	402,952	-	402,952	179,410	582,362	914,192
Other Student Support	-	-	-	98,564	98,564	63,034
Research Funds	939,393	-	939,393	84,407	1,023,800	1,009,635
Graduate Studentships Funds	-	-	-	4,593	4,593	79,046
Travel Funds	-	-	-	88,308	88,308	77,986
Fellowships Funds	2,553,158	901,937	3,455,095	91,286	3,546,381	2,943,375
Other Funds	310,500	26,136,261	26,446,761	38,214	26,484,975	24,378,147
Total	4,633,051	27,056,942	31,689,993	803,709	32,493,702	29,597,764

19 RESERVES	2013	2013	2012
	General Reserves £	Total £	Total £
Balance at beginning of year	30,406,331	30,406,331	32,119,953
(Deficit)/Surplus for year	(60,814)	(60,814)	84,139
Revaluation gain/(loss) on investments	1,342,972	1,342,972	(1,024,924)
Transfer to funds	5,741	5,741	314
Pension fund movement	(317,729)	(317,729)	(773,151)
Balance at end of year	31,376,501	31,376,501	30,406,331

Included within reserves is an amount of £20,290,376 (2012:£20,078,810) required by the ordinances to be identified as representing corporate capital and previously described as corporate capital.

**MURRAY EDWARDS COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**NOTES TO THE ACCOUNTS**

**20 CAPITAL COMMITMENTS**

	2013 £	2012 £
Commitments contracted for at 30 June:		
Authorised and contracted	152,831	17,943
	<u>152,831</u>	<u>17,943</u>

**21 FINANCIAL COMMITMENTS**

At 30 June the College had annual commitments under non-cancellable operating leases as follows:

	£	£
Land and Buildings:		
Expiring between one and five years' time	3,900	76,500
	<u>3,900</u>	<u>76,500</u>
Other:		
Expiring between one and five years' time	2,319	8,819
	<u>2,319</u>	<u>8,819</u>

**22 CONTINGENT LIABILITIES**

The College's endowment capital includes conditional capital donations amounting in total to £24,952,676. Under certain limited circumstances these donations could be repayable to the donor, but in the opinion of the members of Council, such repayment is not foreseen and accordingly no provision is made in these accounts.

**23 CASH FLOW STATEMENT**

<b>Net cash inflow/(outflow) reconciliation</b>	£	£
Operating (Deficit)/surplus	(63,808)	47,243
Depreciation of tangible fixed assets	740,246	702,944
Deferred capital grants released to income	(167,407)	(167,190)
Investment income	(1,675,522)	(1,546,204)
Interest payable	687,622	689,626
FRS 17 adjustment	(61,085)	(66,596)
Decrease/(increase) in stocks	6,149	5,558
Decrease/(increase) in debtors	164,663	(102,177)
Increase/(decrease) in creditors	4,077	(239,670)
<b>Net cash outflow from operating activities</b>	<u>(365,065)</u>	<u>(676,466)</u>

Analysis of cash and bank balances

	At 1 July 2012 £	Cash Flows £	At 30 June 2013 £
Cash at bank and in hand*	1,812,508	150,854	1,963,362
Cash held as part of investments	1,259,644	2,501,064	3,760,708
	<u>3,072,152</u>	<u>2,651,918</u>	<u>5,724,070</u>
Debt due after one year	(13,500,000)	-	(13,500,000)
	<u>(10,427,848)</u>	<u>2,651,918</u>	<u>(7,775,930)</u>

\* This balance is stated before re-analysis of cash to Endowment Assets (see notes 11 and 13).

## MURRAY EDWARDS COLLEGE

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### NOTES TO THE ACCOUNTS

#### 24 PENSION SCHEMES

The College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS) and a defined contribution scheme administered by Aviva. The details of the schemes are as follows:

##### **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 whom at least one must be a USS pensioner member; 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.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he 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 2012 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 (ie 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 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and 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 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Standard mortality tables were used as follows:

Male members' mortality S1NA ["light"] YoB tables — No age rating

Female members' mortality S1NA ["light"] YoB tables — rated down 1 year

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 CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65 23.7 (25.6) years  
Males (females) currently aged 45 25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

**MURRAY EDWARDS COLLEGE**

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**NOTES TO THE ACCOUNTS**

**24 PENSION SCHEMES (continued)**

**Universities Superannuation Scheme (continued)**

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 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% 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 a 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 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the on-going cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the previous valuation as at 31 March 2008 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011.

These include:

*New Entrants*

Other than in specific, limited circumstances, new entrants are now provided on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

*Normal pension age*

The Normal pension age was increased for future service and new entrants, to age 65.

*Flexible Retirement*

Flexible retirement options were introduced.

*Member contributions increased*

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

**MURRAY EDWARDS COLLEGE**

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**NOTES TO THE ACCOUNTS**

**24 PENSION SCHEMES (continued)**

**Universities Superannuation Scheme (continued)**

**Cost sharing**

If the total contribution level exceeds 23.5% of Salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

**Pension increase cap**

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

The actuary has estimated that the funding level as at 31 March 2013 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2013 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2013 was 68%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 55%.

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 actuarial valuation are set out below:

<b>Assumption</b>	<b>Change in assumption</b>	<b>Impact on shortfall</b>
Investment return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 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 trustees believe 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 by the trustees are designed to give the fund a significant exposure to equities through portfolios that are diversified both geographically and by sector. The trustees recognise that, putting the issue of the USS fund's size and scale to one side for a moment, it might 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 sponsoring employers would be willing and able to make, it is necessary and appropriate for the trustee 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 received advice from its internal investment team, its investment consultant and the scheme actuary, and importantly considers the ability of the sponsoring employers to support the scheme if the investment strategy does not deliver the expected returns.

## MURRAY EDWARDS COLLEGE

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### NOTES TO THE ACCOUNTS

#### 24 PENSION SCHEMES (continued)

##### Universities Superannuation Scheme (continued)

The positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities, and the scheme actuary has confirmed that this is likely to remain the position for the next ten years or more. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and most critically the ability of the employers to provide additional support to the scheme should additional contributions be required, enables it to take a longer-term view of its investments. Some short-term volatility in returns, can be tolerated and need not feed through immediately to the contribution rate. However, the trustee is mindful of the difficult economic climate which exists for defined benefit pension schemes currently, and the need to be clear about the responses that are available should the deficits persist and a revised recovery plan becomes necessary following the next actuarial valuation of the scheme as at March 2014. The trustee is making preparations ahead of the next valuation to compile a formal financial management plan, which will bring together – in an integrated form – the various funding strands of covenant strength, investment strategy and funding assumptions, in line with the latest guidance from the Pensions Regulator.

At 31 March 2013, USS had over 148,000 active members and the College had 72 active members participating in the scheme.

The total pension cost for the College was £213,130 (2012: £264,911). This includes £27,696 (2012: £30,532) outstanding contributions at the balance sheet date. The contribution rate payable by the College was 16% of pensionable salaries.

##### Cambridge Colleges' Federated Pension Scheme

The College is a member of a multi-employer defined benefits scheme, the Cambridge Colleges' Federated Pension Scheme. A full valuation was undertaken as at 31 March 2011 and updated to 30 June 2013 by a qualified independent Actuary. The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	June 2013 % p.a.	June 2012 % p.a.
Discount rate	4.6	4.7
Expected long-term rate of return on Scheme assets	6.2	5.6
Increase in salaries	2.8*	2.2**
Retail Prices Index (RPI) assumption	3.3	2.7
Consumer Prices Index (CPI) assumption	2.3	1.7
Pension increases (RPI linked)	3.3	2.7
Pension increases (capped RPI linked)	3.1	2.5

\* 1.5% in 2013; 2.8% thereafter. \*\* 1.5% in 2012, 2.2% thereafter

The underlying mortality assumption is based upon the standard table known as Self-administered Pension Schemes (SAPS) mortality tables for average normal pensioners projected in line with the CMI 2012 projection and a target long-term improvement rate of 0.75% p.a. The allowance for improvements has been updated from 2012 when the CMI2011 projection table was adopted. This results in the following life expectancies:

- Male age 65 now has a life expectancy of 22.0 years (previously 21.9)
- Female age 65 now has a life expectancy of 24.2 years (previously 24.1)
- Male age 45 now and retiring in 20 years would have a life expectancy then of 22.9 years. (previously 22.8)
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.3 years (previously 25.3)..

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24 PENSION SCHEMES (continued)

Cambridge Colleges' 'Federated Pension Scheme (continued)

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2013 (with comparative figures as at 30 June 2012) are as follows:

	June 2013 £	June 2012 £
Present value of Scheme liabilities	(4,921,712)	(4,448,116)
Market value of Scheme assets	3,223,952	3,007,000
<b>Surplus (deficit) in the Scheme</b>	<b>(1,697,760)</b>	<b>(1,441,116)</b>
Related deferred tax asset	n/a	n/a
Net Pension Asset (liability)	n/a	n/a

The amounts recognised in profit and loss for the 12 months ending 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows.

	June 2012 £	June 2011 £
Current service cost	36,304	66,570
Interest on Scheme liabilities	203,163	230,366
Expected return on Scheme assets	(162,180)	(213,736)
Past service cost	0	0
Curtailment gain	0	0
<b>Total</b>	<b>77,287</b>	<b>83,200</b>
Actual return on Scheme assets	349,716	(411,741)

Changes in the present value of the Scheme liabilities for the 12 months ending 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:

	June 2013 £	June 2012 £
Present value of Scheme liabilities at beginning of period	4,448,116	4,353,213
Service cost (including Employee contributions)	47,595	90,968
Interest cost	203,163	230,366
Past service cost	0	0
Curtailment gain	0	0
Actuarial losses/(gains)	505,265	147,674
Benefits paid	(282,427)	(374,105)
<b>Present value of Scheme liabilities at end of period</b>	<b>4,921,712</b>	<b>4,448,116</b>

Changes in the fair value of the Scheme assets for the 12 months ending 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:



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	June 2013 £	June 2012 £
Market value of Scheme assets at beginning of period	3,007,000	3,618,652
Expected return	162,180	213,736
Actuarial gains/(losses)	187,536	(625,477)
Contributions paid by the College	138,372	149,796
Employee contributions	11,291	24,398
Benefits paid	(282,427)	(374,105)
<b>Market value of Scheme assets at end of period</b>	<b>3,223,952</b>	<b>3,007,000</b>

**24 PENSION SCHEMES (continued)**

**Cambridge Colleges' Federated Pension Scheme (continued)**

The agreed contributions to be paid by the College for the forthcoming year are 7.28% of Contribution Pay plus £10,861 p.a. to cover expenses plus £60,651 by December 2013 to complete the current Recovery Plan, subject to review at future actuarial valuations. These rates exclude PHI.

The major categories of Scheme assets as a percentage of total Scheme assets at 30 June 2013 (with comparative figures at 30 June 2012) are as follows:

	June 2013	June 2012
Equities & Hedge Funds	68%	66%
Bonds & Cash	24%	25%
Properties	8%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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 7.0% (2012: 6.4%), an expected rate of return on properties of 6.0% (2012: 5.4%) and an expected rate of return on bonds and cash of 4.0% (2012: 3.7%).

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL) for the 12 months ending 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:

	June 2013 £	June 2012 £
Actual return less expected return on Scheme assets	187,536	(625,477)
Experience gains and losses arising on Scheme liabilities	(18,668)	(100,036)
Changes in assumptions underlying the present value of Scheme liabilities	(486,597)	(47,638)
<b>Actuarial gain/(loss) recognised in STRGL</b>	<b>(317,729)</b>	<b>(773,151)</b>

Cumulative amount of actuarial gains and losses recognised in STRGL for the 12 months ending 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:

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**NOTES TO THE ACCOUNTS**

	June 2013 £	June 2012 £
Cumulative actuarial gain/(loss) at beginning of period	(1,460,833)	(687,682)
Recognised during the period	(317,729)	(773,151)
<b>Cumulative actuarial gain/(loss) at end of period</b>	<b>(1,778,562)</b>	<b>(1,460,833)</b>

Movement in surplus/(deficit) during the 12 months ending 30 June 2013 (with comparative figures for the 12 months ending 30 June 2012) are as follows:

	June 2013 £	June 2012 £
Surplus/(deficit) in Scheme at beginning of year	(1,441,116)	(734,561)
Service Cost (Employer Only)	(36,304)	(66,570)
Contributions paid by the College	138,372	149,796
Finance Cost	(40,983)	(16,630)
Actuarial gain/(loss)	(317,729)	(773,151)
<b>Surplus/(deficit) in Scheme at the end of the year</b>	<b>(1,697,760)</b>	<b>(1,441,116)</b>

**24 PENSION SCHEMES (continued)**

**Cambridge Colleges' Federated Pension Scheme (continued)**

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

	June 2013 £	June 2012 £	June 2011 £	March 2010 £	March 2009 £
Present value of Scheme liabilities	(4,921,712)	(4,448,116)	(4,353,213)	(4,358,822)	(3,413,902)
Market value of Scheme assets	3,223,952	3,007,000	3,618,652	3,224,788	2,713,298
<b>Surplus/(deficit) in the Scheme</b>	<b>(1,697,760)</b>	<b>(1,441,116)</b>	<b>(734,561)</b>	<b>(1,134,034)</b>	<b>(700,604)</b>
Actual return less expected return on Scheme assets	187,536	(625,477)	101,473	364,281	(617,765)
Experience gain/(loss) arising on Scheme Liabilities	(18,668)	(100,036)	20,738	45,028	(41,071)
Change in assumptions underlying present value of scheme liabilities	(486,597)	(47,638)	187,933	(909,941)	343,120

**Aviva – Pension Scheme**

The college set up a defined contributions pension scheme for staff in 2010-11. The College matches employee contributions to a maximum of 5%. The scheme is administered by Aviva. Contributions are charged to the Income and Expenditure account in the period to which they relate.

**Summary of Total Pension Cost**

The total pension cost for the year to 30 June 2013 was as follows:

**MURRAY EDWARDS COLLEGE**

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**NOTES TO THE ACCOUNTS**

	<b>2013</b>	<b>2012</b>
USS: Contributions	213.130	264.911
CCFPS: Charged to Income and Expenditure Account	138.963	30.443
Aviva	6.705	6.015
	<b>358,798</b>	<b>301,369</b>

**25 RELATED PARTY TRANSACTIONS**

Owing to the nature of the College's operations and the composition of its Governing Body, it is inevitable that transactions will take place with organisations in which a member of the Governing Body has 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.

**26 SUBSIDIARY UNDERTAKINGS**

	Number of Shares	Cost per share £	Class	Holding
New Hall Developments Limited	8	1	Ordinary	100%
New Hall Conferences Limited	8	1	Ordinary	100%

The principal activity of New Hall Developments Limited was the development of the grounds and buildings of the College and the principal activity of New Hall Conferences Limited was that of non-educational conference trading.

