
ISAAC NEWTON TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

ISAAC NEWTON TRUST

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ISAAC NEWTON TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2015

Trustees

Professor R Mair, Chair
Professor J J Baumberg
Professor S Collini
Professor G I Evan
Professor D T Fearon (resigned 3 July 2014)
Professor S C Franklin
Professor D McKitterick
Professor R M Smith
Professor Dame A M Strathern
Professor Sir G Winter

Patron

H.R.H The Prince of Wales

Principal office

Trinity College
Trinity Street
Cambridge
CB2 1TQ

Officers

Prof J P Parry (Director to 31 July 2015)
Dr L Friday (Director from 1 August 2015)
Prof E J Hinch (Treasurer to 10 June 2015)
Mr D Hearn (Treasurer from 29 October 2015)

Independent auditors

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

Bankers

Barclays Bank Plc
Mortlock House
Histon
Cambridge
CB24 9DE

ISAAC NEWTON TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2015**

Administrative details (continued)

Investment managers

Barings Asset Management
155 Bishopsgate
London
EC2M 3XY

Cambridge University Endowment Fund
Greenwich House
Madingley Rise
Madingley Road
Cambridge
CB3 0TX

ISAAC NEWTON TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2015

The Trustees present their annual report together with the audited financial statements of Isaac Newton Trust (the charity) for the year ended 30 June 2015. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Objects and Purposes of the Trust

The principal object of the Trust is to offer financial support for the furtherance of education, learning and research in the University of Cambridge (the University).

Public Benefit

The Trustees confirm that they have complied with Section 4 of the Charities Act 2011 by giving due regard to the guidance on public benefit published by the Charities Commission, and in particular to its two key principles, that there must be identifiable benefit and that the benefit must be to the public or a section of the public. The Trustees are satisfied that the activities and purpose of the Trust, as described in this report and the accompanying accounts, fully meet the public benefit requirements.

The charitable aims of the Trust include the provision of research grants to senior members of the University. These aim either to leverage external funding or to offer seedcorn funding for start-up projects which are thereby able subsequently to win external support. Its grants play an important part in the research strategy of the University, which is widely recognized as one of the leading research universities in the world both in terms of quality and in terms of scope and breadth. Through the dissemination of its research, the University offers public benefit through the continued advancement of knowledge across the sciences, medicine, arts, humanities, culture, and heritage. A large proportion of the Trust's research grants go to support research undertaken in the University across the fields of clinical medicine, biomedicine, physics of medicine, and engineering, research which leads directly to health care.

Through its financial support for, and administration of, the Cambridge Bursary Scheme, the Trust has pursued its charitable objectives by making a major contribution to the University's policy of admitting students of the highest intellectual potential, irrespective of social, racial, religious, financial, or other considerations. The University ensures that individuals from all backgrounds can benefit from the opportunities afforded by a first-rate education and are not unreasonably excluded from those opportunities by the charging of fees. The Cambridge Bursary Scheme gives support to over 25% of home undergraduates and plays an important part in the University's outreach programme. It also gives particular support to mature students in financial need.

The University is committed to equipping those who participate in its educational programmes with the highest quality of teaching and pastoral, infrastructural, and academic support. It is fundamental to the University's mission that its students are personally, academically, and professionally equipped to contribute positively to society. The Trust gives support to University Lectureships and is particularly committed to giving financial assistance to the teaching functions of some Colleges of the University so as to help to address inequalities of endowment.

All the bursaries, grants and other assistance provided by the Trust are awarded on an objective basis in accordance with advertised selection criteria.

Structure, Governance and Management

The Trust was founded by the Trust Deed dated 22 November 1988. It is an exempt charity.

The Trustees meet three times each year. Day to day management is delegated by the Trustees to the Director, and through the Director to other staff.

ISAAC NEWTON TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2015

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. The Trustees, of whom there are at least eight, are appointed by the Council of Trinity College Cambridge, initially to serve for three years, and may be reappointed up to a maximum of nine consecutive years. New Trustees are normally selected, after consultation with the continuing Trustees, from among senior members of the University and the College. They are appointed because of their particular expertise and will usually have had appreciable experience of serving on boards and administering charities. Two of the Trustees are appointed ex officio by virtue of holding senior posts in Trinity College, namely the Master and Vice-Master.

New Trustees are sent, before their first meeting, information about the Trust in the form of the founding Deed and recent Annual Reports, as well as copies of relevant Charity Commission leaflets for trustees.

Review of Activities

The activities of the Trust are described in detail in the Annual Report which, in accordance with the Trust Deed, is sent each year to the Council of Trinity College Cambridge. A copy of the Annual Report, which does not form part of this report, is available from the Trust's website.

During the year to 30 June 2015 the main activities of the Trust were:

- (i) making research grants to Departments, Colleges and other bodies in the University;
- (ii) running various schemes for grants to individuals in the University, in particular the Cambridge Bursary Scheme for UK undergraduates, the Cambridge European Bursary Scheme, the College Teaching Officer scheme, and the Time-Limited Teaching Fellowships scheme;
- (iii) contributing substantially to schemes run by other bodies, primarily the research grant schemes run by the University for Lecturers in the various Schools, the University's schemes for graduate studentships, and the Careers Service bursary scheme for student vacation internships.

Financial Review and future developments

During the year the Trust made research grants of £3.1m and paid bursaries of £4.5m to students of the University, as set out in note 4 of the financial statements. The grants and bursaries reflect the commitments, totalling £7.6m, which have been made at the balance sheet date after allowing for any write backs notified by the end of September. The Annual Report gives more details of the grants and bursaries made during the year.

The income of the Trust was £6.8m, including Trinity College's generous grant of £1.5m. The University made grants of £4.5m in respect of the Cambridge Bursary Scheme, which the Trust has been administering on behalf of the University and the Colleges. From July 2015, responsibility for administering the Cambridge Bursary Scheme will be taken by the Student Registry, and consequently income for this purpose will no longer be received by the Trust, although the Trust will continue to make a contribution to bursaries for one more year. Similarly, the payments to students will not be processed and accounted for by the Trust in 2015-16.

The financial statements show an excess of expenditure over income of £0.9m. This is offset by £1.3m gains on the valuation of the investment assets, resulting in an increase of £0.4m in uncommitted funds carried forward, which amounted to £11.6m at the balance sheet date.

Investment policy and Performance

The Trust's Investment Sub-committee reviews the two investment managers' performance in the light of the

ISAAC NEWTON TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2015

Trust's Statement of Investment Policy and Objectives. The stated benchmark objectives are to encourage maximum total return but with the desire to maintain a steady flow of income (or agreed amount available for spending) increasing (averaged over five years) in line with UK average earnings excluding bonuses, and if possible with capital value increasing in a similar way. The aim is to take minimum risk commensurate with achieving these objectives, with a diverse portfolio of marketable investments capable of valuation, made so far as possible through regulated markets.

Barings manage £11.1 million of the assets, invested in its Targeted Return fund. The Cambridge University Endowment Fund, which is considered to be suitable for university charitable funds with income requirements, manages £10.0 million.

Reserves

The Trust's unrestricted funds amount to £9.9m and are represented in the balance sheet by the investment portfolio. The restricted funds are £1.7m, also represented by the investment portfolio.

The Trustees review the level of reserves required to meet commitments over the next five years, and consider what levels of expenditure could be sustained if the income were to cease. The Trustees control the number, size and duration of grants made in such a way that the Trust's activities could be reduced or ended in an orderly fashion, in the event that support from Trinity College were to cease entirely. The Trustees consider this policy is sufficiently prudent in the circumstances.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate the charity's exposure to the major risks.

ISAAC NEWTON TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2015

Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

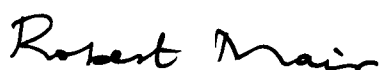
The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these 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 charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of 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.

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

This report was approved by the Trustees on 30 November 2015 and signed on their behalf by:



Chairman

ISAAC NEWTON TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ISAAC NEWTON TRUST

We have audited the financial statements of Isaac Newton Trust for the year ended 30 June 2015 which comprise the Statement of financial activities, the Balance sheet, the 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 charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 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 its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report to you 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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charity's affairs as at 30 June 2015 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

ISAAC NEWTON TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ISAAC NEWTON TRUST

Matters on which we are required to report by exception

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

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

Peters Elworthy & Moore

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
8 December 2015

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ISAAC NEWTON TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	1,537,107	4,573,514	6,110,621	7,760,354
Investment income		652,204	90,278	742,482	827,619
TOTAL INCOMING RESOURCES		2,189,311	4,663,792	6,853,103	8,587,973
RESOURCES EXPENDED					
Charitable activities	3,4,5	3,221,235	4,516,432	7,737,667	7,885,226
Governance costs	6	6,000	-	6,000	2,304
TOTAL RESOURCES EXPENDED		3,227,235	4,516,432	7,743,667	7,887,530
NET (OUTGOING) / INCOMING RESOURCES BEFORE TRANSFERS		(1,037,924)	147,360	(890,564)	700,443
Transfers between Funds	13	25,000	(25,000)	-	-
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE INVESTMENT ASSET DISPOSALS		(1,012,924)	122,360	(890,564)	700,443
Gains and losses on disposals of investment assets	9	-	5,449	5,449	-
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		(1,012,924)	127,809	(885,115)	700,443
Gains and losses on revaluations of investment assets	9	1,194,296	82,388	1,276,684	1,113,622
NET MOVEMENT IN FUNDS FOR THE YEAR		181,372	210,197	391,569	1,814,065
Total funds at 1 July 2014		9,714,352	1,500,542	11,214,894	9,400,829
TOTAL FUNDS AT 30 JUNE 2015		9,895,724	1,710,739	11,606,463	11,214,894

All activities relate to continuing operations.

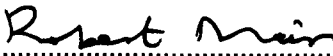
The notes on pages 12 to 21 form part of these financial statements.

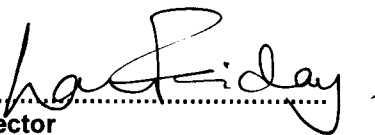
ISAAC NEWTON TRUST

**BALANCE SHEET
AS AT 30 JUNE 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Investments	9		21,135,339		20,653,206
CURRENT ASSETS					
Debtors	10	240,490		127,849	
Cash at bank		823,707		2,138,807	
		<u>1,064,197</u>		<u>2,266,656</u>	
CREDITORS: amounts falling due within one year	11	<u>(5,434,515)</u>		<u>(5,517,995)</u>	
NET CURRENT LIABILITIES			<u>(4,370,318)</u>		<u>(3,251,339)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,765,021</u>		<u>17,401,867</u>
CREDITORS: amounts falling due after more than one year	12		<u>(5,158,558)</u>		<u>(6,186,973)</u>
NET ASSETS			<u>11,606,463</u>		<u>11,214,894</u>
CHARITY FUNDS					
Restricted funds	13,14		1,710,739		1,500,542
Unrestricted funds	13,14		9,895,724		9,714,352
TOTAL FUNDS			<u>11,606,463</u>		<u>11,214,894</u>

The financial statements were approved and authorised for issue by the Trustees on 30 November 2015 and signed on their behalf, by:


.....
Chairman


.....
Director

The notes on pages 12 to 21 form part of these financial statements.

ISAAC NEWTON TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	15	(2,828,736)	(246,445)
Returns on investments and servicing of finance	16	713,636	827,619
Capital expenditure and financial investment	16	800,000	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		(1,315,100)	581,174

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(1,315,100)	581,174
MOVEMENT IN NET FUNDS IN THE YEAR	(1,315,100)	581,174
Net funds at 1 July 2014	2,138,807	1,557,633
NET FUNDS AT 30 JUNE 2015	823,707	2,138,807

The notes on pages 12 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITY USE
FOR THE YEAR ENDED 30 JUNE 2015**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Net movement in funds for the year	181,372	210,197	391,569	1,814,065
NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES	181,372	210,197	391,569	1,814,065

The notes on pages 12 to 21 form part of these financial statements.

ISAAC NEWTON TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and applicable accounting standards.

1.2 Fund accounting

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Voluntary income relates to donations, which are recognised on a receivable basis.

Investment income is recognised when receivable.

ISAAC NEWTON TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is still outstanding, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Grant commitments are shown gross in the year with grant write backs being shown separately. Grant commitments in relation to the Leverhulme early career fellowship are subject to match funding. The match funding is awarded before the year end. Only the grants awarded with successful match funding are shown gross in the financial statements (note 4).

Grant write backs notified up to 30 September following the year end which relate to grants awarded before the year end are reflected in the financial statements.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

1.6 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Gains and losses are stated after the deduction of investment managers fees.

1.7 Pensions

Employees of the Trust are included within the Universities Superannuation Scheme or the Trinity College Cambridge Pension Scheme, both defined benefit schemes. These are administered by Trinity College. The pension cost represents a recharge of pension costs from Trinity College, Cambridge.

ISAAC NEWTON TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Grants from University for Bursaries	-	4,498,000	4,498,000	5,112,000
Trinity College donation	1,500,000	-	1,500,000	2,500,000
Other donations	37,107	75,514	112,621	148,354
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	1,537,107	4,573,514	6,110,621	7,760,354
	<hr/>	<hr/>	<hr/>	<hr/>

3. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Grants and bursaries payable 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Direct costs	7,595,746	141,921	7,737,667	7,885,226
	<hr/>	<hr/>	<hr/>	<hr/>

ISAAC NEWTON TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

4. GRANTS AND BURSARIES

	Unrestricted £	Restricted £	2015 £	2014 £
Trust Grants				
Research grants	1,101,155	-	1,101,155	995,468
Professorial support	100,220	-	100,220	745,000
Grants to Schools	750,000	-	750,000	450,000
Research grants in Humanities	641,573	-	641,573	-
Leverhulme early career Fellowship	1,111,783	-	1,111,783	652,841
ESRC Fellowship	166,500	-	166,500	-
College research Fellowship	231,300	-	231,300	-
Time-limited teaching Fellowship	65,687	-	65,687	94,687
College teaching officers	58,786	-	58,786	80,578
CTO research leave	222,500	-	222,500	-
Clinical research Fellows	78,436	-	78,436	-
	<u>4,527,940</u>	<u>-</u>	<u>4,527,940</u>	<u>3,018,574</u>
University Bursaries				
Cambridge Bursary	-	3,379,335	3,379,335	3,870,218
Cambridge European Bursary	-	560,294	560,294	611,276
Graduate Course in medicine	-	19,275	19,275	17,500
National Scholarship Programme	-	453,025	453,025	442,875
Ex gratia NPS to EDM	-	1,140	1,140	-
CHESS M. Phil	-	350,000	350,000	384,000
Career service internships	-	-	-	32,760
Post-graduate cert education	-	-	-	13,740
	<u>-</u>	<u>4,763,069</u>	<u>4,763,069</u>	<u>5,372,369</u>
Less grants written back in the year:				
Trust Grants				
Research grants	(287,125)	-	(287,125)	(312,925)
Professorial support	(180,220)	-	(180,220)	-
Grants to Schools	-	-	-	(100,000)
Research grants in Humanities	(180,000)	-	(180,000)	-
College research Fellowship	(501,253)	-	(501,253)	-
CTO research leave	(300,000)	-	(300,000)	-
College Home and European Scholarship	-	-	-	(283,672)
	<u>(1,448,598)</u>	<u>-</u>	<u>(1,448,598)</u>	<u>(696,597)</u>

ISAAC NEWTON TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

4. GRANTS AND BURSARIES (continued)

	Unrestricted £	Restricted £	2015 £	2014 £
University Bursaries				
Old Bursary scheme	-	(4,000)	(4,000)	-
National Scholarship Programme	-	(85,165)	(85,165)	-
CHESS M. Phil	-	(156,000)	(156,000)	-
Ex gratia NPS to EDM	-	(1,500)	(1,500)	-
	<u>-</u>	<u>(246,665)</u>	<u>(246,665)</u>	<u>-</u>
 Total	 <u><u>3,079,342</u></u>	 <u><u>4,516,404</u></u>	 <u><u>7,595,746</u></u>	 <u><u>7,694,346</u></u>

Reconciliation of Grants and Bursaries Payable

	Trust Grants £	Bursaries £	2015 £	2014 £
Creditors Brought Forward	9,468,927	2,068,963	11,537,890	13,275,893
Charge for year	3,079,342	4,516,404	7,595,746	8,566,102
Grants and Bursaries paid	(3,232,813)	(5,450,480)	(8,683,293)	(9,432,349)
	<u><u>9,315,456</u></u>	<u><u>1,134,887</u></u>	<u><u>10,450,343</u></u>	<u><u>12,409,646</u></u>
Creditors Carried Forward (notes 11 & 12)	<u><u>9,315,456</u></u>	<u><u>1,134,887</u></u>	<u><u>10,450,343</u></u>	<u><u>12,409,646</u></u>

5. SUPPORT COSTS

	Unrestricted £	Restricted £	2015 £	2014 £
Office accommodation	5,896	-	5,896	8,075
Miscellaneous	13,406	-	13,406	8,653
Write off old tax refund	-	-	-	13,775
Student Loan Company	-	-	-	6,684
Bank charges	-	28	28	-
Wages and salaries	103,983	-	103,983	127,599
National insurance	8,872	-	8,872	9,172
Pension costs	9,736	-	9,736	16,922
	<u><u>141,893</u></u>	<u><u>28</u></u>	<u><u>141,921</u></u>	<u><u>190,880</u></u>
Total	<u><u>141,893</u></u>	<u><u>28</u></u>	<u><u>141,921</u></u>	<u><u>190,880</u></u>

ISAAC NEWTON TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

6. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	5,100	-	5,100	2,304
Accountancy fees	900	-	900	-
	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>2,304</u>

7. NET (OUTGOING) / INCOMING RESOURCES

This is stated after charging:

	2015 £	2014 £
Auditors' remuneration	5,100	2,304
Pension costs	9,736	16,922
	<u>14,836</u>	<u>19,226</u>

During the year, no Trustees received any remuneration, benefits in kind or reimbursement of expenses (2014 - £NIL).

8. STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	103,983	127,599
Social security costs	8,872	9,172
Other pension costs	9,736	16,922
	<u>122,591</u>	<u>153,693</u>

The average monthly number of employees during the year was as follows:

	2015 No.	2014 No.
Administration and support	5	7

No employee received remuneration amounting to more than £60,000 in either year.

ISAAC NEWTON TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

9. FIXED ASSET INVESTMENTS

	Unlisted securities £
Market value	
At 1 July 2014	20,653,206
Disposals at opening market value (sales proceeds £800,000)	(794,551)
Net gain on revaluation after management fees charged directly to funds.	1,276,684
At 30 June 2015	<u>21,135,339</u>

Investments at market value comprise:

	2015 £	2014 £
Unlisted investments	<u>21,135,339</u>	<u>20,653,206</u>

All the fixed asset investments are held in the UK.

Material investments

Details of material investments at the balance sheet date of 30 June 2015, representing more than 5% of the total portfolio, are as follows:

	2015 £	2014 £
Barings Targeted Return Fund	11,139,035	11,581,518
Cambridge University Endowment Fund	9,996,304	9,071,688
	<u>21,135,339</u>	<u>20,653,206</u>

10. DEBTORS

	2015 £	2014 £
Other debtors	84,429	6,984
Accrued income	156,061	120,865
	<u>240,490</u>	<u>127,849</u>

ISAAC NEWTON TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

11. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Bursaries and Scholarships payable	1,114,887	1,224,463
Grants payable	4,176,898	4,126,454
Accruals and deferred income	142,730	167,078
	<u>5,434,515</u>	<u>5,517,995</u>

12. CREDITORS:
Amounts falling due after more than one year

	2015 £	2014 £
Bursaries and Scholarships payable	20,000	844,500
Grants payable	5,138,558	5,342,473
	<u>5,158,558</u>	<u>6,186,973</u>

13. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Fund	9,714,352	2,189,311	(3,227,235)	25,000	1,194,296	9,895,724
Restricted funds						
Trust Bursary Fund	1,416,098	101,279	(105,987)	-	87,837	1,499,227
University Bursary Fund	84,444	4,562,513	(4,410,445)	(25,000)	-	211,512
	<u>1,500,542</u>	<u>4,663,792</u>	<u>(4,516,432)</u>	<u>(25,000)</u>	<u>87,837</u>	<u>1,710,739</u>
Total of funds	<u>11,214,894</u>	<u>6,853,103</u>	<u>(7,743,667)</u>	<u>-</u>	<u>1,282,133</u>	<u>11,606,463</u>

Restricted funds

Trust Bursary Fund - this fund represents the Trust's contribution to the Cambridge Bursary Schemes (CBS, CEBS and NSP) and schemes run by other bodies, primarily the University's scheme for graduate students (Newton CHESS MPhil) and Careers Service bursary schemes for student vacation internships.

University Bursary Fund - this fund represents the Trust's administration of the Cambridge Bursary Scheme on behalf of the University.

The transfer from the University Bursary Fund to unrestricted funds represents an element of support costs funded by the restricted fund.

ISAAC NEWTON TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Fixed asset investments	18,701,056	2,434,283	21,135,339	20,653,206
Current assets	652,854	411,343	1,064,197	2,266,656
Creditors due within one year	(4,319,628)	(1,114,887)	(5,434,515)	(5,517,995)
Creditors due in more than one year	(5,138,558)	(20,000)	(5,158,558)	(6,186,973)
	<u>9,895,724</u>	<u>1,710,739</u>	<u>11,606,463</u>	<u>11,214,894</u>

15. NET CASH FLOW FROM OPERATING ACTIVITIES

All cash flows relate to continuing operations.

	2015 £	2014 £
Net (outgoing) / incoming resources before revaluations	(885,115)	700,443
Returns on investments	(713,636)	(827,619)
Increase in debtors	(112,641)	(97,243)
Decrease in creditors	(1,111,895)	(1,727,973)
Realised loss / gain on disposal of investment assets	(5,449)	1,705,947
Net cash outflow from operations	<u>(2,828,736)</u>	<u>(246,445)</u>

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS		
Interest received	-	1,073
Dividends received	713,636	826,546
NET CASH INFLOW FROM RETURNS ON INVESTMENTS	<u>713,636</u>	<u>827,619</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Sale of unlisted and other investments	<u>800,000</u>	<u>-</u>

ISAAC NEWTON TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

17. ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2014 £	Cash flow £	Other non-cash changes £	30 June 2015 £
Cash at bank and in hand	2,138,807	(1,315,100)	-	823,707
Net funds	<u>2,138,807</u>	<u>(1,315,100)</u>	<u>-</u>	<u>823,707</u>

18. RELATED PARTY TRANSACTIONS

Certain of the Trustees are also Trustees of Trinity College, Cambridge, which provides office accommodation for the Trust and recharges the Trust for salaries of employees and officers. In the year there were recharges of £139,730 (2014: £167,078) for these and other costs incurred by the Trust, but initially paid for by Trinity College. At the year end, an amount of £139,730 (2014: £167,078) was outstanding.

Trinity College also made a donation of £1,500,000 (2014: £2,500,000) to the Trust during the year.