

THE CAMBRIDGE OVERSEAS TRUST

Report and Financial Statements

31 July 2009

(- 16/04/2010)
AC01cot5

THE CAMBRIDGE OVERSEAS TRUST
REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS	Page
Trustees' report	i
Legal and administrative details	1
Statement of trustees' responsibilities	2
Independent auditors' report	3
Statement of financial activities	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Accounting policies	9
Notes to the accounts	11

THE CAMBRIDGE OVERSEAS TRUST

TRUSTEES' REPORT 2008-09

ANNUAL REPORT

1. Objects and Purposes of the Trust

The Cambridge Overseas Trust was established by Trust Deed, dated 1 March 1989, to provide scholarships, grants, loans and other assistance to enable persons domiciled, resident or ordinarily resident overseas, in countries other than the countries of the Commonwealth to benefit from further education in the University, particularly those

- (i) who would find it difficult to do so without financial assistance or
- (ii) who are domiciled, resident or ordinarily resident in countries having the greatest need.

By Grace 11 of 17 February 1988, the University of Cambridge transferred to the Trust, on its formation, the balances held in the Chancellor's Fund and in the administrative account of the Committee on Awards. These balances had previously been held by the University for the provision of awards to enable students from overseas countries, other than countries of the Commonwealth, to undertake courses at Cambridge.

2. Organisation and Management of the Trust

The Trust is governed by its Trustees. Day-to-day matters are delegated to the Executive Committee, comprising the Cambridge-based Trustees, and the Executive Chairman and Deputy Chairman, appointed by the Trustees.

The Executive Committee members during 2008-09 were:

Professor Lord Lewis (Chairman - until 21 April 2009)

Mr Simon Lebus (Chairman - from 21 April 2009)

Professor Sir Brian Heap (Deputy Chairman - until 21 April 2009)

Professor Sir Tom Blundell

Professor William Brown

Dr Peter Evans

Professor Lynn Gladden

Professor John Gray

Professor Peter Nolan

Professor Dame Jean Thomas (until 1 March 2009)

Professor Mark Welland (from 1 February 2009)

Professor Sir Greg Winter (from 1 February 2009)

Mrs Sarah Squire (from 1 February 2009)

Officers:

Director: Dr Anil Seal (until 30 September 2008)

Mr Michael O'Sullivan (from 1 October 2008)

Treasurer: Mr Andrew Thompson

Secretary: Dr Timothy Mead

Administrative activities which relate to the fund-raising activities of the Trust, and the selection and payment of award-holders, are undertaken from the offices of the Trust in Trinity Street and King's Parade, Cambridge. The staff at these offices was headed during the year by the Deputy Director, Mrs Sue Osterfield. In April 2009, the Trustees agreed in principle to seek new premises, as the Trinity Street offices were no longer deemed fit for purpose.

The Trust is an exempt charity, Inland Revenue reference no. XR 4612. The University of Cambridge is custodian trustee of the Trust, and the Accounts of the Trust are made available to any member of the Regent House on request to the Registry of the University.

The Trustees are satisfied that the activities and purposes of the Trust, as described in this report and the accompanying accounts, are entirely for charitable purposes and fully meet the 'public benefit' requirement of the Charities Act 2006.

Investment Policy

The investment of the assets of the Trust is under the control of the Trustees who are advised by an Investment Committee. The investment policy is to achieve the maximum total return, with moderate level of risk.

THE CAMBRIDGE OVERSEAS TRUST

TRUSTEES' REPORT 2008-09

There is no formal ethical investment policy. Trustees rely on that of the managers of the individual funds - several of whom watch ethical considerations by voting and participating at the annual meetings of underlying companies.

The investment of the assets of the Trust is under the control of the Trustees, who are advised by an Investment Committee whose members are appointed by them. The members of the Investment Committee during 2008-09 were: Professor Lord Lewis (Chairman), Professor Sir Brian Heap (Deputy Chairman), Mr O N Dawson, Mr J L Reddaway, the Director and the Treasurer. Mr N Butler and Mr R Wilkinson were co-opted as additional members.

The investments are divided between the University Endowment Fund, the University Deposit Fund, and a portfolio of investment and unit trusts managed by F & C Management Ltd. There are also modest land holdings.

Audit Committee & Remuneration Committee

At the Trustees' meeting in April 2009, it was agreed to establish both Audit and Remuneration Committees.

Recruitment, induction and training of Trustees

All Trustees have considerable administrative experience and knowledge of related governance procedures, in most cases having run or held senior positions in educational or business institutions. Some Trustees are leading figures from within the University of Cambridge and its Colleges who understand how the University works, how overseas and EU students are recruited and how best the Trust can aim to help them. It is the practice of the Trust to give all new Trustees full minutes of previous meetings of Trustees and their Executive Committee as well as details of accounts and budgets for at least three years prior to appointment. They also receive a copy of the Trust Deed and Standing Orders made under it. They are given an informal briefing by the officers and are invited to contact the Chairman of the Executive Committee for further and better particulars or for any matters arising after perusing background papers.

3. Activities of the Trust and developments during the year to 31 July 2009

3.1 Awards made, donations and income received

During the year 2008-09 the Trust supported wholly or partly 1,096 students in residence at an average cost of £5,433. Of these, 506 were new students who came into residence for the first time in 2008. This compares with 1,152 students supported in the financial year 2007-08, at

an average cost of £5,113. The total amount paid out by the Trust in direct support of students in 2008-09 was £5,955,048, an increase of 1.1% over the previous year. The distribution of these students between different countries is given in **Appendix A**.

Payments were offered under schemes approved in previous years to:

▪ St Edmund's College	£14,500
▪ New Hall	£6,000
▪ Robinson College	£4,000
▪ Lucy Cavendish College	£8,000

3.1.1 *Income in support of overseas students*

In order to compensate for the changes in the Government-funded ORS (Overseas Research Studentships) Scheme, which have very significantly reduced the number of awards available for Cambridge, the University contributed £530,450 in 2008-09 to enable the Trust to make equivalent awards. The University also contributed £53,050 for bursaries with the aim of reducing the number of award-holders who were unable to take up their ORS awards because their total financial support was inadequate. In addition, the University made a grant totalling £321,750 towards University Composition Fee Bursaries each of value equal to the 'home rate' of the University Composition Fee for postgraduates in 2008-09. The University also donated £366,000 to help compensate the Trust for above-inflation increases in the University Composition fee in recent years, as well as making a generous donation of £673,600 for the general purposes of the Trust. 2008-09 marked the last year of the ORS scheme.

Welcome donations were also received by the Trust during the year from a number of benefactors. In addition a number of contributions were received from University Departments and from Colleges in respect of collaborative schemes of awards. Of particular note are the contributions of Trinity College, which made a most generous grant of £600,000 and also contributed £400,000 to ORS equivalent awards and £150,000 towards the cost of Kapitza scholarships for students from Russia and the Ukraine. Support totalling £223,030 was received from the Foreign and Commonwealth Office via the British Council during the year, as compared with £171,264 in 2007-08, reflecting mainly Chevening awards in which the FCO collaborated with the Trust. Details of benefactions and other collaborative funding are shown at Note 1 to the Accounts.

THE CAMBRIDGE OVERSEAS TRUST

TRUSTEES' REPORT 2008-09

3.1.2 *Investment Income*

Income from investments for the year fell from £905,322 to £757,465, a decrease of 16.3%.

3.2 New Schemes and Renewals of Existing Schemes

3.2.1 Gita Wirjawan Scholarships were agreed, offering two Masters degree awards to Indonesians from 2010.

3.2.2 The Boustany Foundation agreed to fund one PhD student in Astronomy at Pembroke College from 2009, with stipend paid jointly by the Institute of Astronomy and COT/CCT.

3.2.3 BP Egypt adjusted its scholarship scheme, to offer four Masters awards to Egyptians in 2010.

3.2.4 The Brockmann Foundation in Mexico agreed to support two Mexican students on Masters degrees in 2009-10.

3.2.5 A proposal was drafted for Cambridge Assessment to join CCT/COT in a new scheme to support up to sixteen Masters students in relevant subjects, from any country outside the EU, from 2010.

3.2.6 The Croucher Foundation in Hong Kong agreed to co-fund three PhD students from HK in the fields of natural sciences, technology and medicine, from 2009.

3.2.7 CCT and COT signed an agreement with the Islamic Development Bank to fund jointly up to five PhD students from member countries of the IDB, from 2009, in the fields of education, science and health-related subjects.

3.2.8 COT and the University of Central Asia agreed to co-fund two students on MPhil and PhD degrees, from 2010, as part of UCA's faculty development programme

3.3 Administration and Promotion

A total of £474,125 was expended during the year on administration as compared with £362,728 in 2007-08. A significant element of the increase was accounted for by some exceptional non-recurrent items, including the settlement of the External Advisor's contract. However, there were offsets against this administrative expenditure. A contribution of £117,500 was received from the University towards the administrative costs of the Trust for the year. Some work is undertaken on a shared basis by the Cambridge Commonwealth Trust/Cambridge Overseas Trust Offices for the Gates Cambridge Trust, and this is met by a separate contribution, the balance of the costs of the office being divided between the Cambridge Commonwealth Trust and the Cambridge Overseas Trust on a 50:50 basis. The contribution received by the Cambridge Overseas Trust from the Gates Cambridge Trust in 2008-09 was £125,000.

3.4 Developing World Endowment Fund (DWEF)

In addition to the funds detailed in the accounts, there are two Developing World capital funds, held separately by the University. The income on both funds is available to support students from India, Pakistan, Sri Lanka and China. Annual transfers of income are made to the Cambridge Commonwealth Trust and the Cambridge Overseas Trust, as appropriate, in respect of payments made to these students. Payments to the Cambridge Overseas Trust for 2008-09 totalled £35,944.

3.5 Thalman Bequest

The University is Trustee of a bequest from Mr Rene Hugo Thalman for the provision of scholarships. The bequest is divided equally into two funds known as the Thalman Overseas Fund and the Thalman European Fund. The income of the Thalman Overseas Fund is made available annually for expenditure by the Trustees of the Cambridge Overseas Trust for the provision of scholarships. The Trust received £37,251 under this head in 2008-09.

THE CAMBRIDGE OVERSEAS TRUST

TRUSTEES' REPORT 2008-09

4. Capital Position and Out-turn for the Year

4.1 Capital Position of the Trust

The funds and resources of the Trust at the end of the financial year totalled £19.7 million compared to £22.9 million at the end of the previous year. This money is held partly in the University Endowment Fund, partly in investment and unit trusts and partly on deposit. The decrease in the value of the total assets is due mainly to losses in the value of investments held in the University Endowment Fund and in the portfolio of investment and unit trusts as stock markets worldwide fell during the year.

4.2 Out-turn for the Year

There was a net deficit for the year of £803,149 compared to a deficit of £229,486 for 2007-08. This represented the extent to which income from donations and investments was less than the expenditure on scholarships, bursaries, grants, administration and promotion.

5. Future Outlook

The original aim of the Trustees was to increase the number of students supported by the Trust and this aim has been consistently met until this year, when there was a small reduction in the overall numbers (56), with 1,096 students in residence in 2008-09. The Trust's ability to support a significant number of overseas students will depend upon the maintenance of a sufficiently secure financial base. The continued assistance of both the University and Trinity College thus will be crucial. Moreover, fund-raising will gain added significance, as will agreements with funding partners.

However, projected future income remains in excess of that needed to meet future commitments to students already in residence.

6. Reserves Policy

Most of the assets of the Trust are unrestricted and available generally for the award of scholarships in accordance with the Trust Deed. The Trustees have allowed the cumulative balances of the Trust to build up in recent years. This build up provides a cushion to underpin the making of awards to c1,000 - 1,200 students per year at levels of c£6,000 per annum. In the event that the inflow of

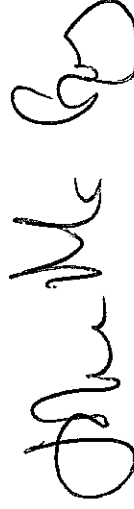
new funds diminishes, the availability of these assets will enable the Trustees to make gradual rather than abrupt downward changes in the number of awards offered, thus facilitating forward planning in the University Departments and Colleges.

7. Risk Management

The Trustees have examined the major strategic, business and operational risks which the Trust faces, and are satisfied that, with the regular reports they receive at meetings, they are able to assess these risks and to put in hand on a timely basis any necessary actions (mainly changes in the number of awards offered from year to year) to lessen or avoid them. In addition, the Trustees have approved the introduction of a formal Risk Management policy and procedures.

Approved by the Trustees on

Signed on behalf of the Trustees 22 April 2010



THE CAMBRIDGE OVERSEAS TRUST

STUDENTS SUPPORTED BY COUNTRY, 2008-09

Appendix A

Albania	3	Morocco	1
Algeria	2	Nepal	2
Argentina	1	Norway	8
Armenia	2	Paraguay	1
Azerbaijan	1	Peru	4
Belarus	3	Puerto Rico	1
Bolivia	2	Romania	3
Bosnia	1	Russia	29
Brazil	8	Saudi Arabia	4
Bulgaria	1	Serbia	3
Cambodia	1	Switzerland	9
Chile	9	Taiwan	35
China	409	Thailand	30
Columbia	1	Turkey	8
Costa Rico	1	Ukraine	9
Croatia	6	United Arab Emirates	1
Dominican Republic	1	Uruguay	2
Egypt	21	USA	196
Hong Kong	133	Uzbekistan	1
Iceland	3	Venezuela	2
Indonesia	4	Vietnam	31
Iran	13	Yugoslavia	1
Israel	11	TOTAL	1,096
Japan	17		
Jordan	3		
Kazakhstan	1		
Korea	30		
Kosovo	8		
Lebanon	2		
Macau	1		
Macedonia	5		
Mexico	9		
Moldova	1		
Mongolia	1		

THE CAMBRIDGE OVERSEAS TRUST

LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES

The trustees for the year were the following:

HRH The Prince of Wales (Chairman)
Dato' Henry Barlow (until 1 March 2009)
Professor Sir Tom Blundell
Professor W A Brown
Lord Browne of Madingley
HRH Prince El Hassan bin Talal
Dr P D Evans
Professor Lynn Gladden
Professor J Gray
The Rt Hon The Lord Howe of Aberavon (from 1 March 2007)
Sir David King (until 1 March 2009)
The Rt Hon The Lord Kinnock of Bedwellty
Mr S D Lebus
Sir David Li
Professor Peter Nolan
Professor Dame Jean Thomas (until 1 March 2009)
The Rt Hon Donald McKinnon (until 21 April 2009)
Dr K B Pretty
Professor Dame Jean Thomas
Professor Mark Welland (from 1 February 2009)
Professor Sir Greg Winter (from 1 February 2009)
Mrs Sarah Squire (from 1 February 2009)

TRUST ADDRESS

The Cambridge Commonwealth Trust
PO Box 252
Cambridge CB2 1TZ

LEGAL STATUS

The charity was established by a Deed of Trust dated 1 March 1989.
The trust is a tax exempt charity. Inland Revenue reference XR 4612.

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
City House
126-130 Hills Road
Cambridge CB2 1RY

INVESTMENT MANAGERS

Foreign & Colonial Management Limited
8th Floor, Exchange House
Primrose Street
London EC2A 2NY

ANNUAL REPORT

These financial statements should be read in conjunction with the trustees' annual report which is published on the same date as these accounts.

THE CAMBRIDGE OVERSEAS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing financial statements giving a true and fair view, the Trustees are required to follow best practice and to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain its financial position and to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 2008 and the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CAMBRIDGE OVERSEAS TRUST

We have audited the financial statements of The Cambridge Overseas Trust for the year ended 31 July 2009 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the notes to the cash flow statement, the accounting policies and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Annual Report and 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 Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and the trust deed. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE CAMBRIDGE OVERSEAS TRUST (continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 July 2009 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993 and the trust deed.

Deloitte LLP

Deloitte LLP

**Chartered Accountants and
Registered Auditors**

Cambridge, United Kingdom

18 June 2010

THE CAMBRIDGE OVERSEAS TRUST

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 July 2009

	Note	Unrestricted funds 2009 £	Restricted funds 2009 £	Endowment funds 2009 £	Total funds 2009 £	Total funds 2008 £
INCOMING RESOURCES						
Income from resources generated from:						
Voluntary income	1	5,117,568	-	-	5,117,568	5,372,890
Investment income	4	557,302	10,641	189,522	757,465	905,322
		<u>5,674,870</u>	<u>10,641</u>	<u>189,522</u>	<u>5,875,033</u>	<u>6,278,212</u>
TOTAL INCOMING RESOURCES						
RESOURCES EXPENDED						
Costs of generating funds:						
Investment management costs		6,509	-	-	6,509	13,832
Charitable activities	2	5,806,203	609,883	189,522	6,605,608	6,444,182
Governance costs	3	66,065	-	-	66,065	49,684
		<u>5,878,777</u>	<u>609,883</u>	<u>189,522</u>	<u>6,678,182</u>	<u>6,507,698</u>
TOTAL RESOURCES EXPENDED						
NET OUTGOING RESOURCES FROM OPERATIONS BEFORE TRANSFERS						
Transfer between funds	6	(203,907)	(599,242)	-	(803,149)	(229,486)
		<u>(203,907)</u>	<u>(599,242)</u>	<u>-</u>	<u>(803,149)</u>	<u>(229,486)</u>
NET OUTGOING RESOURCES FOR THE YEAR						
OTHER RECOGNISED GAINS AND LOSSES						
Unrealised and realised losses on revaluation of investment assets	8	(1,901,068)	-	(435,614)	(2,336,682)	(2,355,581)
		<u>(1,901,068)</u>	<u>-</u>	<u>(435,614)</u>	<u>(2,336,682)</u>	<u>(2,355,581)</u>
TOTAL OTHER RECOGNISED LOSSES						
NET MOVEMENT IN FUNDS						
TOTAL FUNDS BROUGHT FORWARD AT 1 AUGUST		(2,104,975)	(599,242)	(435,614)	(3,139,831)	(2,585,067)
TOTAL FUNDS BROUGHT FORWARD AT 31 JULY	10,11	17,903,429	577,664	4,375,478	22,856,571	25,441,638
		<u>15,798,454</u>	<u>(21,578)</u>	<u>3,939,864</u>	<u>19,716,740</u>	<u>22,856,571</u>

All activities derive from continuing operations.


THE CAMBRIDGE OVERSEAS TRUST

BALANCE SHEET

31 July 2009

	Note	£	2009 £	2008 £
FIXED ASSETS				
Tangible fixed assets	7		453,409	460,915
Investments	8		<u>15,112,178</u>	<u>17,475,827</u>
			<u>15,565,587</u>	<u>17,936,742</u>
CURRENT ASSETS				
Debtors:				
Sales ledger		8,000		
University account		277,521		21,435
Accrued income		31,256		44,706
Amalgamated fund deposit and current balances		3,987,030		5,016,445
Cash held by brokers		105,726		75,039
Cash at bank and in hand		<u>213,775</u>		<u>244,184</u>
			4,623,308	5,401,809
CREDITORS: amounts falling due within one year				
Other creditors			(80,665)	(10,216)
Inter-Trust account			<u>(391,490)</u>	<u>(471,764)</u>
			4,151,153	4,919,829
NET CURRENT ASSETS			<u>19,716,740</u>	<u>22,856,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
FUNDS				
Endowment funds	9		3,939,864	4,375,478
Restricted funds	10		(21,578)	577,664
Unrestricted funds	11		<u>15,798,454</u>	<u>17,903,429</u>
			<u>19,716,740</u>	<u>22,856,571</u>

These financial statements were approved by the trustees on 22 April 2010

Signed on behalf of the trustees 

THE CAMBRIDGE OVERSEAS TRUST

CASH FLOW STATEMENT

Year ended 31 July 2009

	Note	2009	2008
		£	£
Net cash outflow from operating activities	a	(1,056,104)	(391,797)
Capital expenditure and financial investment			
Net proceeds/(purchases) from investments		<u>26,967</u>	<u>(57,042)</u>
Net cash inflow/(outflow) from capital expenditure and financial investment		26,967	(57,042)
Decrease in cash	b	<u>(1,029,137)</u>	<u>(448,839)</u>
Net funds at 1 August 2008		<u>5,335,668</u>	<u>5,784,507</u>
Net funds at 31 July 2009		<u><u>4,306,531</u></u>	<u><u>5,335,668</u></u>

THE CAMBRIDGE OVERSEAS TRUST
NOTES TO THE CASH FLOW STATEMENT
Year ended 31 July 2009

a. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Net outgoing resources		
Depreciation	(803,149)	(229,486)
(Increase)/decrease in debtors	7,506	7,900
Decrease in creditors	(250,636)	11,050
	(9,825)	(181,261)
Net cash outflow from operating activities	(1,056,104)	(391,797)

b. ANALYSIS OF THE BALANCES OF CASH AS SHOWN IN THE BALANCE SHEET

	2009	2008	Increase/ (decrease) in year	2007
	£	£	2009	£
Amalgamated Fund deposits and current balances	4,200,805	5,260,629	(391,798)	5,652,427
Cash held with brokers	105,726	75,039	(57,041)	132,080
	<u>4,306,531</u>	<u>5,335,668</u>	<u>(448,839)</u>	<u>5,784,507</u>

THE CAMBRIDGE OVERSEAS TRUST

ACCOUNTING POLICIES

Year ended 31 July 2009

The financial statements have been prepared in accordance with the Statement of Recommended Practice 2005 "Accounting by Charities" SORP 2005 issued in March 2005 and applicable United Kingdom accounting standards, except for recognising its constructive obligations in relation to future grants payable. See accounting policy note below. The particular accounting policies adopted by the trustees are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market value.

Going concern

The trustees are confident that the charity has adequate funds and resources to continue operating for the foreseeable future and is well placed to manage its business risks successfully despite the current uncertain economic outlook. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Fund accounting

The charity maintains various types of funds as follows:

Restricted funds

Restricted funds represent donations received which are allocated by the donor for specific purposes.

Unrestricted funds

Unrestricted funds represent income which is expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Endowment funds

Endowment funds represent grants and donations received where the donor has stipulated that the income may be used for general purposes, but the capital must be retained.

Incoming resources

All income is recognised in the statement of financial activities when the conditions for receipt have been complied with.

Voluntary income

Voluntary income (donations) and all other receipts from fund-raising are reported gross and the related fund-raising costs are reported in other expenditure.

Investment income

Investment income is accounted for when receivable. Tax recoverable relating to investment income is accounted for in the same period as the related income.

THE CAMBRIDGE OVERSEAS TRUST

ACCOUNTING POLICIES Year ended 31 July 2009

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable

Grants payable are made to students in furtherance of the charitable objectives of the trust. These include an apportionment of overhead and support costs.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit and legal fees.

Tangible fixed assets

No depreciation is charged on investment assets. All other fixed assets are depreciated so as to write off their cost less estimated residual value in equal annual instalments over their estimated useful lives which are considered to be:

Freehold buildings	60 years
Office furniture and equipment	4 years

Investment properties

Investment properties are held at market value. No depreciation is provided in respect of investment properties.

The trustees consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19 "Accounting for investment properties". The financial effect of the departure from the statutory accounting rules is not material.

Investments

Investments are stated at market value. Realised and unrealised gains and losses are shown separately in the appropriate section of the statement of financial activities.

THE CAMBRIDGE OVERSEAS TRUST

NOTES TO THE ACCOUNTS

Year ended 31 July 2009

1. VOLUNTARY INCOME - DONATIONS

Restricted and unrestricted funds	2009 £	2008 £	2009 £	2008 £
University of Cambridge	673,600	654,000	3,221,200	2,953,554
University of Cambridge Composition Fee Bursaries	321,750	315,900	5,000	5,000
University of Cambridge fee increase	366,000	355,350	28,405	11,869
University of Cambridge ORS bursaries	53,050	51,500	183,764	211,722
University of Cambridge ORS equivalent awards	530,450	515,000	106,000	340,281
Department of Applied Maths - CU	1,000	1,000	223,030	171,264
Department of Chemical Engineering - CU	-	2,500	20,000	28,000
Department of Chemistry - CU	-	8,000	191,092	269,440
Department of Earth Sciences - CU	15,925	-	1,500	3,000
Department of Engineering - CU	27,273	17,000	3,000	-
Department of Plant Sciences - CU	-	17,025	59,628	119,530
Department of Pharmacology - CU	-	3,000	35,944	33,732
Department of Zoology - CU	2,000	-	5,200	5,200
Christ's College	-	2,053	94,920	45,152
Churchill College	29,500	23,500	71,448	-
Clare College	2,836	1,382	-	2,000
Darwin College	5,672	5,544	80,004	40,401
Emmanuel College	10,000	12,000	110,460	181,765
Hughes Hall	6,000	-	87,300	87,300
Lucy Cavendish College	1,250	2,750	172,308	339,133
New Hall	194	4,050	37,251	37,424
Queens College	19,700	4,000	117,614	164,049
Trinity College	600,000	600,000	-	72,024
Trinity College - Kapitza	150,000	150,000	20,000	12,000
Trinity College (including ORS equivalent awards)	400,000	200,000	-	-
Wolfson College	5,000	8,000	125,000	125,000
	3,221,200	2,953,554	117,500	114,050
Carried forward			5,117,568	5,372,890

THE CAMBRIDGE OVERSEAS TRUST

NOTES TO THE ACCOUNTS

Year ended 31 July 2009

2. CHARITABLE ACTIVITIES

	2009	2008
	£	£
Grants paid	5,955,048	5,892,088
Support costs:		
Salaries	557,512	341,313
Consultants	24,384	45,134
Telephone, postage and couriers	8,483	17,944
Travel	21,274	5,508
Rent, rates and utilities	29,548	22,807
Equipment and stationery	19,148	25,137
Property costs	7,195	3,884
Promotion	33,334	24,336
Depreciation	7,506	7,900
Inter-trust transfer Cambridge China Development Trust	-	100,000
Bank charges	76	131
Transfer of costs relating to governance	(57,900)	(42,000)
	<u>6,605,608</u>	<u>6,444,182</u>

The transfer of costs relating to governance are based on time spent on governing the charity as a percentage of various support costs.

3. GOVERNANCE COSTS

	2009	2008
	£	£
Audit fee	8,165	5,907
Professional fees	-	1,777
Transfer of costs relating to governance	<u>57,900</u>	<u>42,000</u>
	<u>66,065</u>	<u>49,684</u>

THE CAMBRIDGE OVERSEAS TRUST

NOTES TO THE ACCOUNTS

Year ended 31 July 2009

4. INVESTMENT INCOME

Cambridge University Endowment	2009	2008
Fund unit distributions	£	£
University deposit account interest	441,394	408,465
Dividend income	108,473	286,329
Interest on bank deposits	203,675	192,045
	3,923	18,483
	<u>757,465</u>	<u>905,322</u>

5. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

Average number of employees during the year being
the full time equivalent for part time staff

	2009	2008
	No	No
	5	5

Total remuneration and taxable benefits

	£	£
	485,012	341,343

No trustee, or person related or connected by business to them, has received any remuneration or reimbursement of expenses from the trust during the year (2008 - nil).

No employee received more than £60,000 remuneration during the year (2008 - £60,000).

THE CAMBRIDGE OVERSEAS TRUST

NOTES TO THE ACCOUNTS

Year ended 31 July 2009

6. NET OUTGOING RESOURCES FROM OPERATIONS BEFORE TRANSFERS

Net outgoing resources for the year is stated after charging:
 Auditors' remuneration
 - audit fee payable for annual accounts
 Depreciation of tangible fixed assets

	2009	2008
	£	£
	8,165	5,907
	<u>7,506</u>	<u>7,900</u>

7. TANGIBLE FIXED ASSETS

	Investment property £	Freehold property £	Office furniture and equipment £	Total £
Cost				
At 1 August 2008 and 31 July 2009	121,895	375,300	42,909	540,104
Accumulated depreciation				
At 1 August 2008	-	36,280	42,909	79,189
Charge for the year	-	7,506	-	7,506
At 31 July 2009	-	43,786	42,909	86,695
Net book value				
At 31 July 2009	121,895	331,514	-	453,409
At 31 July 2008	<u>121,895</u>	<u>339,020</u>	<u>-</u>	<u>460,915</u>

THE CAMBRIDGE OVERSEAS TRUST

NOTES TO THE ACCOUNTS

Year ended 31 July 2009

9. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Endow- ment funds £	Restricted funds £	Unrestric- ted funds £	Total 2009 £	Total 2008 £
Fixed assets					
Tangible fixed assets	-	-	453,409	453,409	460,915
Investments	3,939,864	-	11,172,314	15,112,178	17,475,827
Current assets					
Debtors	-	-	39,256	39,256	44,706
Amalgamated Fund deposit and current balances	-	(21,578)	4,222,383	4,200,805	5,260,629
Cash held by brokers and deposits	-	-	105,726	105,726	75,039
Current liabilities					
University account	-	-	(472,155)	(472,155)	(481,980)
	-	-	277,521	277,521	21,435
	<u>3,939,864</u>	<u>(21,578)</u>	<u>15,798,454</u>	<u>19,716,740</u>	<u>22,856,571</u>

THE CAMBRIDGE OVERSEAS TRUST

NOTES TO THE ACCOUNTS

Year ended 31 July 2009

10. MOVEMENT IN ENDOWMENT FUNDS

	INCOME		Transfer to other account	Increase in value of investments	Balance at 31 July 2009
	Balance at 1 August 2008	Other			
Permanent Endowment Funds	£	£	£	£	£
LES endowment	4,375,478	189,522	-	(435,614)	3,939,864

11. MOVEMENT IN RESTRICTED FUNDS

Restricted funds comprise the following unexpended balances of donations and grants given for specific purposes:

	Revenue balance at 1 August 2008	INCOME		Transfer to other account	EXPENDITURE		Revenue balance at 31 July 2009
		Voluntary income	Other		Scholarships and bursaries		
China	£	£	£	£	£	£	£
Developing World Fund	576,623	-	10,641	-	(587,264)	-	-
Trinity College - Kapitza Russia	1,041	-	-	-	(22,619)	(21,578)	(21,578)
	577,664	-	10,641	-	(609,883)	(21,578)	(21,578)