ANNUAL REPORT AND

FINANCIAL STATEMENTS

2009

FITZWILLIAM COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS 2009

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ORGANISATION AND GOVERNANCE

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

The Objectives of the College are as follows:

(a) To advance education, religion, learning and research in the University.

(b) To provide a College wherein members of the University may work for Degrees in the University or may carry out postgraduate or other special studies at Cambridge provided that no member of the College or any candidate for membership thereof shall be subject to any test of a religious, political or social character.

(c) To apply the moneys of the College as prescribed in the Statutes of the College.

(d) To administer any trust or scheme for purposes connected with the objects of the College.

(e) To do all such things as are incidental or conducive to the carrying out of the above objects.

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

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

GOVERNING BODY AND PROFESSIONAL ADVISORS

Governing Body

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

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

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

Other Members:

Dr M D Potter*
Professor D M Thompson*
Dr J R A Cleaver
Dr G G Pooley*
Professor N K H Slater*
Professor G I Davies*
Dr W Allison
Dr A Clark*
Dr D M Scott
Professor R J A Hooley
Mrs N M Padfield*
Dr D J Cole
Professor D A Cardwell
Dr R E Horrox*
Dr J D Leigh
Professor K M Brindle
Dr K W Platts
Dr D Keown
Dr M J S Holly
Dr B Vira
Professor R S Langley
Dr R E Ansorge
Dr I Moller
Professor R P Haining
Professor E Mastorakos
Dr E Perreau-Saussine
Dr D A Coomes
Professor M J Millett*
Dr R D Camina
Dr A G Kovalev
Dr S Mukherji (retired 30/09/09)
Dr D R E Abayasekara*
Dr J A Elliott
Dr A E H Wheatley
Dr K Saeb-Parsy
Dr J I Alcantara*
Dr P Lio
Professor D M Glover
Dr E A Guse (resigned 30/09/08)
Dr M J Arends
Dr S S Owen
Dr A S Tavernor*
Mr J M Adams (resigned 30/09/08)
Dr P J Rentfrow*
Dr S Westenhoff (resigned 30/09/08)
Dr W Seabrooke
Dr D P Nally
Mr R J Moules
Dr S J Gathercole
Dr N Bukhari
Dr E M S Newby
Dr N Grigorian
Dr M B Wingate*
Ms M C Young (appointed 01/10/08)
Dr N MacSweeney (appointed 01/10/08)
Dr J Tankebe (appointed 01/10/08)
Dr A Y Chau (appointed 01/10/08)
Dr I Reid (appointed 22/10/08)

*Also served on the College Committee.

GOVERNING BODY AND PROFESSIONAL ADVISORS
(Continued)

Professional Advisors

Bankers

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

Solicitors

Hewitsons
Shakespeare House
42 Newmarket Road
Cambridge
CB5 8EP

Auditors

Peters Elworthy & Moore
Chartered Accountants and Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Investment Managers

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

BURSAR'S REPORT

General

The principal purpose of the College is to advance education, religion, learning and research in the University of Cambridge. In the year under review, academic fees and charges amounted to £2.13 million *(2008: £2.06 million)* and academic expenditure to £2.97 million *(2008: £2.43 million)*. The deficit of £0.84 million *(2008: £0.37 million)* in respect of academic activity was met from endowment and other income and the overall result was a deficit of £0.24 million.

Donations

Donations of £1,091,366 were received during the year *(2008: £1,236,593)*, including £304,300 from the Colleges' Fund *(2008: £287,900)*, for which the College is extremely grateful. Grants from the Colleges' Fund are added to permanent capital, as is required by the terms of grant. £702,358 of other donations was for specific purposes *(2008: £821,021)*.

Financial Review

There was a deficit for the year of £237,150 *(2008: surplus of £228,526)*, after depreciation of £ 781,958 *(2008: £764,028)*. Income from fees, from student rents and from investments and funds was higher by 3.2%, 5.9% and 34.4% respectively than in the preceding year, but conference income fell by 5.7% due to the tough worldwide trading conditions mostly due to the credit crunch. Following significant market falls, Unrestricted funds fell by 9.7% to £34.96 million (2008: £38.69 million) and Restricted funds by 6.6% to £9.83 million (2008: £10.53 million). Within the net assets total of £44.79 million *(2008: £49.22 million)*, cash reserves decreased from £12.88 million to £1.37 million *(2008: increase of £9.46 million)*. A commercial property was acquired during the year for the amount of £2.45million. The total return on investments was -6.95%, *(2008: -4.30%)*.The College expects a small surplus in 2010.

Risk Management

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

R A Powell

Bursar

Date: 25 November 2009

STATEMENT OF RESPONSIBILITIES OF THE GOVERNING BODY

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF FITZWILLIAM COLLEGE

We have audited the financial statements of the Fitzwilliam College for the year ended 31 July 2009 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 related notes. The financial statements have been prepared under the accounting policies set out therein.

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

Respective Responsibilities of the Governing Body and Auditors
The Governing Body's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Governing Body. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the College's Statutes and the Statutes of the University of Cambridge. We also report to you if, in our opinion, the Report of the Governing Body is not consistent with the financial statements, if the College has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

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

We read other information contained in the Report of the Governing Body and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of Audit Opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Qualified opinion arising on non-compliance with FRS17
Financial Reporting Standard 17 'Retirement Benefits' (FRS 17) requires disclosure of the cost of providing retirement benefits and the related gains, losses, assets and liabilities. As explained in note 28 the College has not obtained and disclosed the necessary information for the year ended 31 July 2009 and it is therefore not possible to quantify the effect of this departure.

Except for the effect of not complying with FRS 17, in our opinion: The financial statements give a true and fair view of the state of the group's and the College's affairs as at 31 July 2009 and of the group's income and expenditure for the year then ended; They have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and in accordance with the College's Statutes and the Statutes of the University of Cambridge; and the information given in the Report of the Governing Body is consistent with the financial statements.

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

PETERS ELWORTHY & MOORE
Chartered Accountants and
Statutory Auditors

CAMBRIDGE
Date: 11 December 2009

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 July 2009

Basis of preparation

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

In addition, the financial statements accord with the Statement of Recommended Practice for accounting in Further and Higher Education (The SORP) with the exception of the balance sheet which has been presented in the different format set out in the relevant section of Statutes and Ordinances of the University of Cambridge (RCCA). The provisions of the SORP require Endowments, Deferred Grants, and Revaluation Reserves to be disclosed on the face of the balance sheet, whereas RCCA requires that part of this information be disclosed in the notes to the financial statements (notes 16 to 19).

Basis of accounting

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

Basis of consolidation

These financial statements consolidate the financial statements of the College and its two subsidiaries, Fitzwilliam College Services Limited and Kawakawa Bay Limited for the year ended 31 July 2009. The two companies are wholly owned subsidiaries of the College. Inclusion of the results of the subsidiaries does not materially change the view presented in the financial statements. The activities of student societies have not been consolidated.

Recognition of income

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

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

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

Pension schemes

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

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme,the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 “Retirement benefits”, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
For the year ended 31 July 2009

Pension schemes (continued)

Fitzwilliam College Assistant Staff Superannuation Fund

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

Tangible fixed assets

a. Land and buildings

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

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred during the year. They are not depreciated until they are brought into use.

b. Maintenance of premises

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

c. Furniture, fittings and equipment

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

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

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

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

Leases

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 July 2009

Investments

Securities

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

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

Properties

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

Stocks

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

Provisions

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

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Taxation

The College is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and is a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the ICTA 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

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

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 July 2009

	Note	2009 £000	2008 £000
INCOME			
Academic fees and charges	1	2,129	2,063
Residences, catering and conferences	2	3,498	3,433
Endowment and investment income	3	1,450	1,158
Other income	4	204	181
Total income		**7,281**	**6,835**
EXPENDITURE			
Education	5	2,968	2,431
Residences, catering and conferences	6	4,336	3,872
Other expenditure	7	171	144
Total expenditure		**7,475**	**6,447**
Operating deficit		**(194)**	**388**
University Contribution under Statute G,II		0	0
		(194)	**388**
Transfer to restricted funds		(43)	(159)
NET DEFICIT		**(237)**	**229**

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

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 July 2009

	Note	Restricted funds		Unrestricted funds		2009	2008
		Collegiate purposes	Non-collegiate purposes	Designated funds	Undesignated funds	Total	Total
		£000	£000	£000	£000	£000	£000
Deficit on continuing operations		0	0	(4)	(233)	(237)	229
Depreciation of investment assets	11	(833)	(16)	(207)	(2,304)	(3,360)	(2,300)
Unspent restricted fund income retained by funds		40	3	0	0	43	159
Benefactions and donations		302	0	400	0	702	821
Transfer donations to income and expenditure account		(173)	0	0	0	(173)	(129)
Transfer donations towards Library		0	0	(1,715)	0	(1,715)	0
Capital grant received from Colleges Fund		0	0	0	304	304	288
Capital grant to Junior Members Association		0	0	0	0	0	(166)
Transfers between funds		(21)	0	21	0	0	0
Total recognised losses for the year		(685)	(13)	(1,505)	(2,233)	(4,436)	(1,098)

Reconciliation

Balance at 1 August 2008	10,407	122	3,412	35,283	49,224	50,322
Total recognised losses for the year	(685)	(13)	(1,505)	(2,233)	(4,436)	(1,098)
Balance at 31 July 2009	9,722	109	1,907	33,050	44,788	49,224

BALANCE SHEETS
As at 31 July 2009

	Note	Group 2009 £000	Group 2008 £000	College 2009 £000	College 2008 £000
FIXED ASSETS					
Tangible assets	10	24,969	25,168	24,968	24,092
Investments	11	27,019	34,021	27,019	34,021
		51,988	59,189	51,987	58,113
CURRENT ASSETS					
Stocks		48	51	48	51
Debtors due within one year	12	1,297	1,326	1,717	2,675
Debtors due after more than one year	12	2,965	0	2,965	0
Cash	13	31	91	24	23
		4,341	1,468	4,754	2,749
CREDITORS : amounts falling due within one year	14	1,541	1,433	1,953	1,638
Net current assets (liabilities)		2,800	35	2,801	1,111
Total assets less current liabilities		54,788	59,224	54,788	59,224
CREDITORS: amounts falling due after more than one year	15	(10,000)	(10,000)	(10,000)	(10,000)
TOTAL NET ASSETS		**44,788**	**49,224**	**44,788**	**49,224**
CAPITAL AND RESERVES	16				
Restricted funds		9,831	10,529	9,831	10,529
Unrestricted funds		34,957	38,695	34,957	38,695
TOTAL		**44,788**	**49,224**	**44,788**	**49,224**

Approved on behalf of the Governing Body on 25 November 2009.

R A Powell
Bursar

R D Lethbridge
Master

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 July 2009

	Note	2009 £000	2008 £000
Cash flow from operating activities	20	**(332)**	**474**
Returns on investment and servicing of finance	21	899	719
Capital transactions	22	(12,049)	8,272
Net cash outflow before management of liquid resources		(11,482)	9,465
Management of liquid resources	23	11,421	(9,244)
Decrease in cash	24	**(61)**	**221**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

1. ACADEMIC FEES AND CHARGES

	2009	2008
	£000	£000
COLLEGE FEES		
Fee income received on behalf of undergraduates eligible for student support (per capita fee £3,612)	1,424	1,404
Other undergraduate fee income (per capita fee £4,401)	370	286
Graduate fee income (per capita fee £2,127)	335	373
	2,129	2,063

2. INCOME FROM RESIDENCES, CATERING AND CONFERENCES

	2009	2008
	£000	£000
Accommodation		
College members	1,762	1,752
Conferences	470	455
Catering		
College members	842	733
Conferences	424	493
	3,498	3,433

3. ENDOWMENT AND INVESTMENT INCOME

	Income from restricted funds	Income from unrestricted funds	2009 Total	2008 Total
	£000	£000	£000	£000
Income from:				
Freehold land and buildings	0	194	194	96
Quoted securities – equities	148	668	816	472
Quoted securities – fixed interest	3	11	14	64
Cash balances	21	96	117	186
Donations and benefactions	173	136	309	340
	345	1,105	1,450	1,158

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

4. OTHER INCOME

	2009	2008
	£000	£000
Miscellaneous charges to members and other income	90	80
Hire of network and laser printing income	96	84
Launderette income	18	17
	204	181

5. EDUCATION EXPENDITURE

	2009	2008
	£000	£000
Teaching	1,843	1,548
Tutorial	525	414
Admissions	105	116
Research	226	173
Scholarships and awards	111	43
Other educational facilities	158	137
	2,968	2,431

6. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

	2009	2008
	£000	£000
Accommodation		
College members	2,281	1,995
Conferences	492	452
Catering		
College members	1,203	1,047
Conferences	360	378
	4,336	3,872

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

7. OTHER EXPENDITURE

	2009 £000	2008 £000
Restricted funds expenditure	19	48
Administration	122	73
Other	30	23
	171	144

8. ANALYSIS OF EXPENDITURE BY ACTIVITY

2008/09	Staff costs (note 24) £000	Other operating expenses £000	Deprecia -tion £000	Total £000
Education (note 5)	1,242	1,564	162	2,968
Residences, catering and conferences (note 6)	2,096	1,623	617	4,336
Other (note 7)	61	107	3	171
	3,399	3,294	782	7,475

The above expenditure includes fundraising costs of £336,319 (2008: £182,914). This expenditure includes the costs of alumni relations.

9. ANALYSIS OF EXPENDITURE BY ACTIVITY

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

10. TANGIBLE FIXED ASSETS

GROUP

	Freehold land and buildings £000	Assets under construction	Furniture, fittings and equipment £000	Library books £000	2009 Total £000
Cost					
As at 1 August 2008	24,883	1,665	2,510	412	29,470
Additions at cost	559	754	324	22	1,659
Transfer of Library costs	0	(1,075)	0	0	(1,075)
Transfers	48	(48)	0	0	0
As at 31 July 2009	25,490	1,296	2,834	434	30,054
Depreciation					
As at 1 August 2008	2,574	0	1,489	239	4,302
Charge for the year	510	0	249	24	783
As at 31 July 2009	3,084	0	1,738	263	5,085
Net book value					
As at 31 July 2009	22,406	1,296	1,096	171	24,969
As at 31 July 2008	22,309	1,665	1,021	173	25,168

The insured replacement cost of freehold land and buildings as at 31 July 2009 was £83,672,000.

COLLEGE

	Freehold land and buildings £000	Assets under construction	Furniture, fittings and equipment £000	Library books £000	2009 Total £000
Cost					
As at 1 August 2008	24,883	590	2,491	412	28,376
Additions at cost	559	754	324	22	1,659
Transfers	48	(48)	0	0	0
As at 31 July 2009	25,490	1,296	2,815	434	30,035
Depreciation					
As at 1 August 2008	2,574	0	1,471	239	4,284
Charge for the year	510	0	249	24	783
As at 31 July 2009	3,084	0	1,720	263	5,067
Net book value					
As at 31 July 2009	22,406	1,296	1,095	171	24,968
As at 31 July 2008	22,309	590	1,020	173	24,092

The insured replacement cost of freehold land and buildings as at 31 July 2009 was £83,672,000.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

11. INVESTMENT ASSETS

GROUP AND COLLEGE	2009 £000	2008 £000
Market value at 1 August 2008	34,021	26,957
Additions	18,877	1,353
Disposals	(11,098)	(1,233)
Appreciation on disposals/revaluation	(3,360)	(2,300)
Decrease in cash balances	(11,421)	9,244
Market value at 31 July 2009	27,019	34,021
Represented by:		
Freehold land and buildings	8,160	6,936
Quoted securities - equities	16,202	12,730
Quoted securities - fixed interest	1,034	1,311
Cash held for reinvestment	1,623	13,044
	27,019	34,021

Investments held by the College also include an additional £2 (2008: £2) in each of the subsidiary undertakings, Fitzwilliam College Services Limited and Kawakawa Bay Limited.

The College's investment properties were professionally valued by Bidwells as at 31 July 2009 on the basis of open market value.

12. DEBTORS

	Group		College	
Due within one year	**2009** £000	**2008** £000	**2009** £000	**2008** £000
Members of the College	240	183	240	183
Amounts owed by subsidiary companies	0	0	431	1,426
Other debtors	1,057	1,143	1,046	1,066
	1,297	1,326	1,717	2,675
Due after more than one year				
Loan repayable by 31 July 2030	2,965	0	2,965	0

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

13. CASH

	Group		College	
	2009	**2008**	**2009**	**2008**
	£000	£000	£000	£000
Current accounts	29	90	22	22
Cash in hand	2	1	2	1
	31	91	24	23

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		College	
	2009	**2008**	**2009**	**2008**
	£000	£000	£000	£000
Bank overdraft	284	256	284	256
Amounts owed to subsidiary companies	0	0	513	517
Social security and other taxes	3	18	2	17
Members of the College	172	133	172	133
Other creditors	1,082	1,026	981	715
	1,541	1,433	1,952	1,638

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

	Group		College	
	2009	**2008**	**2009**	**2008**
	£000	£000	£000	£000
Bank loan	10,000	10,000	10,000	10,000

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

16. CAPITAL AND RESERVES

GROUP

	Income/ expendable capital funds £000	Permanent capital funds £000	2009 Total £000	2008 Total £000
Restricted funds:				
Funds for collegiate purposes				
Trust funds	1,400	4,714	6,114	6,791
Donations & benefactions	0	0	0	0
Deferred capital funds	3,608	0	3,608	3,616
	5,008	4,714	9,722	10,407
Funds for non-collegiate purposes				
Trust funds	96	13	109	122
Unrestricted funds:				
Designated funds				
Special funds	1,793	114	1,907	3,412
Undesignated funds				
Corporate capital	0	29,682	29,682	31,727
Revenue reserves	3,368	0	3,368	3,556
	3,368	29,682	33,050	35,283
	10,265	34,523	44,788	49,224

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

16. CAPITAL AND RESERVES (continued)

COLLEGE

	Income/ expendable capital funds £000	Permanent capital funds £000	2009 Total £000	2008 Total £000
Restricted funds:				
Funds for collegiate purposes				
Trust funds	1,400	4,714	6,114	6,791
Donations & benefactions	0	0	0	0
Deferred capital funds	3,608	0	3,608	3,616
	5,008	4,714	9,722	10,407
Funds for non-collegiate purposes				
Trust funds	96	13	109	122
Unrestricted funds:				
Designated funds				
Special funds	1,793	114	1,907	3,412
Undesignated funds				
Corporate capital	0	29,682	29,682	31,727
Revenue reserves	3,368	0	3,368	3,556
	3,368	29,682	33,050	35,283
	10,265	34,523	44,788	49,224

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

17. MOVEMENT IN CAPITAL AND RESERVES

GROUP

	Balance at 1 August 2008 £000	Movement in year Increase £000	Movement in year Decrease £000	Balance at 31 July 2009 £000
Restricted funds:				
Funds for collegiate purposes				
Income/expendable capital	5,040	0	32	5,008
Permanent capital	5,367	0	653	4,714
	10,407	0	685	9,722
Funds for non-collegiate purposes				
Income/expendable capital	107	0	11	96
Permanent capital	15	0	2	13
	122	0	13	109
Unrestricted funds:				
Designated funds				
Income/expendable capital	3,283	0	1,490	1,793
Permanent capital	129	0	15	114
	3,412	0	1,505	1,907
Undesignated funds				
Income/expendable capital	3,556	0	188	3,368
Permanent capital	31,727	0	2,045	29,682
	35,283	0	2,233	33,050
	49,224	0	4,436	44,788

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

17. MOVEMENT IN CAPITAL AND RESERVES (continued)

COLLEGE

	Balance at 1 August 2008 £000	Movement in year Increase £000	Movement in year Decrease £000	Balance at 31 July 2009 £000
Restricted funds:				
Funds for collegiate purposes				
Income/expendable capital	5,040	0	32	5,008
Permanent capital	5,367	0	653	4,714
	10,407	0	685	9,722
Funds for non-collegiate purposes				
Income/expendable capital	107	0	11	96
Permanent capital	15	0	2	13
	122	0	13	109
Unrestricted funds:				
Designated funds				
Income/expendable capital	3,283	0	1,490	1,793
Permanent capital	129	0	15	114
	3,412	0	1,505	1,907
Undesignated funds				
Income/expendable capital	3,556	0	188	3,368
Permanent capital	31,727	0	2,045	29,682
	35,283	0	2,233	33,050
	49,224	0	4,436	44,788

18. ANALYSIS OF RESTRICTED AND UNRESTRICTED DESIGNATED FUNDS

	Restricted funds £000	Designated funds £000	2009 Total £000	2008 Total £000
Fellowship and Research	1,959	0	1,959	2,213
Scholarships and Prizes	1,219	91	1,310	1,474
Chapel	517	0	517	594
Travel	235	0	235	228
Hardship	1,318	0	1,318	1,515
Building	4,156	1,693	5,849	7,334
Other	427	123	550	583
	9,831	1,907	11,738	13,941

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

19. CAPITAL ALLOCATION

Capital is invested in the following categories of assets:

GROUP	Tangible fixed assets £000	Investment assets £000	Net current assets £000	Long term liability £000	Total £000
Restricted funds:					
Funds for collegiate purposes					
Income/expendable capital	3,712	1,296	0	0	5,008
Permanent capital	0	4,714	0	0	4,714
	3,712	6,010	0	0	9,722
Funds for non-collegiate purposes					
Income/expendable capital	0	96	0	0	96
Permanent capital	0	13	0	0	13
	0	109	0	0	109
Unrestricted funds:					
Designated funds					
Income/expendable capital	1,692	101	0	0	1,793
Permanent capital	0	114	0	0	114
	1,692	215	0	0	1,907
Undesignated funds					
Income/expendable capital	8,394	3,943	1,031	(10,000)	3,368
Permanent capital	11,171	16,742	1,769	0	29,682
	19,565	20,685	2,800	(10,000)	33,050
	24,969	27,019	2,800	(10,000)	44,788

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

19. CAPITAL ALLOCATION (continued)

Capital is invested in the following categories of assets:

COLLEGE	Tangible fixed assets £000	Investment assets £000	Net current assets £000	Long term liability £000	Total £000
Restricted funds:					
Funds for collegiate purposes					
Income/expendable capital	3,712	1,296	0	0	5,008
Permanent capital	0	4,714	0	0	4,714
	3,712	6,010	0	0	9,722
Funds for non-collegiate purposes					
Income/expendable capital	0	96	0	0	96
Permanent capital	0	13	0	0	13
	0	109	0	0	109
Unrestricted funds:					
Designated funds					
Income/expendable capital	1,692	101	0	0	1,793
Permanent capital	0	114	0	0	114
	1,692	215	0	0	1,907
Undesignated funds					
Income/expendable capital	8,393	3,943	1,032	(10,000)	3,368
Permanent capital	11,171	16,742	1,769	0	29,682
	19,564	20,685	2,801	(10,000)	33,050
	24,968	27,019	2,801	(10,000)	44,788

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

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

	2009	2008
	£000	£000
Deficit on continuing operations	(194)	388
Interest and dividends receivable	(947)	(722)
Depreciation	782	764
Decrease in stocks	3	0
Decrease in debtors	15	103
Increase in creditors	100	29
Release of deferred capital funds	(91)	(88)
Net cash outflow from operating activities	(332)	474

21. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2009	2008
	£000	£000
Interest received	334	251
Dividends received	565	468
Net cash inflow from returns on investments and servicing of finance	899	719

22. CAPITAL TRANSACTIONS

	2009	2008
	£000	£000
Receipts from sales of tangible fixed assets	0	0
Receipts from sales of investment assets	11,148	1,184
Donations and benefactions	578	785
Capital grant received from colleges fund	304	288
Loan from Fitzwilliam Society	0	31
Bank loan	0	10,000
Total capital receipts	12,030	12,288
Payments to acquire tangible fixed assets	(1,476)	(2,048)
Payments to acquire investment assets	(18,877)	(1,353)
Loan to Fitzwilliam Information Services Trust Limited	(3,667)	0
Fitzwilliam Society loan repayment	(10)	0
Capital Grant to Junior Members Association	(49)	(415)
Housing loans to fellows	0	(200)
Total capital expenditure	(24,079)	(4,016)
Net cash outflow from capital transactions	(12,049)	8,272

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

23. MANAGEMENT OF LIQUID RESOURCES

	2009	2008
	£000	£000
Placing/(withdrawal) from deposits	(11,421)	9,244

24. ANALYSIS OF CHANGES IN NET FUNDS/DEBT

	At 1 August 2008	Cash flows	Other changes	At 31 July 2009
	£000	£000	£000	£000
Cash at bank and in hand	91	(33)	(27)	31
Bank overdraft	(256)	(28)	0	(284)
	(165)	(61)	(27)	(253)
Cash held at fund managers and on deposit	13,044	(11,421)	0	1,623
Bank loan	(10,000)	0	0	(10,000)
	2,879	(11,482)	(27)	(8,630)

25. STAFF

	College fellows	Non-academic	2009 Total	2008 Total
	£000	£000	£000	£000
Staff costs:				
Emoluments	524	2,276	2,800	2,545
Social security costs	58	154	212	197
Other pension costs	26	361	387	414
	608	2,791	3,399	3,156
	No	**No**	**No**	**No**
Average staff numbers:				
Academic	54	0	54	52
Non-academic	0	98	98	82
	54	98	152	134

There are 60 Fellows in the Governing Body of which the 54 declared above are stipendiary.

No officer or employee of the College, including the Head of House, received emoluments of over £100,000.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

26. CAPITAL COMMITMENTS

At 31 July 2009 future capital expenditure authorised and committed amounted to £395,000 (2008 - £4,525,000).

27. FINANCIAL COMMITMENTS

At 31 July 2009 and 31 July 2008 the College had no annual commitments under non-cancellable operating leases.

28. PENSION SCHEMES

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. USS has over 130,000 active members and the College has 72 active members participating in the scheme.

Because of the mutual nature of the scheme, the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 “Retirement benefits”, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

28. PENSION SCHEMES (continued)

Universities Superannuation Scheme (continued

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

The College's contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, agreed to increase the College's contribution rate to 16% of pensionable salaries from 1 October 2009.

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

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

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements.

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

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

At 31 March 2009, USS had over 130,000 active members and the institution had 72 active members participating in the scheme.

The total pension cost for the College was £210,673 (2008: £237,834). The contribution rate payable by the College was 14% of pensionable salaries.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2009

28. PENSION SCHEMES (continued)

Fitzwilliam College Assistant Staff Superannuation Fund

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

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

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

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

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

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

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

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

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

29. RELATED PARTY TRANSACTIONS

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