



ANNUAL
REPORT
AND
ACCOUNTS

for the financial year ending 30 June 2021

DOWNING COLLEGE CAMBRIDGE



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DOWNING COLLEGE, CAMBRIDGE CB2 1DQ

Patron: HRH The Duchess of Kent, GCVO

Visitor: The Crown

MEMBERS OF THE GOVERNING BODY

Master: Mr Alan Peter Bookbinder BA (Oxon) MA (Harvard) MA

The Fellows of the College (in order of Election) as of 1 October 2021

Graham John Virgo MA BCL (Oxon) QC (Hon), Fellow in Law, Professor of English Private Law, University Senior Pro-Vice-Chancellor (Education) (1989)
David John Wales MA PhD ScD FRS FRSC, Fellow in Chemistry, Professor of Chemical Physics (1989)
Christopher Allim Haniff MA PhD, *Fellows' Steward*, Fellow in Physics, Professor of Physics (1993)
Nicholas Coleman BSc MB ChB (Bristol) PhD FRCPath FMed Sci, Verjee Fellow in Medicine, Professor of Molecular Pathology (1994)
Adam Noel Ledgeway BA (Salford) MA (Manchester) PhD (Manchester) FBA, Fellow in Italian, Professor of Italian and Romance Linguistics (1996)
Ian Richard James MA MA (Warwick) PhD (Warwick), Fellow in Modern and Medieval Languages, Professor of Modern French Literature and Thought (1996)
Zoe Helen Barber MA PhD (Rutgers), *Vice Master*, Fellow in Materials Science and Metallurgy, Professor of Materials Science (2000)
Sophia Demoulini BA (Wooster) MSc (Minnesota) PhD (Minnesota), Fellow in Pure Mathematics (2000)
Ian Gareth Roberts BA (Wales, Bangor) MA (Salford) PhD (Southern California) LittD FBA, Fellow in Linguistics, Professor of Linguistics (2000)
Michael Trevor Bravo BEng (Carleton) MPhil PhD, *Internal Auditor*, Brammer Fellow in Geography, University Associate Professor at the Scott Polar Research Institute (2001)
David Robert Pratt MA PhD FRHistS, *Fellow Archivist*, *Keeper of Art and Artefacts*, Fellow in History (2001)
Liping Xu, BSc (Beijing) PhD, *Graduate Tutor*, Fellow in Engineering, University Lecturer in Turbomachinery (2004)
Paul Derek Barker BSc (Imperial College London) MA DPhil (Oxon), Fellow in Chemistry, University Senior Lecturer in Chemistry (2004)
Guy Barnett Williams MA PhD, *Senior Tutor*, *Safeguarding Officer*, Darley Fellow in Clinical Neurosciences, Assistant Director of Information Processing at the Wolfson Brain Imaging Centre (2004)
Natalia Mora-Sitja BSc (Barcelona) MA (Barcelona) MSc (Oxon) DPhil (Oxon), Fellow in History, University Associate Professor in Economic History (2005)
William O'Neill BSc (Essex) MSc (Essex) PhD (Imperial), *Tutor*, Stephen Peel Fellow in Engineering, Professor of Laser Engineering (2006)
Amy Louise Milton MA PhD, Ferreras Willetts Fellow in Neuroscience, *Praelector*, University Associate Professor in Experimental Psychology (2007)
Brigitte Steger MA MPhil (Vienna) PhD (Vienna), Fellow in Asian and Middle Eastern Studies, Associate Professor in Modern Japanese Studies (2007)
Jie Li BS (Wuhan) MS (Paris) PhD (Paris), Fellow in Engineering, University Associate Professor in Fluid Dynamics (2009)

Keith James Eyeons MA MA (Nottingham) PhD, *Chaplain, Praelector, Secretary to the Governing Body*, Fellow in Theology (2010)

Robert Keith Harle MA PhD, *Dean*, Fellow in Computer Science, University Professor in Computer Science (2010)

Timothy James Burton MA MB BChir PhD FRCP, *Tutor*, Oon Fellow in Clinical Medicine, Clinical Lecturer in Translational Medicine & Therapeutics (2010)

Marta Morgado Correia BA (Lisbon) PhD, *Graduate Tutor*, Fellow in Biological Sciences, Senior Investigator Scientist at the MRC Cognition and Brain Sciences Unit (2010)

Kamran Yunus BSc (Bath) MA PhD (Bath), *Admissions Tutor, Tutor*, Fellow in Chemical Engineering, Technical Officer at the Department of Engineering and Biotechnology (2012)

John Stuart Richer MA PhD, *Tutor, Internal Auditor*, Fellow in Physics, Professor of Physics (2013)

Sarah Lilian Kennedy BA (Melbourne) LLB (Melbourne) PhD, *Fellow Development Ambassador, Senior Treasurer of the Downing Dramatic Society*, RJ Owens Fellow in English (2013)

Monica Moreno Figueroa BA (UIA Leon) MA (London) PhD (London) MA, Fellow in Social Sciences, University Associate Professor in Sociology (2014)

Brendan Plant BEc (Sydney) LLB (Sydney) MSc (LSE) PhD, Hopkins Parry Fellow in Law (2014)

Ewan James Jones BA MPhil PhD, *Graduate Tutor, Fellow Librarian*, Fellow in English, University Associate Professor in Nineteenth-Century Literature (2015)

Michael Crisp MEng PhD, *Tutor*, Fellow in Engineering, University Lecturer in Photonics and RF Systems (2017)

Nicholas Rawlinson BSc (Monash) PhD (Monash) MA, Fellow in Earth Sciences, BP Foundation McKenzie Professor of Earth Sciences (2017)

Zoe Kourtzi BSc (Crete) MA (Rutgers) PhD (Rutgers) MA, Angharad Dodds John Fellow in Cognitive Neuroscience, Professor of Experimental Psychology (2017)

Joanne Claire Finnie Jones MA (Aberdeen), *Development Director* (2018)

Frisbee Candida Cheyenne Sheffield BA (Bristol) MPhil DPhil (Oxon), Octavius Augustus Glasier Collins Fellow in Classics (2019)

Joseph Webster MA (Edinburgh) MSc (Edinburgh) PhD (Edinburgh), *Graduate Tutor*, Fellow in Anthropology (2019)

Alison Deirdre Jane Scadden MSc (Otago) PhD, Fellow in Biochemistry (2020)

Gavin John Flynn MA (Oxon) MBA (INSEAD) MSc (LSE), *Senior Bursar, Senior Treasurer to the Boat Club* (2020).

Bjoern Neumann BSc (Würzburg) PhD (Würzburg), Kim and Julianna Silverman Research Fellow in Biomedicine (2020)

Michael Ashby BA MA MPhil PhD, *Senior Treasurer of the Amalgamation Club, Silver Auditor*, Williams Downing Fellow in Economics (2020)

Neda Farahi BSc (Edinburgh) PhD, *Tutor*, Fellow in Natural Sciences and Medical and Veterinary Sciences (2020)

William Day BA (Durham) MA BCL (Oxon), Fellow in Law (2020)

Lucy Winifred Whelan BA MSt (Oxon) DPhil (Oxon), Graham Robertson Research Fellow in History of Art (2020)

Richard Justin Davies MA MB MChir LRCP (London) FRCS, Fellow in Clinical Medicine (2020)

Charlotte Christiane Hammer BA (Bonn) MA (Durham) MPh (Manchester) MSc (Charité Universitätsmedizin Berlin and Robert Koch-Institut) PhD, Everitt Butterfield Fellow in Emerging Infectious Diseases (2021)

Nathan Rhys James MDc PhD, Mays Wild Research Fellow in Biological Sciences (2021)

Alec Philip Christie BSc (St Andrews) PhD, Henslow Research Fellow in Zoology (2021)

John William Morgan BA MSci MA PhD, *Tutor, Praelector*, Fellow in Chemistry (2021)

Retirements and Resignations 1 July 2019–30 September 2020

Josephine (Josie) Anna Eleanor Hughes HMA MEng MRes PhD, Mays Wild Research Fellow in Engineering (resigned 2021)

António Ferraz de Oliveira BA MA (Warwick) PhD (Warwick), *Graduate Tutor*, Whitworth Research Fellow in Geography (2018-2021)

OTHER FELLOWS

The Honorary Fellows

Giles Skey Brindley MA (London) MD FRS
Sir Francis Graham Smith MA PhD FRS
Sir Arnold Stanley Vincent Burgen FMedSci FRS
Dame Janet Abbott Baker CH DBE
Sir Trevor Robert Nunn BA CBE
Godfrey Michael Bradman FCA
Sir Colin Brian Blakemore MA ScD FRS FMedSci FRSB
FBPhS
Martin John Kemp MA FBA
Richard John Bowring MA PhD LittD
David Stanley Ingram BSc MA PhD ScD OBE VMH
FRSE
Sir Quentin Saxby Blake MA CBE FCSD FRSL RDI FRA
The Rt Hon Lord Collins of Mapesbury LLB FBA
Sir David Anthony King ScD HonFREng FRS
The Rt Rev'd Nicholas Thomas Wright MA DPhil DD
Sir John Pendry MA PhD FInstP FRS
Sir William Brian Vickers PhD DLitt FBA
Aitzaz Ahsan MA Barrister at Law
Professor John Lawrence Cardy MA PhD FRS
Howard Eric Jacobson MA
The Rt Hon Sir Kim Martin Jordan Lewison MA
Air Chief Marshal Sir Stuart Peach BA MPhil GBE KCB
ADC DL
The Rt Hon Lord Lloyd-Jones MA LLB
The Rt Hon Sir Richard George Bramwell McCombe MA
Professor Barry John Everitt BSc (Hull) MA
PhD (Birmingham) ScD DSc FRS FMedSci
Martin Baker MA FRCO
Stephen Chambers MA RA
Caroline Elizabeth Wilson MA MA (Bruxelles) CMG
Professor Geoffrey Grimmett MA (Oxon) DPhil (Oxon)
DSc (Oxon) ScD FRS
Keith Ajegbo BA MA OBE
Martin Maiden MA MPhil PhD FBA
Ritchie Neil Ninian Robertson MA DPhil FBA
Victoria Susan Brignell MA
The Rt Hon Lord Justice Colin Birss BA QC

The Emeritus Fellows

Alfred Thomas Grove MA
Ian Bonar Topping MA
Robert John Richards MA PhD
Charles Harpum MA LLB LLD
Martin Joshua Mays MA PhD
Philip Huson Rubery MA PhD ScD
Margery Ann Barrand BSc (London) PhD (London)
Richard Michael Smith BA (London) MA (Oxon)
PhD FBA
Stafford Withington BEng (Bradford) PhD (Manchester)
Peter James Duffett-Smith MA PhD
Peter David Evans MA PhD ScD
Paul Frederick Linden BSc (Adelaide) MSc (Flinders)
PhD FRS
Richard Keith Taplin BSc (LSE) MA MBE
John Stuart Landreth McCombie MA MA (McMaster)
PhD
Trevor William Robbins CBE MA PhD FRS
Kenneth McNamara BSc (Aberdeen) PhD
David John Feldman MA DCL (Oxon) PhD FBA FRSA
Trevor William Clyne MA PhD FREng
Paul Christopher Millett MA PhD, *MCR Liaison Fellow*
William Mark Adams MA MSc (London) PhD
Catherine Lynette Phillips BA (Queen's) MA (Toronto)
PhD
Susan Elizabeth Lintott MA PhD (Kent),
Director of the Heong Gallery

Foundation Fellows

Humphrey William Battcock MA
MBA (London Business School)
Tadayoshi Tazaki MA
Alwyn Wai-Yin Heong MA BA BM (Oxon) BCh (Oxon)
MBA (Chicago)
Kim Silverman MA PhD
Jonathan Howard MA
Julie Lambert BSc (Southampton) PG Dip (London)

The Wilkins Fellows

Richard Alexander Frischmann MA
Christian Flemming Heilmann MA
The Lord Verjee MA CBE
Richard Anthony Williams MA
Christopher John Bartram MA FRICS
Maria Ferreras Willetts MA (Oxon)
Robert John MA DLitt (Swansea)
Louise Arnell BA MA (Open) MA (Sussex)
Robert Markwick MA MBA (Manchester)
James Simon Edward Arnell MA
Stephen Mark Peel MA MAS (Yale)
Christopher Harborne MA MEng MBA
Gifford Combs AB (Harvard) MPhil

The Fellows Commoner

David Chambers BA (Oxon) MSc (LBS) MSc (LSE)
PhD (LSE)
Timothy Rawle MA
Gabrielle Bennett BA (Virginia) MA
Penny Furniss MA

Morgan Fellows

Max Bryant BA MPhil PhD
Konogan Beaufay BA (Namur, Belgium)
MA (Free, Brussels) MA (Oxon) DPhil (Oxon)
Rebecca Gill BA (Reading) MPhil (Bristol)
PhD (Reading)

Bye-Fellows

Natalie Acton BA (Oxon)
MPA (Harvard Kennedy School, USA)
Stephen Bennett BEd
Richard Berengarten MA
Alexander Bleistein BA
Sabine Cadeau BA MA PhD
Matthew Carter BA MA MB BChir

Adrian Chung BSc (Warwick) MSc (UCL) MPhil
Andrew Cockburn MSc PhD
Jasmine Cooper MA MA (UCL) PhD
Andrej Corovic MA MB BChir MRCP
Elizabeth Deans BA (Maryland)
MA (New York School of Design) PhD (York)
Eoin Devlin BA (Dublin) MLitt (Dublin) MPhil PhD
Buffy Eldridge-Thomas BA
Alexander Fellows
António Ferraz de Oliveira BA MA (Warwick)
PhD (Warwick)
Paula Heister MA MSc DPhil
Vicky Jones MA MB BChir MRCS
Joshua Kaggie BSc MSc PhD
Patricia Laurenson PhD
Daniel Ng MA MPhil (Bath) MRes (Bath)
Yongcan Liu BA (Guangdong) MA (Guangdong)
MPhil PhD
David Lowe MA ARAM,
Director of College and Chapel Music
Deepti Marchment BA MA MChir
Arlie McCarthy MA (Tasmania) BSc (Melbourne)
Aram Mooradian AADIPL PGDIP ARCH ARB
Lisa Mullen PhD
Thomas Oliver BMedSci MBBS
Joanna Page MA
Prerona Prasad BA MA MPhil DPhil
Edmund Robinson MA (St Andrews) LLM (UCL)
Hakan Sandal-Wilson BA (Istanbul Bilgi)
MA (Istanbul Bilgi) PhD
William Schafer PhD FMedSci FRS
Franziska Sielka PhD
Neal Spencer BA PhD
Ellie Standen PhD
Gareth Taylor BA MA PhD
Thomas Towers BA VetMB MSc (Liverpool)
Paola Velasco-Herrejon BA (ITESM, Guadalajara,
Mexico), MA (Family and Individual Development
Institute, Mexico), MA (Sussex), PhD
Xin-She Yang MSc (USTC) DPhil (Oxon)



OFFICERS AND PRINCIPAL PROFESSIONAL ADVISERS

Master: Mr Alan Peter Bookbinder BA (Oxon) MA (Harvard) MA

Senior Tutor: Dr Guy Williams, MA, PhD

Senior Bursar: Mr Gavin Flynn MA (Oxon) MBA (INSEAD) MSc (LSE)

Actuaries

Cartwright Consulting Ltd
Mill Pool House
Mill Lane
Godalming GU7 1EY

Architects

Caruso St John
1 Coate Street
London E2 9AG

Robert Lombardelli Partnership
St. Luke's House
5 Walsworth Road
Hitchin, Herts SG4 9SP

Auditors

PEM
Salisbury House
Station Road
Cambridge CB1 2LA

Bankers

Barclays Bank
9–11 St Andrew's Street
Cambridge CB2 3AA

Property Managers

Carter Jonas LLP
6–8 Hills Road
Cambridge CB2 1NH

Property Valuers

Carter Jonas LLP
6–8 Hills Road
Cambridge CB2 1NH

Securities Managers

Partners Capital LLP
5 Young Street
London W8 5EH

Solicitors

Hewitsons LLP
Shakespeare House
42 Newmarket Road
Cambridge CB5 8EP

Marks & Clerk LLP
62–68 Hills Road
Cambridge CB2 1LA

Inland Revenue Charity No: X2938

Charity Registration No: 1137455



REPORT OF THE GOVERNING BODY



REPORT OF THE GOVERNING BODY

This Report provides the context within which to interpret the Accounts. The first section explains the College's charitable objective, its governance, its public benefit, and the way it is funded. The second section reviews the specific activities and achievements of the year to 30 June 2021 and developments since the year-end.

CHARITABLE OBJECTIVE

Downing is a self-governing, autonomous College within the University of Cambridge. Our charitable objective is to further the public good by promoting learning, study, and teaching in a community of Fellows, students and staff. We believe in the transformative power of a world-class education. Downing is a place of welcome, of diversity and of inclusion.

Founded in 1800, the College takes its name from Sir George Downing, 3rd Baronet, who bequeathed his fortune to establish a new college in Cambridge. It is the 17th oldest of the University's 31 Colleges, the 'newest of the old and the oldest of the new'. Originally founded for the study of law, medicine, and moral and natural science, the College now accepts students in all subjects taught at the University.

Built in an elegant neo-classical style, Downing was the first College designed with an open campus layout, at that time a striking departure from the tradition of enclosed courtyards in the older Colleges. The spaciousness of the College encourages the open-mindedness necessary to prepare students to be good citizens; it also signals accessibility and a desire to reach out.

With over 200 years of history, set amidst 20 acres of magnificent grounds in the heart of the city, the College continues to be a community of committed scholars and students, current and future leaders in their fields.

GOVERNANCE, STRUCTURE AND MANAGEMENT

The College is a lay eleemosynary corporation established by Royal Charter. It was registered with the Charity Commission on 12 August 2010 (Registered Number: 1137455) following the removal of the exempt status of the Colleges of Oxford and Cambridge on 1 June 2010. The arrangements for governance of the College are set out in the Statutes.

The trustees of the College are the Fellows who constitute the Governing Body. They are responsible for ensuring that the College meets its charitable objective to promote learning, study and teaching. Because the College is responsible for directing studies and arranging student supervisions, the Governing Body focuses much of its attention on the students' academic experience and welfare, as well as overseeing the College's finances and premises. Through their membership of committees and their participation in Governing Body meetings, students are able to influence decision-making.

Members of the Governing Body are required to act with integrity, to act in the College's interests without regard to their own private interests, and to manage the affairs of the College prudently, balancing long-term and short-term considerations. They are chosen, after interview, on the basis of excellence in their teaching and research, their commitment to providing direction of studies and supervisions across the subjects offered by the University and their willingness to take a full part in the life of the College. Some Fellows take on additional roles as Tutors advising students



on pastoral matters. They serve until the earlier of retirement or the end of the academic year in which they reach 67 years of age. New Fellows are trained in the fulfilment of their duties.

The Master is Chairman of the Governing Body; the Senior Tutor has overall responsibility for the admission, education and welfare of students; the Senior Bursar has overall responsibility for the finances, the estate, and the administration of the College. Both the Senior Tutor and the Senior Bursar are accountable to the Governing Body.

The Governing Body meets eight times a year and discharges its responsibilities through a network of standing committees dealing with Education, Finance, Buildings & Environment, Fellowships, Development, Investments and General Purposes. Representatives of the JCR and the MCR participate in these committees, with the exception of the Fellowships Committee. Sub-committees deal with HR, Health & Safety, Diversity, the Heong Gallery, Information Management, Student Facilities and Staff Consultation. A Remuneration Committee, consisting of five external members, decides on the remuneration of current and former members of the Governing Body. During periods of intense fundraising, a Campaign Board including external members acts as a steering group.

Although the College is a legally autonomous body, it operates within the federal structure of the University. Matters of common concern are discussed and acted on through a system of University-wide committees, such as the Colleges' Committee, of which all Heads of Houses are members, the Senior Tutors' Committee, which is chaired by the Vice-Chancellor, and the Bursars' Committee. These committees work through the building of consensus.

PUBLIC BENEFIT

The Governing Body has complied with its duty to have due regard to the Charity Commission's public benefit guidance.

In order to meet our charitable objective of furthering the public good by promoting learning, study, and teaching in a community of Fellows, students and staff, we seek to provide a world-class education to the students with the most potential in each subject, whatever their means, social background, or nationality. We aim to attract the best applicants from the broadest range of schools and colleges, actively supporting the University's widening participation targets, as agreed with the Office for Students.

Downing students have access to several sources of financial support – for bursaries, including rent bursaries, in case of financial hardship, for the purchase of books and equipment, attendance at conferences, travel and studentships. The sources are trusts, general College funds, and the Cambridge Bursary Scheme. Under the latter scheme, which is operated together with the University and other Colleges, students whose household income is below £25,000 receive a maximum grant of £3,500 per year, and those with incomes of up to £42,620 receive amounts that taper down to £300. For students matriculating in October 2021, a revised Cambridge Bursary Scheme has been introduced in which the grant tapers down to £100 for household incomes up to £62,286. The College also refunds rent on longer residential agreements and for those who are in cheaper rooms to students whose household incomes fall between £40,000 and £62,286. The College administers a scheme funded by the COSARAF Charitable Foundation to provide grants of up to £2,000 per year for Muslim students at Cambridge who are suffering financial hardship.

The College seeks to help meet the University's targets, agreed with the Office for Students as Cambridge's Access and Participation Plan, of admitting students from disadvantaged backgrounds and areas of low academic attainment. As part of the University's Area Links Scheme, Downing works with state secondary schools, Further Education Colleges

and Sixth Form Colleges in Cornwall and Devon. Organised by the School and College Liaison Officer (SCLO), the programme, which includes visits to schools, residential courses in Cambridge, Open Days, Admissions Fairs and webinars, encourages students who may otherwise not consider higher education to look at all the university options available to them. The SCLO collaborates with the JCR, the Admissions Tutor, Fellows, and staff to deliver these events.

Increasingly, the College's outreach activities have focused on raising the aspirations of younger students. We recognise the importance of encouraging them to be enthusiastic about learning from an early age, raising their aspirations and supporting them to apply to highly-rated institutions with the confidence that they are capable of achieving the required grades and gaining a place.

COLLEGE FUNDING

The College funds its activities from academic fees, charges for student residences and catering, income from its conference and functions business, its investments, and donations and bequests.

Since 2012–13, the undergraduate tuition fee has been paid either by the students themselves or on behalf of the students through the Student Loan Company. The Colleges collect these fees and pass half of their value to the University. The Colleges admit, matriculate and accommodate undergraduates, provide supervisions for them, take responsibility for their pastoral care and present them for degrees. The University provides lectures and laboratories, and examines and classifies students. The portion of the tuition fee that goes to Colleges only partly covers the real costs of offering the distinctive small-group teaching that Cambridge Colleges provide. The shortfall has to be made up by other sources of income.

Since 2014–15, the fee due from postgraduates is a proportion of a single fee charged by the University. The fee is calculated according to a complex formula that assigns weightings to different categories of postgraduate student.

Students living in College accommodation pay rent and, if they wish, buy food and drink from College outlets. This stream of income typically amounts to just under 30% of the total.

Through its subsidiary, Downing Cambridge Conferences Limited, the College has built a substantial commercial business, which consists of conferences, corporate functions and international summer schools. In a normal year, revenue from this business amounts to around 20% of the College's total income.

Donations and legacies from alumni and friends of the College typically amount to around 20% of our total income. Investment income from our relatively modest endowment normally contributes a further 7–8%.







THE YEAR IN REVIEW



THE YEAR IN REVIEW

The 2020–21 academic year will forever have an asterisk after it to indicate just how extraordinary it was. Covid-19 not only caused serious disruption to the normal rhythms of College life, but also prompted an impressive response in terms of resilience, flexibility and determination across our entire community. Uncertainty and constant change have made for relentless challenges to our normally stable routines, to the students' experience and the staff's morale, and to our finances.

Much of our normal activity had to take place virtually. Lectures, supervisions, exams and admissions interviews happened online. Governing Body and our other committees conducted their business on Zoom. For much of the year, the same went for student societies, alumni events, MCR seminars and chapel services. It was impressive how well students adapted to online learning, much of it done from home, and to virtual exams, mainly taken in College bedrooms with open access to books, notes and the internet. This may have helped to produce results that, on average, were better than in a normal year. The disruption was greater still to students' social life. Lockdown meant socialising was restricted to household groups. For parts of the year, College facilities were closed, food was available only as a takeaway service and the library was open only for pre-booked, socially-distanced slots.

The challenge as Michaelmas Term 2020 began was to achieve the right balance between keeping the College community safe and creating a positive educational and social experience for the students. As the national prevalence of positive tests increased in student age groups, we correctly anticipated that significant numbers of our student households would need to go through periods of isolation. The University-wide system of asymptomatic testing of all students succeeded in identifying students carrying the virus and in isolating them promptly.

Staff prepared for the new academic year by risk-assessing the entire College and making our indoor spaces Covid secure, with a particular focus on ensuring that supervision rooms were safe places in which to work. Attractive new Covid-compliant outdoor areas were created – the 'Taverna' behind the Butterfield cafe and the 'Amphitheatre', complete with a stage, on the Paddock. Student accommodation ballots were re-run in the light of new rules for student households and taking into account the additional 20 Freshers admitted as a result of Ofqual's botched handling of the 2020 A-level results, which brought the total matriculated to 148.

The year started with an unusual matriculation day: the Freshers gathered on the Paddock in individually painted circles two metres apart, to hear the Master's speech and be photographed by a drone hovering above them. They were then matriculated on the portico of the Master's Lodge; and picnic boxes replaced the normal sit-down dinner in Hall.

By the end of Michaelmas, students had adjusted to restricting their social life to members of their own household and studying online. However, as a new wave of infections from the Delta variant of the virus threatened to overwhelm the NHS, a new lockdown prevented students from returning for Lent Term. This was perhaps the lowest point for the community, as we waited anxiously for the new vaccination programme to take effect and bring down the rate of infection again. Once again, no music or sport was possible and the Heong Gallery remained largely closed. Without events and gatherings, talks and recitals, and without socialising in the café or the bar, the community could not thrive in the way we all cherish.



As national restrictions eased, students returned for Easter Term. Exams took place online and, with better weather allowing more activity to happen in the open air, a thriving outdoor bar, music recitals, formal Halls and some sports events restarted. There were no May Bumps, but we put seven boats on the river for a highly successful Eights Regatta. Although we had to postpone the May Ball until 2022, the garden parties and celebrations that followed the end of exams went ahead.

To comply with social distancing, the graduating class split in half for two graduation dinners in Hall on consecutive evenings. In a splendid end to such a disrupted year, we had two graduation days, one for the 2021 cohort and one for the delayed 2020 year. The graduation ceremonies were adapted to meet Covid restrictions, with no guests in the Senate House and no grasping of the Praelector's fingers or clasping of the Master's hands as he conferred the degrees. The colourful processions from College to Senate House went ahead nevertheless, and parents and guests watched the ceremonies on large screens specially set up on the lawns. The graduands returned to join them for a socially-distanced picnic. Thank goodness for our wonderful big green spaces!

Another casualty of the pandemic was the programme of events the College had planned to mark the 40th anniversary of the admission of women. Quentin Blake's whimsical sketches of 40 imaginary Downing women filled the Heong Gallery physically and virtually, and we also held a webinar at which distinguished alumnae discussed women's progress over those 40 years. Disappointingly, however, a large-scale reunion was not possible during the anniversary year.

The financial impact of the pandemic continues to be serious: we sustained student rent losses because of the Lent Term lockdown; income from conferences and corporate functions started to recover only towards the end of the academic year; and re-opening of many of the retail properties the College owns in Cambridge was delayed so they could not meet their rental payments for much of the year. Fortunately, the investments held in our endowment did well, as international markets recovered sharply. This was also a good year for income from legacies bequeathed to the College by generous alumni. We are nevertheless showing an unrestricted operating deficit for 2020–21 of £1 million.

FELLOWS

Seven new Fellows were admitted on 1 October 2020: Dr Dee Scadden, Fellow in Biochemistry, is the Director of Digital Learning in Biochemistry; Mr Gavin Flynn, Senior Bursar, brings to Downing extensive finance and strategy experience, backed up by strong analytical and communication skills; Dr Bjoern Neumann is the new Kim and Julianna Silverman Fellow, researching the ability of stem cells to regenerate injured or diseased organs; Dr Michael Ashby is the new Williams Downing Fellow and College Teaching Officer in Economics; Dr Neda Farahi, Fellow in Biology, is Senior Research Associate in the Department of Medicine; Mr William Day, Fellow in Law and a Downing alumnus, practices commercial law at the Bar; and Dr Lucy Whelan, is the new Graham Robertson Fellow, an art historian specialising in modern art in France and Germany.

Mr Justin Davies was admitted as a Fellow in Clinical Medicine in December 2020. He is a Consultant Colorectal Surgeon and Deputy Medical Director at Cambridge University Hospitals NHS Foundation Trust.

Dr Antonio Ferraz de Oliveira's tenure as Whitworth Research Fellow came to an end on 30 September 2021; he will spend a further year at Downing as a Bye Fellow.

In the course of the year four new Fellows were elected:

- Dr Charlotte Hammer, Everitt-Butterfield Research Fellow, works on understanding the origins of epidemics by identifying drivers of the initial stages of infectious diseases.
- Dr Nathan James, Mays Wild Research Fellow, investigates the circadian control of gene expression and protein homeostasis in mammalian cells.
- Dr Alec Christie, Henslow Research Fellow, seeks to understand how we can rigorously synthesise evidence that varies in its reliability and relevance, to better inform conservation policy and practice.
- Dr John Morgan, College Teaching Officer in Chemistry, will focus largely on teaching, while continuing his research into machine learning.

All four were admitted as Fellows on 1 October 2021.

The achievements of members of the Fellowship were recognised within the University, their professional societies and beyond.

Dr Dee Scadden received a University Pilkington Prize in recognition of her contributions to teaching excellence. Dr Ewan Jones was awarded a Leverhulme Fellowship for 2021–22, on the topic of Close Reading as Attentional Practice. Dr Frisbee Sheffield was awarded a Centre for Research in the Arts, Social Sciences and Humanities Crausaz Wordsworth Interdisciplinary Fellowship in Philosophy, which she will be taking up in January 2022. Professor Graham Virgo continues as Senior Pro-Vice-Chancellor (Education).

Sir Colin Birss, a Downing alumnus appointed this year to the Court of Appeal, was elected as an Honorary Fellow.

Sadly, Honorary Fellows Sir Alan Bowness and Michael Apted, Foundation Fellow Hugh Brammer, Wilkins Fellow Gary Blankenship, and George Pulman QC, who was instrumental in College fundraising, all passed away during the year.

Further information is shown in section 3 of the College Statistics and Financial Highlights.

UNDERGRADUATES

At the beginning of the 2020–21 academic year, of the 452 undergraduates across all years at Downing, 55% were men and 45% women; 81% were from the UK, 2% were from the EU and 17% from the rest of the world; of those schooled in the UK, 59% were from state schools and 41% from the independent sector.

The College received 949 applications for entry in 2020. 161 offers were made with the aim of achieving an intake of 128 undergraduates. After Ofqual abandoned the algorithm used to calculate school examination results, a total number of 144 new offer-holders became eligible for places and matriculated, together with four others who took up places deferred from the previous year.

Downing's popularity with applicants has continued to grow; 1,197 candidates applied for entry in 2021. Competition for our usual 128 undergraduate places grows ever more intense.



In considering whether to make an offer, the Colleges take into account contextual data ('flags'), such as demographic data, including Output Area Classification (OAC) and Participation Of Local Areas (POLAR) (the record on progression to higher education); data on the school's performance at GCSE and previous success in sending students to Cambridge or Oxford; and individual circumstances (for example, whether an applicant has been in care or their schooling has been disrupted by, for instance, difficult medical or personal circumstances). Nevertheless, all candidates must meet the terms of the standard offer. In 2020–21 Downing remained short of Cambridge's average intake of candidates with such 'flags,' but the gap is steadily closing.

This was another unusual year for final examination results, in that the pandemic prevented finalists from sitting examinations in the normal way. In many cases, students sat examinations in their rooms, over a longer period, with access to books and the internet. This means that results are not strictly comparable with those of normal years, but it is worth noting that Downing achieved a much higher percentage (31.6%) of First Class results than normal, and a much higher percentage (86.8%) of Firsts and 2:1s combined. This included some outstanding individual results: Rachel Caul came top of the Architecture Tripos across the University. 15 special prizes were awarded to Downing students with superlative Firsts in comparison with their cohort. While the College is happy once again to celebrate the unusually high number of excellent results, it would be prudent for us to bear in mind the unusual circumstances and not to conclude that a new sustainable pattern of success has been established.

Further information is shown in section 1 of the College Statistics and Financial Highlights.

POSTGRADUATES

Downing had a total of 494 postgraduate students, many of whom live on site and participate actively in College life. Of these, 56% are men and 44% women; 43% are from the UK, 14% from the EU and 43% from the rest of the world; 168 were studying for a PhD, of which 85 are NOTAF (probationary PhDs); there were 105 studying one-year courses (including 64 MPhils, 13 full-time MBAs, 9 PGCEs, and 2 LLMs) and 43 clinical medics and vets. An increasing number of students combine study with careers – this year, there are 40 Executive MBA students, who study at the Judge Business School for 16 weekends and four one-week sessions. A further 27 students are enrolled in the MSt Real Estate, and 12 in the MACC Masters in Accounting, both part-time courses. There are also 99 students who are writing-up.

In 2020–21, 25 students were awarded PhDs: Arts and Humanities (2); Biological Sciences (8); Clinical Medicine (0); Humanities and Social Sciences (5); Physical Sciences (6); and Technology (4).

Membership of a College encourages contact across disciplines that is not available in academic departments. The College provides a tutorial service through its postgraduate tutors, who help with pastoral and welfare matters. With the expansion of the postgraduate population, Downing's on-site accommodation is over-subscribed and, with this in mind, work continued to convert 90–92 Regent Street into 23 postgraduate rooms. Students are also able to take advantage of the College's facilities: the Library, the Sports Ground, the Gym and the Boat House. Postgraduate representatives attend meetings of the Governing Body and the committees that are relevant to the postgraduate experience.

Further information is shown in section 2 of the College Statistics and Financial Highlights.

STUDENT WELLBEING

The mental health of students continues to be a significant concern. Among the factors that continue to distress some students are the intensity of the eight-week terms, the very high standards that they set themselves, the stresses of living away from home, pre-existing mental health conditions, relationship difficulties, struggles with deadlines, loneliness, feelings of missing out or falling short and imposter syndrome, and in this troubled year, the extra pressures caused by lockdown and enforced isolation. The traditional tutorial system that provides pastoral care has once again been under strain, and specialist counselling, though enormously helpful, is heavily over-subscribed. This year, for the first time in many years, we have to report with great sadness that a student took her own life.

In January 2021, our Head of Student Wellbeing, Dr Kate Daniels, started work. She has been able to take on the most acute cases, supporting the graduate and undergraduate Tutors, who are often the first people to whom students in distress turn. She has also devised a programme of events and classes aimed at preventing mental illness and helping students to find their own coping strategies when pressures seem unmanageable. Downing's beautiful grounds continue to be a source of solace and relaxation, all the more so during the pandemic.

GENDER EQUALITY

40 years after the admission of women undergraduates to Downing in 1980, the College continues to suffer from a gender imbalance in several areas: the trustees of the College currently comprise 15 female Fellows and 33 male Fellows; female undergraduates constituted 48% of the total in 2020–21, well below the University average; female postgraduates constituted 39% of the total in 2020–21.

The College continues to take positive steps towards closing the Gender Pay Gap, which it is committed to eliminating. When figures were last calculated in 2019, women were paid 8% (mean) and 8.6 % (median) less than men per hour, a reduction from the 2018 gaps of 14.9% (mean) and 14.2% (median). At that time, 60% of relatively less-well-paid posts were occupied by women and 40% by men. Wherever operationally feasible, the College encourages flexible working patterns in order to help employees combine a career with domestic and other responsibilities.

All 18 Masters since the College was founded in 1800 have been men. We have our first female Vice Master, Professor Zoe Barber, and many other positions of responsibility are currently held by women: Development Director, Academic Registrar, Head Porter, Director of Engagement and Development Operations, College Librarian, College Archivist, College Secretary, HR Manager, Domus Manager, Heong Gallery Director and Curator, Accommodation Officer and Communications Officer.

RACIAL EQUALITY

The College is committed to outlawing discrimination of all kinds, as shown in our policy published on the Downing website: "The Fellows, staff and students of Downing College believe that all forms of discrimination and racism are unacceptable. Not only do they divide communities and undermine social cohesion, they prevent individuals from achieving their full potential, to all of our detriments. We acknowledge that the responsibility lies with each of us to robustly challenge discrimination and to assert the positive value of diversity. We stand together with any of our fellows, staff and students who are adversely affected by discrimination."



Our Racial Equality Action Plan covers racial awareness training for students and staff, clear procedures for reporting incidents and taking disciplinary action where appropriate, positive actions to support the ethnic minority community, and research to establish the extent of links between the Downing family and enslavement.

This year, we created the Racial Justice Forum, chaired by an external facilitator, where ethnic minority students can raise concerns about their experience in College and put forward ideas that allow Downing to realise its aspiration to be a truly anti-racist place to live and study. In addition, Sonia Watson, Chief Executive of the Stephen Lawrence Trust, gave a rousing Richmond Lecture about her work to surface and challenge racist behaviour.

DRAMA

Despite the pandemic, the Downing Dramatic Society put on a production in a prime-time slot at the ADC Theatre for the first time in over a decade: Seb Brindle directed a post-apocalyptic rendition of *Macbeth* starring Matt Paul as Macduff. The Society also produced an online version of the *Monologue Clash*.

Our delayed Festival of New Writing took place in the Howard Theatre, although the Freshers' Play fell victim to the Delta variant, when three of the cast had to self-isolate on the eve of the performance. It was re-staged in October.

MUSIC

In the early part of 2021, online recitals replaced in-person concerts. These included a guitar recital by former Music Society President Declan Hickey, recorded in the Heong Gallery, and a programme of piano music by Michael Fletcher, recorded in the Master's Lodge. By Easter Term, in-person performances were back, although subject to social distancing restrictions. Laurens Macklin and Ellie Ninham both gave vocal recitals, and the short series was completed by a flute and piano performance.

The Chapel Choir adapted quickly to rehearsing with social distancing in place, recording music to insert into Zoom services and social media outlets. As a result, many more people than in normal times were able to access the choir's work. This included a pre-recorded Advent Carol Service that was released online and viewed over 2,000 times.

STUDENT SOCIETIES

One advantage of being forced to hold talks virtually was the ability to attract prestigious international speakers, of which the Downing student societies made full use on occasions, including:

- Nobel Prize winner Professor Bruce Beutler talked to the Danby Society about progress in the field of identifying genes needed for immunity in our understanding of disease.
- Turner Prize-winning artist Lawrence Abu Hamdan screened his latest video work *Once Removed* and answered questions from Blake Society members.
- Supreme Court Justices Lord David Lloyd-Jones and Sir Richard McCombe (both Downing alumni) and Lady Jill Black gave the Cranworth Law Society their reflections on a career in law.

- Dr Jesse Reynolds lectured the Brammer Society on the potential of geoengineering to mitigate the climate crisis.
- Dr Ruth Lawlor delivered a thought-provoking paper to the Maitland Society on American sexual violence in the Second World War.
- Downing alumna Sharon Gimson discussed with the Whitby Society how the Medical Practitioners' Tribunal Service judges doctors' fitness to practise medicine.

SPORT

Covid restrictions limited most of the College teams to occasional friendly games. Lacrosse and Ultimate Frisbee proved to be especially popular. In the absence of competitive matches, the Rugby Club retained the Cuppers Cup for another year. The Boat Club suffered from the cancellation of Lent and May Bumps, but a June Eights Regatta went ahead, in which the women's boats achieved excellent results. The rest of College was grateful to the Boat Club for putting a set of rowing machines on the Paddock for general use.

At University level, in sports in which Varsity matches were held, Blues were awarded to Emily Brosnan (Women's Hockey), Charlie Foster (Golf), Bridget Fryer (Athletics), Juliana Ganendra (Tennis) and Brody Wooding (Men's Football). Half-Blues went to Ollie Boyne and Cameron Spiers (both Rowing) and Charlotte Dawson and Madoka Hazemi (both Women's Basketball). Downing alumnus Callum Sullivan was President of the victorious Cambridge Eight in the Boat Race.

THE HEONG GALLERY

To mark the fifth anniversary of the Gallery in February 2021, Downing alumnus Alex Lass made a film that captured what the Gallery means to students, Fellows, alumni and patrons, highlighting its role in fostering creativity, wellbeing and a sense of community, while striving for excellence in the quality of curated exhibitions. The added value to our students of living with exhibitions by acclaimed artists has become clear, with the opportunity to see, to reflect, to enjoy and to discover. In normal times, students attend talks, symposia, film screenings and book launches, and organise their own events, including music recitals, installations, and the popular student-led After Dark series on Wednesdays during term.

The pandemic closed the Gallery's doors for most of the year, so the exhibition of Quentin Blake's whimsical sketches of 40 imaginary Downing women representing their 40 years at Downing had to be viewed mostly online. In the summer, the Gallery re-opened with a show, *Of the Earth*, of contemporary ceramics and glass from the Fitzwilliam Museum, celebrating the natural materials and forms that inspire Britain's leading makers. The exhibition included abstract paintings inspired by landscapes from the collection of Downing alumnus and Honorary Fellow Alan Bowness, who sadly died in April 2021.



THE ESTATE

The conversion of the commercial premises we own at 90–92 Regent Street into 23 new postgraduate student rooms was completed and students moved in at the end of October 2021. The property has been named 1749 House to recognise the generosity of alumni who have made bequests to the College. The summer also saw refurbishment of the student accommodation at 30 Lensfield Road.

Re-planting and landscaping work was completed in the Rose Garden, with the removal of unsafe greenhouses and the creation of a new pond and paving; this new space for study and relaxation complements the West and East Lodge gardens.

The College purchased the old Pizza Hut building on Regent Street, close to our main gates. In due course, this may offer additional student accommodation or be let commercially for the long term.

Planning permission was obtained for the proposed new Student Centre, designed by architect Adam Caruso and including spaces for collaborative working, entertainment, relaxation and multi-faith prayer, as well as social spaces, a café and a bar. It may be that the financial constraints caused by the pandemic will slow the anticipated flow of funding needed to realise this attractive building. We may need to have similar patience with implementing the College's master plan for the estate, which brings even bolder long-term ambitions, expanding our accommodation capacity substantially and improving our facilities to protect the College's heritage for generations to come.

ENVIRONMENT

Downing was the first College to sign the Cambridge Climate Change Charter in 2008 and has remained at the forefront of environmental initiatives. We are firmly behind the recently launched Cambridge Zero carbon project. In 2018, we committed to divesting from direct holdings in carbon, and we offset our indirect holdings with new investments in sustainable energy.

In 2019–20 we developed an environmental strategy that committed to:

- Minimising the consumption of carbon-rich energy and water;
- Operating effective waste management and recycling procedures;
- Encouraging modes of transport that minimise adverse environmental impact;
- Applying environmentally sustainable purchasing policies, including total supply chain and whole-life-costing techniques;
- Participating in energy conservation programmes, such as Green Impact, and Student Switch-Off.

The following initiatives have recently been adopted:

- Introducing quarterly 'green metric' reports;
- Replacing laundry equipment with highly efficient machines;
- Reducing the use of chemicals and battery-driven tools; using only organic fertilizer;
- Planting more hedge, pollen- and nectar-rich plants and meadows to encourage wild-life;
- Increasing use of double-glazed and draught-proofed windows;

- Continuing roll-out of LED lighting;
- Eliminating single-use plastics in favour of fully compostable Vegware containers;
- Increasing choice of plant-based options on College menus;
- Identifying suitable sites in College for additional roof-top photo-voltaic arrays. Work has just finished on installing photo-voltaic cell panels on the bursary roof to move closer to generating our own electricity.

The College hosts the Centre for Climate Repair under former Master Professor Sir David King. The Centre's research was focused this year on greenhouse gas removal, climate repair and preparations for the international COP26 meeting in November 2021. Thanks to the generosity of alumnus Jamie Arnell, the College is in the process of recruiting a Fellow in Geography, who will be affiliated to the Centre. For the past two summers, the Centre has employed Downing students as summer interns.

DEVELOPMENT AND ALUMNI RELATIONS

Donations to the College recorded in the accounts totalled £2.99 million this financial year, while £6.3 million cash was received including legacies notified to the College last year.

Alumnus, Wilkins Fellow and Chairman of the Downing Campaign, Jamie Arnell (1988) pledged £2.1 million to establish a Fellowship in Climate Repair and to support PhD Studentships. The Centre for Climate Repair at Cambridge, based at Downing, continues to attract support, which this year totalled £0.54 million from donors in the UK and internationally, to advance its research.

Regular gifts from Downing alumni make a vital contribution to current students and we are grateful for the generosity of alumni who responded to our Covid appeals to the Student Hardship and Student Support funds. The Timothy J Walton Remembrance Fund was established thanks to donations from his family, friends and colleagues to help current students. Dr Andy Phillipps's gift was gratefully received as it helps post-graduate students, particularly those whose work has been interrupted. Together, these Funds allow the Senior Tutor and the College Registrar to help students facing severe financial difficulties (particularly those whose family income was hit by lockdowns) and to provide grants for books, travel and research.

We are grateful to members of the 1749 Society for committing a legacy to Downing; to the 1717 Society, who support the Heong Gallery and its exhibitions; to the Alumni Association Committee and members for their work on our behalf; and to those who support music, drama and sport, all of which make a huge contribution to student life at Downing.

The impact of the pandemic on student mental health has been considerable, so a gift from Robert and Philippa John towards the Head of Student Wellbeing role and the Angharad Dodds John Bursaries in Mental Health research made an enormous difference to students and research.

Members of the Downing Enterprise Board make it possible for the College to host our very own 'Dragons' Den' business competition by giving their time and support to the prizes. If suitably inspired, board members may choose to invest further in student-led start-ups.

Thank you to all alumni who contribute to the College by giving their time, advice and support to our activities.



PLANS FOR THE FUTURE

As Michaelmas Term 2021 begins, life in College is returning to normal with renewed energy and ambition. In-person teaching has resumed. Social activities have been restored. Music, sport and student societies have been revived. Dinners, talks and in-person meetings have returned. With everyone double vaccinated and our meeting rooms well ventilated, the Downing community is ready to thrive again. While Covid may remain with us for some time, we are learning to live with it.

Many of the challenges that the College faced before Covid are still with us. Although our academic results have improved considerably in the past two years, we are still a little below the average across all Cambridge colleges. Gaps in our in-house teaching provision remain. Despite a much more comprehensive and cohesive mental health service in College, the demand from students for pastoral help and counselling is greater than the supply of assistance currently available.

We are steadily attracting a greater number of successful candidates from the state sector and from disadvantaged backgrounds, but there is more to do. In October 2022, we will be one of the Colleges taking part in the Foundation Year: across Cambridge, 50 students with strong academic potential whose education has been disrupted will be admitted for a preparatory year to learn the skills necessary to proceed to an undergraduate degree.

A second year of financial losses presents another challenge. We will have to be clear where our priorities lie. In that light, we look forward to launching a new fundraising campaign, delayed by the pandemic, but now almost ready to begin. It will reflect our renewed ambition to enhance our teaching, improve our student support and facilities and make a meaningful contribution to addressing climate change. The campaign will benefit from the Fellows' extensive deliberations, due to conclude in early 2022, about Downing's priorities and goals over the next 10–20 years.



THE FINANCIAL REVIEW



THE FINANCIAL REVIEW

The accounts that follow consolidate those of the College and its wholly-owned subsidiaries, Downing College Developments Limited, Downing Cambridge Conferences Limited, and The May Ball Company Limited. It also includes a linked charity, The John Miller Scholarships, which is invested as part of the College's endowment, the fund value of which is disclosed in note 26 of the accounts.

SIGNIFICANT POLICIES

Reserves

1. Total Net Assets stood at £225.6 million at 30 June 2021. Of this amount, £172.7 million represents the net book value of the buildings, including the Revaluation Reserve of £48.3 million. As functional fixed assets, they cannot be spent as income. Continuing investment by the College in its buildings, in excess of depreciation, has caused this figure to increase and correspondingly reduce free reserves. However, opportunities, such as the acquisition of property on the College borders, do not always arise when they are affordable, but are nevertheless strategically necessary. Of the remaining £52.9 million, £47.9 million consists of Permanent Restricted Endowment, and £4.5 million is attributable to the revaluation of works of art. At 30 June 2021, therefore, free reserves (General Reserve less pension liability of £1.8 million) stood at £0.5 million (2019: negative £0.3 million).
2. In formulating the reserves policy, the Governing Body has taken into account the guidance offered by the Charity Commission in its publication *Charity Reserves: Building Resilience (CC19)** and carefully considered the factors that cause variations in income and sudden calls on cash. These are: student numbers; changes in the funding of higher education and the apportionment of tuition fees; the susceptibility of the conference business to corporate cutbacks and geopolitical events; the volatility of the investment portfolio caused by movements in world markets and unanticipated rental voids; and the impact on donations and benefactions of insufficient staff resource. The Governing Body has also considered examples of historical unanticipated expenditure, in particular those that have arisen from problems in the fabric of the buildings, e.g. dry rot, or responses to changes in the law. The Reserves also support any liability arising under FRS 102, Section 28 from the USS and CCFPS final salary pension scheme for staff (2021: £1,812,954; 2020: £2,581,063).
3. The Governing Body therefore considers that the assessment of whether the College has sufficient reserves should take into account a range of factors: annual operating expenditure met from unrestricted funds, capital expenditure, working capital needs, unanticipated expenditure on repairs, known opportunities of uncertain timing (e.g. refurbishment projects), the level of essential expenditure that can be supported by returns from restricted funds, the level of unapplied total return, liquidity within the investment portfolio, the cash flow effect of the pension liability, and the likelihood of increased employer pension contributions.
4. Recommendations to the Governing Body for the adoption of the annual budget, the five-year plan, or major incremental expenditure take into account these factors. The current level of free reserves at £0.5 million is likely to worsen once the conversion of 90–92 Regent Street is completed; however, the Governing Body does not consider this currently to be a problem, as the College has access to various sources of liquidity, including cash on hand from the recent private placement, raising funds in fundraising campaigns and realising unrestricted investment assets. Furthermore, the reserves that represent the net book value of the buildings are designated by the College as such; however, *in extremis*, apart from the inalienable listed buildings on the Domus, the remainder of these reserves could be realisable.

*<https://www.gov.uk/government/publications/charities-and-reserves-cc19>



Investment Principles

1. The College may invest in securities and in real or personal property. (See Statute XLVII, approved by Her Majesty in Council on 19 July 2005, and superseded by the full set of statutes approved on 9 May 2006). Since 1 August 1957, the College has operated an Amalgamated Fund made under the Universities and Colleges (Trusts) Act 1943, in which permanent capital, expendable capital, restricted funds (including trusts), and unrestricted funds hold units. Since 1 July 2010, the units of the Amalgamated Fund have also been invested in the College's commercial property portfolio.
2. The College manages its investments in securities and property to produce the highest return consistent with the preservation of capital value in real terms for the long term, net of costs and withdrawals to support its operating needs. A subsidiary aim is to enhance the value of the capital for future beneficiaries.
3. The Investment Committee sets the overall asset allocation and appoints advisors and managers. On 1 August 2009, the College appointed Partners Capital to advise on and manage the securities portfolio. Such appointments are reviewed at five-yearly intervals or in response to specific problems or opportunities. The review considers the risk/return parameters that have been given to the managers, whether these parameters still accord with the College's investment objectives, the performance benchmark resulting from these parameters, and the long-term investment objective. Following a review in 2014, the College decided to retain Partners Capital, but adjust the risk levels within the portfolio. The five-yearly review which should have occurred in 2019 to renew Partners Capital's appointment was deferred until 2022.
4. For the securities portfolio, the goal implies a time-weighted net return target, comprising inflation, plus a spending rate of c. 4%, measured on a five-year trailing basis. The Investment Committee has set an additional goal of outperforming, net of all investment expenses, a composite benchmark, which comprises the sum product of the Strategic Asset Allocation and performance of each constituent asset class benchmark.
5. Risk in the securities portfolio is measured by a) Equivalent Net Equity Beta (ENEB) and b) the volatility of returns. Both of these metrics are assessed against the composite Strategic Asset Return benchmark. That benchmark currently reflects an expected return of 6.7% with a standard deviation of 12.5% and an ENEB of 75%.
6. The current strategic asset allocation and benchmarks by which performance is judged consists of: Equities: 32%, MSCI ACWI NR with Developed Markets 100% Hedged to GBP Index; Fixed Income: 11%, FTSE A British Government All Stocks; Hedged Funds: 17%, HFRI Fund of Funds Composite; Cash: 1%, UK three-month LIBOR Index; Inflation Linked Bonds: 3%, FTSE A (Index Linked) British Government All Stocks; Commodities: 3%, S&P Goldman Sachs Commodity Index; and Private Equity: 33%, State Street All PE Index (lagged 3 months). For the benchmark performance allocation, the allocation to private equity is held at its portfolio weight with the shortfall reallocated to public equities, whilst the portfolio's private equity allocation ramps up to its target level of 33%.
7. Tactical Allocation ranges were Cash: 0–5%; Fixed Income: 0–18%; Hedge Funds: 5–35%; Equities: 20–65%; Private Equity: 10–40%; Commodities: 0–6%; and Inflation Linked Bonds: 0–10%. Portfolio rebalancing is normally undertaken on a quarterly basis to re-align asset allocations to targets.
8. The Investment Committee monitors the liquidity in the securities portfolio and has set a limit on illiquid financial assets. New agreements to purchase such assets will not be executed if the aggregate market value of all such illiquid assets exceeds 43% of the aggregate market value of the value of the securities portfolio.

9. The currency hedging policy is managed through foreign currency forward contracts to target 60% Sterling exposure, which has no currency risk to the College, with 40% remaining unhedged foreign currency exposure in a combination of US dollars, Euro, Yen and Emerging Market Currencies. It is applied across all investment assets, both liquid and illiquid.
10. The custodian for the majority of the securities is Union Bancaire Privée (London) S.A.
11. The College's property portfolio is managed by Carter Jonas LLP. Routine decisions are taken by the Senior Bursar, acting on advice from Carter Jonas and the law firm Hewitsons. In the case of commercial property, the investment analysis must demonstrate an acceptable commercial yield. For any investment in external residential property for use by the College's students, the net yield must be positive, with the prospect of an appropriate capital gain. For investment in operational property without any material income generation, the related cost must be approved by the Governing Body as being a component of the College overall strategy. Such purchases must also take account of the College's overall liquidity and income requirements.
12. The College's spending rule is designed to smooth spending and reduce the effect on income of fluctuations in market performance. The amount of return recognised in the *Consolidated Statement of Comprehensive Income and Expenditure* is equal to the weighted average of the prior year's spending adjusted for inflation measured by RPI + 1% (70% weight) plus the amount that would have been spent using 4.5% of the prior year's closing value of the investments (30% weight). In formulating this rule, the College had regard to the unapplied total return on invested funds. The unapplied total return stands at £24,779,000, which, since 1 July 2007, includes returns from commercial property. The Committee reviewed the spending rule in November 2019.
13. Given the relatively small size of its investment portfolio, the College must balance the need for stability in value with that for superior long-term returns. The College has adopted a strategic asset allocation designed to reduce the volatility of returns through a diversified portfolio of non-correlated assets, embracing some illiquidity in order to provide a suitable trade-off between risk and return. The asset allocation, liquidity, and the expected risk/return profile of the portfolio are regularly reviewed by the Investment Committee. Although the portfolio is well-diversified and takes into account the risk-adjusted returns of each asset class and its role within the portfolio (e.g. volatility reduction, provision of income, return enhancement, deflation hedge, or inflation hedge), the turmoil in the financial markets towards the end of 2008 resulted in most asset classes being affected negatively with assets with long historical trends of low correlation to each other moving in tandem. The College responded by conducting a detailed and careful analysis and concluded that its strategy is sound, but that implementation should be through the use of a third-party specialising in multi-asset class investing. During more-recent financial turbulence, the portfolio has behaved according to the modelling that informed its construction.
14. All investments, including the parameters for the investment of cash, are overseen by the Investments Committee, with day-to-day management delegated to the Senior Bursar. Membership of the Investment Committee currently consists of three members of the Finance Committee and six external members with professional expertise. The Investment Committee reports to the Governing Body, which is responsible for authorising major changes of strategy, the appointment of fund managers, and all direct holdings of property.
15. This statement was last revised in November 2021.



Ethical Investment

The College continues to keep under review its duty in regard to the ethical investment of its funds. In line with the findings of the Harries case (Bishop of Oxford v. Church Commissioners, 1992), the overriding principle guiding the College's investments is the financial return of the portfolio, unless such investments are contrary to the charity's aims. However, the Charity Commission (CC14) also acknowledges that, in some instances, a charity might accept lower returns if it might 'lose supporters or beneficiaries if it does not invest ethically'. Categories of exclusion that may fall within the definition of activities that are contrary to the charity's aims are companies whose activities violate human rights, the environment, and best practice in social and stakeholder matters. In 2018, the College adopted a policy of Controlled Divestment of investments in companies engaged in fossil fuel extraction, investing only in tracker funds that exclude those companies and offsetting any residual exposure in illiquid funds with investments in clean technology. The College employs a firm of advisors that provides a range of pooled funds in which to invest. The Investment Committee is responsible for decisions on asset allocation, but does not select individual stocks. This model limits the College's ability to influence investment decisions in particular sectors; however, the managers are aware of areas of concern and regularly interrogate the holdings in the pooled funds. Partners Capital is a signatory of the UK Stewardship Code; its Stewardship Statement is informed by the United Nations' Principles for Responsible Investment. The College is a signatory to the Global Investor Statement to Governments on Climate Change.

Tax

As a UK charity, the College is not subject to taxes on income or capital gains. It also holds 501(c) (3) status in the USA, which means that it is recognised as a non-profit organisation and, therefore, exempt from US Federal Income Tax. To the extent that it holds investment assets in offshore vehicles, it does so to reduce the administrative costs of portfolio management, but only in jurisdictions that have signed up to the Common Reporting Standard, an information standard for the automatic exchange of tax and financial information on a global level.

Borrowings

The amount of borrowings at 30 June 2021 is £30.8 million (note 13 on page 79). The level of borrowings of the College must adhere to any financial covenants set by lenders and currently the College is well within those limits. The Governing Body is comfortable with the amount of borrowings as it considers the interest can be serviced from operations. Any additional borrowings would need to be approved by the Governing Body with a view to the long-term benefit of the College.

Risk Management

The Governing Body's Risk Management Register is kept under active review. Each committee routinely considers the risks inherent in its area of responsibility and has advised the Governing Body on the probability of occurrence and the likely impact, together with the steps taken in mitigation. Although risks can be identified and plans to deal with such risks formulated, the College is nevertheless exposed to a variety of risks, some of which cannot be addressed through insurance. The age of the estate, parts of which are 200 years old, means that problems inevitably occur, sometimes without warning and often at great expense. Annual results can be affected by large swings in student numbers, principally in the postgraduate community and mainly because of multiple applications and the uncertainty of funding. Many of the College's operations are affected by volatility in the financial markets and by recession in the real economy, the effects of which are hard to mitigate. All operations have been, and would be again, impacted by a pandemic. The College has made an appropriate plan to minimise anticipated problems. An increasing dependence on cloud-based systems brings with it known and unknown risks, which will require a greater emphasis on cyber security. Harm to the fabric of the buildings from atypical weather is a harbinger of the longer-term damage and disruption caused by changes in the climate.

Underpinning the sustainability of all activities is the need for financial resilience. The relatively small size of the endowment leaves our funding for operations vulnerable to disruption in the stock market and the world economy, as well as the immediate risks posed after Brexit and Government challenges to tuition fees. Lack of resources could inhibit the attraction of high-quality staff and the research-active academics who are essential to the proper provision of teaching, as well as further reducing required investments to achieve our mission.



FINANCIAL REVIEW

Income and expenditure

The total surplus for the year was £23.5 million, compared with £4.8 million last year, but this figure includes new endowments and restricted donations, as well as gains on investments and the surplus from the quinquennial revaluation of the operational buildings. The Unrestricted column in the accounts measures the efficiency of operations and this year showed a loss of £1.0 million, but this included an unrestricted legacy of £1.0 million that helped to mask the financial losses incurred as a result of the Coronavirus pandemic.

Unrestricted income and expenditure

The unrestricted income of the College before donations is made up of academic fees (48%), charges to students for accommodation and meals (33%), conference income (2%), income from the College's investment assets (10%) and other sources (7%). This income amounted to £7.9 million (2020: £10.1 million), down 21.6%. This reduction was a result of the cancellation of almost all of the conference business for the year. These losses were partially offset by claims of £0.5 million under the Government Coronavirus Job Retention Scheme to cover the salaries of staff who were placed on furlough.

Income from student accommodation and catering was £2.6 million (2020: £2.9 million) with both years being affected by lockdown, when students were not in residence for one term in each year. Conference activity was £0.1 million (2019: £2.3 million) because nearly all conference business was cancelled. The profit and cash flow from the conference business helps to mitigate the overhead costs of providing the College infrastructure and thus to reduce the costs to students.

Expenditure is made up of staff costs, including academic stipends, of 43%, of which non-academic salaries represent 34%. Operating costs make up a further 38% and depreciation is 19%. Staff costs decreased by £0.2 million, although this hides a movement between years in the provision to fund the deficit in the USS pension scheme of nearly £0.5 million. Underlying staff costs decreased by 11.8% due to a staff restructuring exercise carried out during the year. Operating costs fell by £0.2 million to £4.8 million.

Income from academic fees increased slightly to £3.8 million, while the corresponding expenditure increased to £5.4 million (2020: £5.2 million); this resulted in the Education account being in deficit by £1.6 million (2020: £1.7 million). The College must, therefore, bear the expense of this subsidy, not all of which can be met from trust funds. The cost of an undergraduate education fell from £8,889 to £8,597 for the 2020–21 year as fixed costs were spread across a higher number of students. The regulated Home/EU undergraduate tuition fee has remained frozen since 2012, apart from a small increase in 2017, so in real terms the College's half-share of £9,250 has declined in value. The cost of providing academic and pastoral support for each postgraduate increased from £4,100 to £4,537 as a large number of studentships were awarded during the year although they were funded by restricted funds.

Unrestricted donation income was £1.4 million (2020: £1.8 million) due to a legacy of £1.0 million (2020: £1.6 million) notified near the end of the year. Endowment return was £1.1 million based on the spending rule under the Total Return policy.

Restricted income and expenditure

Restricted income arises from expendable donations for specific purposes and the income from any endowed funds to support specific projects. The income is matched against the eligible expenditure and any surplus is carried forward to restricted reserves.

The restricted income was £2.1 million (2020: £2.8 million) and the associated educational expenditure was £1.7 million (2020: £1.2 million).

Conference Services

For Conference Services, the financial year 2020–21 in effect concluded in December 2020 (apart from one small wedding with restricted numbers of 20 held in May 2021), as the UK Government's Covid lockdown prohibited any events being held until mid-May 2021. Even then, UK Government and internal College restrictions were such that events did not recommence with any gusto until July 2021. The only significant revenue generated was from the Cambridge Judge Business School teaching programme in the Michaelmas Term 2020. A total of five events were held during the financial year, compared with an average of 325 in a normal year. Over 350 enquiries, with a value of over £4 million, had to be turned down during the year due to Covid restrictions.

It was generally hoped that the event industry would recommence from mid-May 2021, but this hope was thwarted by the various Covid variants and by continued mitigations that placed significant restrictions on event delivery, such as the requirement to be seated when drinking or eating, social distancing and reduced capacities. International business issues were further exacerbated as travel easing came too late in summer 2021, with frequently changing green, amber and red lists; crucially, quarantine restrictions for fully vaccinated travellers from EU nations (excluding France) were not lifted completely until early August. This provided real challenges for anything other than short-lead UK-based events. Companies were also aware that they had a duty of care for employees, which no doubt knocked consumer confidence.

As business started to return in July 2021, it became clear that re-staffing the depleted catering teams would be a real challenge, and this is likely to continue well into 2022. Even after the UK Government restrictions were dropped on 19th July, staffing shortages severely hampered opportunities for growth and meant that event capacities had to be limited to a total of 100 individuals, or one event per day, rather than multiple events on one day, at a time when enquiries levels were reasonably healthy.

When it became clear that residential business would continue to be severely affected in summer 2021, a decision was quickly taken to focus on domestic leisure B&B guests. This proved to be very fruitful, resulting in summer bedroom sales only 25% less than in the prosperous years of 2018 and 2019, and helped to support the Housekeeping department.

Between July and the end of November, approximately 15 external events booked hybrid meeting or conference streaming services, resulting in AV packages being promoted for small meetings of up to 16 attendees. It is certain that some form of hybrid service will be required post-pandemic, as conference organisers take advantage of the opportunity to reach virtual delegates, and consideration is given to sustainable travel. Downing College is well positioned to take advantage of this demand in Cambridge with continuing training and investment in the facilities.

Following the winter months, the middle of 2022 ought to see a return to reasonable business levels with an anticipated 60% of revenue, compared with 20% in 2021, although much will depend on international travel. The general view in the industry is that business will not return to pre-pandemic levels until 2023 at the earliest.



Investments

The total investment portfolio stood at £73.1 million at 30 June 2021 (2020: £58.8 million), consisting of £58.4 million in securities and £14.7 million in property. The overall total return was 21.5% (securities 27.2%, property 0.4%).

The College operates a Total Return policy for its endowment investments whereby all capital gains and income are allocated to an unapplied total return 'pot'. A spending rule is then used to transfer some of the return to the Consolidated Statement of Comprehensive Income and Expenditure. The College's spending rule is designed to smooth spending and reduce the effect on income of fluctuations in market performance. The rule protects operations from the volatility of returns and ensures that the amount available for spending is known in advance. The amount of return recognised in the Consolidated Statement of Comprehensive Income and Expenditure is equal to the weighted average of the prior year's spending adjusted for inflation measured by RPI + 1% (70% weight) plus the amount that would have been spent using 4.5% of the prior year's closing value of the investments (30% weight). In formulating this rule, the College had regard to the unapplied total return on invested funds. The unapplied total return stands at £24.8 million and, since 1 July 2007, has included returns from commercial property. It is usually possible to net outflows against inflows so that the actual investments remain undisturbed. In setting the spending rule, the Committee is conscious of the need to achieve balance between the claims of present and future beneficiaries and aims to preserve the purchasing power of the endowment, measured by RPI + 1% after distribution.

Since 2009, the College's investment adviser has been Partners Capital, an outsourced investment office which performs the same functions as the in-house investment teams at the large global endowments, offering access to the same range of asset classes through a feeder-fund structure. Partners Capital is an independent advisory service, and is free from the conflicts of interests of institutions that both advise and run in-house products. The firm has over 200 employees and seven offices covering all major regions. Partners Capital's mandate is discretionary within risk levels set by the College.

The securities portfolio is invested across the different asset classes using the Endowment Model, an approach that is expected to return 2% above the traditional mix of stocks and bonds. As the strategy includes investments in private equity and other relatively illiquid assets, the Investment Committee, acting on advice from Partners Capital, sets limits on illiquidity and monitors daily, monthly, and quarterly liquidity to ensure that in an emergency, funds can be easily accessed, even in the conditions experienced in the financial crisis of 2008.

Distributions for Spending

Through the spending rule, the Amalgamated Fund delivered an overall £2.2 million (or 4.5% of the portfolio) in support of current operations, an increase of 2.3% on last year's drawdown. The Amalgamated Fund consists of units held by each unrestricted and restricted fund, with each receiving a share of the overall income. For 2020–21, each unit was valued at £32.01, and received income for spending ('the dividend') of £1.19, a dividend increase of 0.5% on last year's levels.

To achieve balance between the claims of present and future beneficiaries, the Committee aims to preserve the purchasing power of the endowment, measured by RPI + 1% after distributions. Given the rate of educational inflation versus investment returns, the preservation of purchasing power has proved difficult. In the interests of consistency, the Spending Rule has remained the same since its introduction, although its output has been routinely compared with that of other methodologies. With the prospect of lower future returns, the Committee considered whether or not the rule needed revision. It decided to retain the current formula, noting that the College was mindful of the need to restrain spending.

Responsible Investing

The College aims to invest responsibly whilst earning returns appropriate for the funds invested. Since February 2019, the portfolio has not directly held any energy-focused public equity managers and all passive equity holdings have tracked indices excluding fossil fuels. Nor has it had any direct exposure to fossil fuels since February 2019 and, as of 30 June 2021, the College's estimated indirect exposure to fossil fuels (including companies involved in the extraction of fossil fuels) is 1.1% of the total portfolio. At 30 June 2021, 1.6% (£0.9 million) of the College's securities portfolio was invested in renewable energy assets. The equities allocation of the College at 30 June 2021 is estimated to have a carbon intensity of 62 (Tco2/ \$1M sales), which compares favourably to the MSCI All Countries World Index carbon intensity of 152.

Securities Performance

The securities portfolio returned 27.2% in 2020–21 after deducting all costs and fees. The securities portfolio return was supported by a strong period for global risk assets. The public equities allocation returned 46.0% over the period, outperforming the public equity benchmark return of 41.5%. Overall, the portfolio's managers outperformed their respective benchmarks by 0.9% over the period, while tactical overlays in the portfolio added an additional 3.7%. Since inception in 2009 when the mandate for the portfolio was given to Partners Capital, the securities portfolio has returned an annualised 9.3%, ahead of the strategic asset allocation composite benchmark, which has returned an annualised 8.7%. Over the last three years, the securities portfolio has returned 12.3% p.a., compared to a 11.5% p.a. return for the strategic asset allocation composite benchmark. At 30 June 2021, 60% of the £58.4 million securities portfolio was in Sterling, with 23% USD and 17% in other currencies. Of the securities portfolio, 32% was invested in illiquid assets (25% Private Equity, 7% Private Debt), within the agreed target of 43% illiquidity. Of the securities portfolio, 32% has quarterly or better liquidity, of which 21% has daily liquidity. At 30 June 2021, the equivalent net equity beta ('ENEB') of the securities portfolio stood at 75% and at 70% for the total investment portfolio, including property.

Property

The property portfolio returned 0.4% in 2020–21. With the exception of a small investment in a residential property fund, the property portfolio consists almost exclusively of the shops and offices on the Regent Street border. Owned for opportunistic and defensive purposes, these properties are classified as part of the investment portfolio, yet share only some of the characteristics of financial investments. Despite being the main route between the station, the Ring Road, and the City Centre, Regent Street remains a tertiary location for shops: it is, therefore, difficult to attract tenants with strong covenants. During the year a retail unit across the road from the main College gate was purchased for £1.4 million with potential to be converted into student rooms. The property portfolio stood at £14.7 million as at 30 June 2021 (some 20% of the total portfolio of £73.1 million), an increase of 5.0%. The rental income yield was 5.1%.

Further information is shown in section 4 of the College Statistics and Financial Highlights.

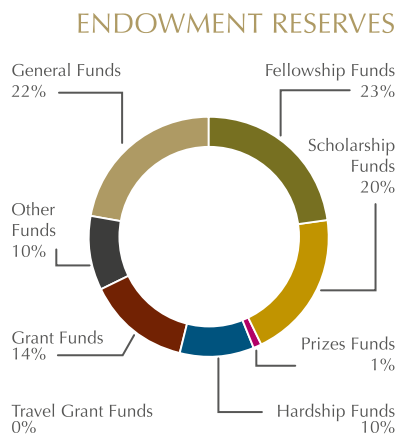


Capital and Reserves

The College’s capital base increased by £23.5 million (11.7%) to £225.6 million, including the effect of the quinquennial revaluation of the College operational buildings of £13.5 million. Continuing investment in the College buildings, including the £2.6 million investment in student accommodation, helps to underpin the success of the conference business. This investment in hard assets, however, means that free reserves are under pressure: £2.3 million, representing the increase in the net book value of the operational buildings, was transferred to the internal designated buildings reserve. The College has had success in the past in attracting donations for buildings, but the timing or nature of some projects, which are nevertheless strategically necessary, does not always make this possible.

Free reserves were decreased by the unrestricted deficit of £1.0 million, but were then increased by a £0.7 million credit for the actuarial gain of the now closed defined-benefit pension scheme, the Cambridge Colleges Federated Pension Scheme. This led to a year-end position of free reserves of £0.6 million, but is likely to worsen next year due to the completion of the conversion work on 90–92 Regent Street and other general improvement works across the Domus.

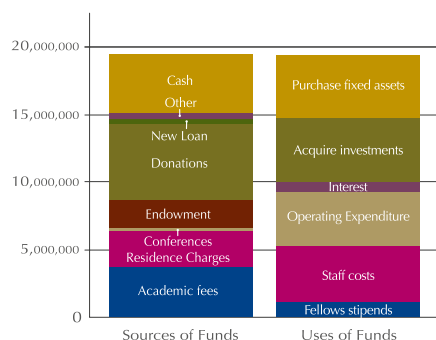
As well as Capital and Reserves increasing by £0.8 million as a result of the change in free reserves, there was an increase due to the combined return of 21.5% in the Securities and Property portfolio, restricted and capital donations of £1.6 million and the quinquennial revaluation of the College operational buildings of £13.5 million.



Cash Flow

Cash flows from all activities resulted in a decrease of £3.6 million in cash balances, with cash of £2.4 million held at year end. Cash consumed by operating activities¹ before the effects of working capital amounted to £0.9 million, a fall from the £0.7 million increase last year. Endowment income, less interest payable, contributed a further £1.5 million of cash. The capital expenditure during the year of £4.6 million included a large part of the conversion of 90–92 Regent Street which will be completed in November 2021.

SOURCES AND USES OF FUNDS 2020/21



On behalf of the Governing Body:

Alan Bookbinder, Master

Gavin Flynn, Senior Bursar

Date: 15 December 2021

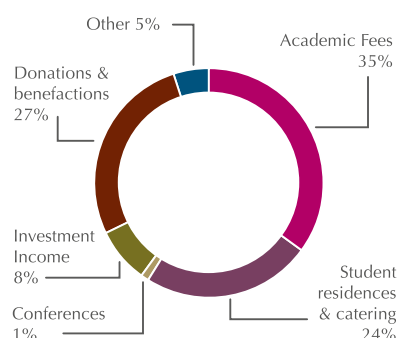
¹ Surplus before other gains and losses before depreciation, interest payable, investment income, changes in working capital and restricted and endowment donations.



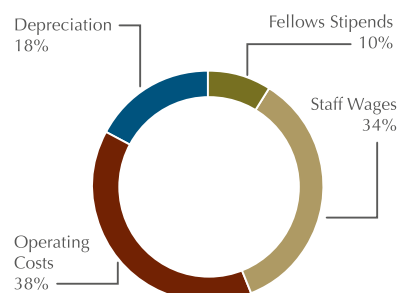
COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

	2021	2020	2019
Income and Expenditure			
Total Income	10,907,126	17,081,899	14,281,030
Donations and Benefactions Received	2,996,379	6,989,777	3,028,903
Conference Services Income	139,765	2,278,178	2,767,554
Total Expenditure	12,370,824	12,699,330	13,476,084
Total Surplus/(Deficit) before other gains and losses	(1,463,697)	4,382,569	804,946
Unrestricted Surplus/(Deficit) before other gains and losses	(981,336)	656,967	(825,297)
Capital Expenditure			
Total Capital Expenditure	4,566,308	3,349,957	5,209,816
Investment in Buildings	3,569,543	2,552,630	4,587,526
Other Capital Expenditure	996,765	797,327	622,290
Assets			
Free Reserves	553,667	(267,141)	550,676
Investment Portfolio	73,112,150	58,786,385	49,811,766
Spending Rule Amount	2,243,774	2,193,707	2,073,064
Net Assets	225,605,802	202,061,796	197,234,215

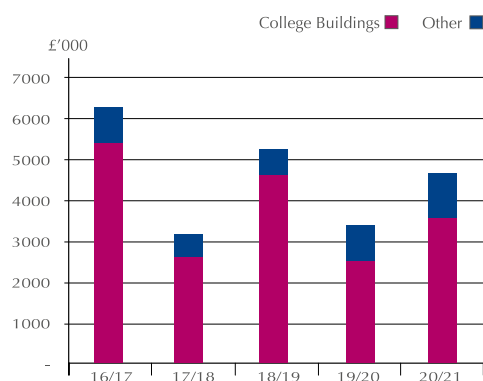
BREAKDOWN OF INCOME
2020/21



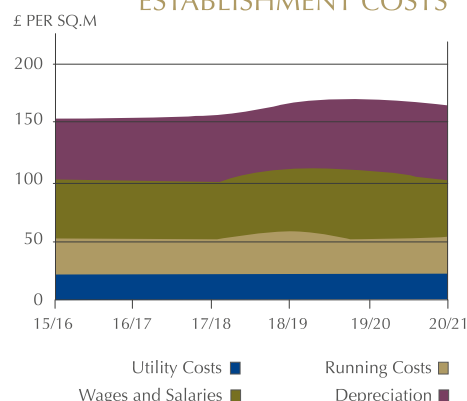
BREAKDOWN OF
EXPENDITURE 2020/21



CAPITAL EXPENDITURE



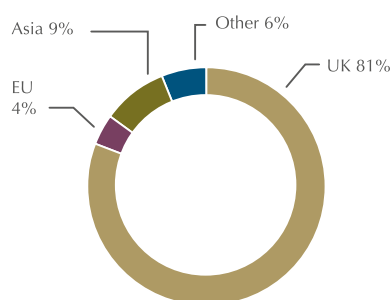
ESTABLISHMENT COSTS



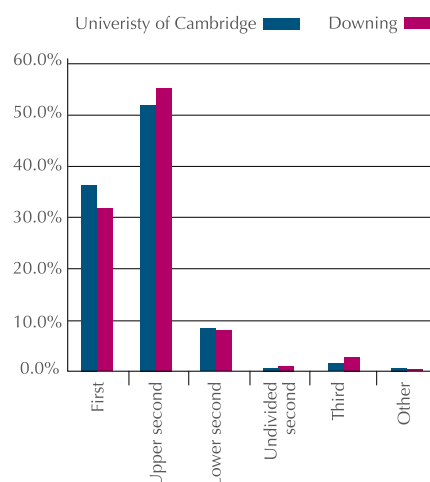
1. UNDERGRADUATE NUMBERS 2020–21 AS OF 1 OCTOBER 2020

<i>Subject</i>	Year 1	Year 2	Year 3	Year 4	Years 5–6	Total 2020–21	Total 2019–20
Anglo-Saxon	—	1	—	—	—	1	1
Archaeology	1	—	1	—	—	2	2
Architecture	5	—	1	—	—	6	2
Asian & Middle Eastern Studies	2	2	1	—	—	5	4
Chemical Engineering	—	2	3	3	—	8	8
Chemical Engineering via Engineering	1	—	—	—	—	1	3
Chemical Engineering via Natural Science	—	—	—	—	—	—	—
Classics	4	4	2	—	—	10	10
Classics – 4yr	3	4	2	2	—	11	7
Computer Science	3	4	4	—	—	11	14
Economics	4	6	6	—	—	16	18
Education	1	2	—	—	—	3	5
Engineering	12	12	10	12	—	46	48
English	10	5	6	—	—	21	17
Geography	8	3	5	—	—	16	11
History	6	5	5	—	—	16	16
History with Modern Languages	—	1	0	1	—	2	2
History with Politics	1	—	1	—	—	2	1
History of Art	2	2	1	—	—	5	5
Human, Social and Political Science	8	9	6	—	—	23	16
Land Economy	3	—	1	—	—	4	5
Law	11	8	15	—	—	34	35
Linguistics	1	1	—	—	—	2	3
Management Studies	—	—	1	2	—	3	2
Manufacturing Engineering	—	—	1	4	—	5	5
Mathematics	3	7	4	3	—	17	19
Medical Sciences	16	13	17	11	27	84	84
Modern & Medieval Languages	7	5	4	6	—	22	19
Music	1	2	2	—	—	5	6
Natural Sciences (Biological)	12	9	9	3	—	33	30
Natural Sciences (Physical)	11	15	11	4	—	41	38
Philosophy	1	1	2	—	—	4	4
Psychological and Behavioural Sciences	4	4	4	—	—	12	9
Theology	1	1	—	—	—	2	4
Theology BTh	—	—	—	—	—	—	1
Veterinary Medicine	3	3	4	1	4	15	15
Total						488	469

UNDERGRADUATES
BY REGION



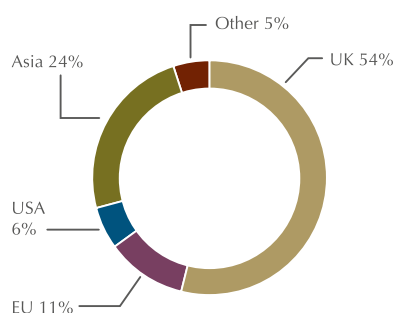
UNDERGRADUATE
DEGREE CLASSIFICATIONS



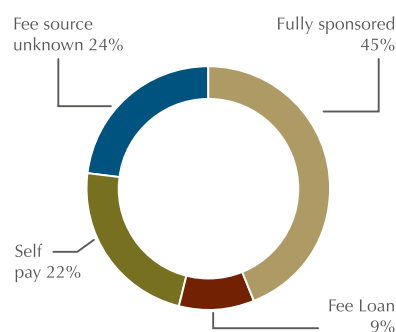
2. PHD THESES SUCCESSFULLY DEFENDED BY DOWNING POSTGRADUATE STUDENTS 2020–21

Archaeology	Tissue-specific behavioural signatures in trabecular and cortical bone: variations in long bone structure in medieval Britain and the differential effects of age
Biochemistry (BBSRC)	Microglial phagocytosis of bacteria and synapses
Biological Sci @ NIAB (BBSRC)	Investigations into the molecular interactions between <i>Claviceps purpurea</i> , the causal agent of ergot, and cereal hosts
Chemistry	Reversible chemistry to control the synthesis and folding of polymeric materials
Chemistry	Using sequence data to investigate the functional design of proteins
Education	A two-phase mixed methods project on gender stereotypes targeting English learners in Chinese senior high schools
Engineering	Creating and capturing sustainable value for additive manufacturing
Genetics	Variable methylation of endogenous retroviruses: epigenetic inheritance, environmental modulation, and genetic modifiers
Geography	Epidemiological landscapes: the spaces and politics of mosquito control in Lahore
Materials Science	The incorporation of particles suspended in the electrolyte into plasma electrolytic oxidation coatings
Pathology	Identification of host cellular factors that regulate human norovirus replication
Pathology	Targeting oncogenic microRNAs in malignant germ cell tumours
AMES	The Japanese art of listening: an ethnographic investigation into the role of the listener
Education	Maximising the potential of learning through dynamic assessment: a case study of the use of DA to simultaneously evaluate and promote higher order thinking in L2 reading
Engineering	Exploring support for knowledge utilisation: decision making in complex interdisciplinary engineering systems
Engineering	A parallel boundary conforming method on adaptive moving meshes for multiphase flows
Genetics	Consequences of Plk4 overexpression in mouse pancreatic organoids
Physics	Phase transitions in quasiperiodic and driven optical lattices
Physics	Picosecond spin Seebeck effect in magnetic insulators
Physics	Exciton and energy transfer dynamics in hybrid perovskite and lanthanide nanomaterials
Physiology, Development and Neuroscience	Transcriptomic profiling of hypothalamic Kiss1 neurons
Physiology, Development and Neuroscience	Serotonin and threat: from Gene to Behaviour
Polar Studies	UAV-based investigations into the hydrology and dynamics of the Greenland Ice Sheet
Psychology	Mountains, cities, random forests: new and old frontiers in geographical psychology
Public Health and Primary Care	Biological and aetiological inference from the statistical genetic analyses of blood cell traits
Sociology	Migration, family separation and wellbeing

GRADUATES BY REGION



GRADUATES BY FEE TYPE



3. SELECTED PUBLICATIONS BY DOWNING FELLOWS

Barber, Professor Zoe

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Eyeons, The Revd Dr Keith

Eyeons, K., *The View from the Centre*, Ellis and Maultby (Cambridge, 2021)

Farahi, Dr Neda

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Jones, Dr Ewan

Jones, E. (2021), 'Pretty Vacant: Shelley's Metrical Stops', *The Wordsworth Circle*, Vol. 52(1), pp. 72–93.

Kourtzi, Professor Zoe

Jia, K., Zamboni, E., Kemper, V., Rua, C., Goncalves, N. R., Ng, A. K. T., Rodgers, C. T., Williams, G., Goebel, R. and Kourtzi, Z. (2020), 'Recurrent processing drives perceptual plasticity', *Curr Biol*. Vol. 30 (21), pp. 4177–4187. DOI: <https://doi.org/10.1016/j.cub.2020.08.016>

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Sheffield, Dr Frisbee

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Williams, Dr Guy

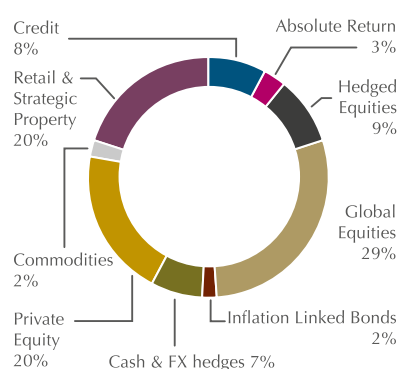
Jia, K., Zamboni, E., Rua, C., Goncalves, N. R., Kemper, V., Ng, A. K. T., Rodgers, C. T., Williams, G., Goebel, R. and Kourtzi, Z. (2021), 'A Protocol for Ultra-high Field Laminar fMRI in the Human Brain', *STAR Protocols*, Vol. 2 (2), art. no. 100415.

4. INVESTMENTS

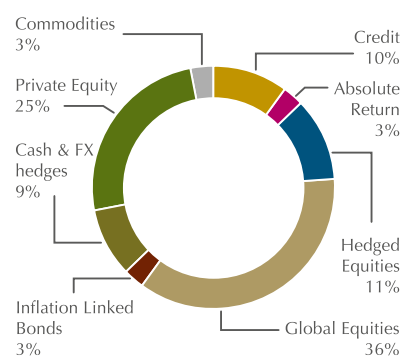
Composition of Investment Portfolio

	30 June 2021 £	30 June 2020 £	30 June 2019 £
1. Securities			
Core Portfolio Cash	5,289,442	3,431,754	1,339,292
Forward Foreign Exchange Hedges	(352,835)	30,190	(297,445)
Fixed Income	—	—	—
Credit	5,530,926	4,314,098	3,080,723
Absolute Return	1,844,869	1,242,515	2,201,848
Hedged Equities	6,666,934	5,973,268	5,260,900
Global Equities	21,225,542	18,092,134	14,042,772
Private Equity	14,851,047	9,247,606	8,337,724
Inflation Linked Bonds	1,654,638	1,107,370	1,000,098
Commodity Fund	1,692,127	1,335,949	404,354
Total	58,402,691	44,774,885	35,370,266
Other Private Equity*	—	—	—
TOTAL SECURITIES	58,402,691	44,774,885	35,370,266
2. Property			
Office	4,270,000	4,240,000	4,230,000
Retail	9,950,000	9,060,000	9,500,000
Property Development	489,459	711,500	711,500
TOTAL PROPERTY	14,709,459	14,011,500	14,441,500
TOTAL PORTFOLIO	73,112,150	58,786,385	49,811,766
Securities ENEB	75%	75%	75%

ASSET ALLOCATION AT
30 JUNE 2021 (inc. property)



ASSET ALLOCATION AT
30 JUNE 2021 (exc. property)



* Includes donated shares in seven new ventures, held at nil value.

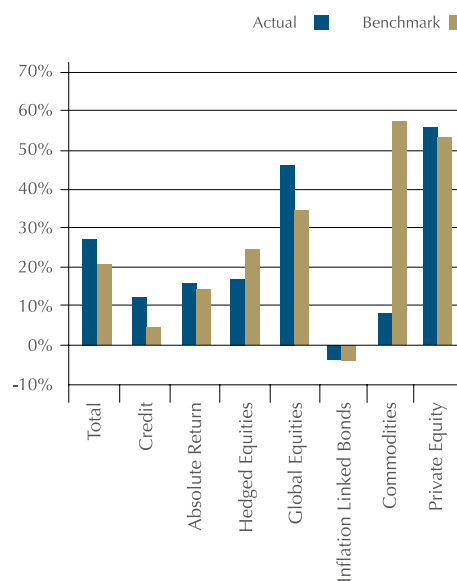


ENDOWMENT & TOTAL RETURN

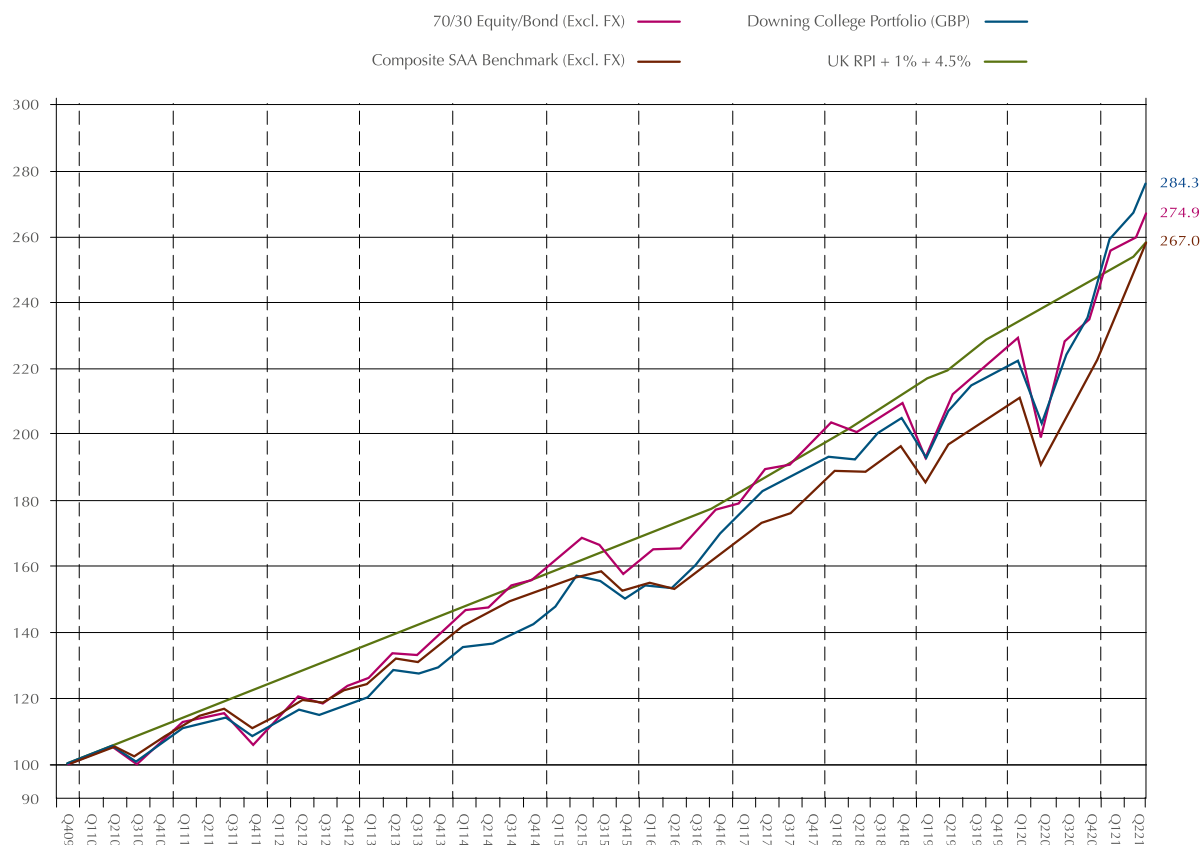


Note: £9 million added to endowment in 2019/20 from private placement

SECURITIES RETURN AGAINST BENCHMARKS 2020/21



CUMULATIVE PERFORMANCE SINCE INCEPTION - value of £100 invested



Inception is from 2009 when the mandate for the portfolio was transferred to Partners Capital



FINANCIAL STATEMENTS



STATEMENT OF RESPONSIBILITIES OF THE COLLEGE'S 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.

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require that financial statements are prepared 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 apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

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

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF DOWNING COLLEGE

OPINION

We have audited the financial statements of Downing College (the 'College') for the year ended 30 June 2021, which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2021 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 and the Statutes of the University of Cambridge.



BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE STATUTES OF THE UNIVERSITY OF CAMBRIDGE

In our opinion based on the work undertaken in the course of the audit:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the responsibilities of the Governing Body statement set out on page 48, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's and the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

To address the risk of fraud through management bias and override of controls, we;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the College's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.



USE OF OUR REPORT

This report is made solely to the College's Governing Body as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the 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.

PETERS ELWORTHY & MOORE



Chartered Accountants and Statutory Auditors
CAMBRIDGE

Date: 17 December 2021

Peters Elworthy & Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES



BASIS OF PREPARATION

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6.

BASIS OF ACCOUNTING

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

BASIS OF CONSOLIDATION

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 10. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

RECOGNITION OF INCOME

Academic fees

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

Grant income

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.



Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.
3. Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations with no restrictions are recorded within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

Investment income and change in value of investment assets

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Total return

The College operates a total return policy with regard to its endowment assets (including property). The endowment spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the endowment portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the endowment market value. The actual rate of spending for 2021 when measured against the previous year's market value was 4.5%.

Other income

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

Cambridge Bursary Scheme

In 2020-21, payment of the Cambridge Bursaries has been made by the College to eligible students via the Student Loans Company (SLC) and the University of Cambridge has reimbursed the College for their portion. The College has shown the gross payment made to eligible students via the SLC and a contribution from the University as Income under "Academic Fees and Charges".

The net payment of £164,762 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£66,371
Expenditure (see note 4)	£231,133

FOREIGN CURRENCY TRANSLATION

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

FIXED ASSETS

Land and Buildings

Buildings are stated at valuation, the aggregate surplus or deficit is transferred to a revaluation reserve included within Reserves.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

Freehold land is not depreciated as it is considered to have an indefinite useful life. A full asset valuation of the operational estate for accounts purposes was carried out by Gerald Eve LLP, Surveyors, as at 30 June 2021. Freehold buildings are depreciated on a straight line basis over their expected useful economic lives of 100, 50, or 20 years.



The earliest buildings, designed by William Wilkins, form a significant part of the Domus and are listed as Grade I¹. All other buildings on the Domus come within the curtilage of those buildings and are therefore subject to some of the same restrictions. The Listing imposes an obligation to repair and restore. All repairs that restore value are capitalised, as are improvements. Other repairs are charged against income. For insurance purposes, the replacement cost of the buildings has been valued at £165.1 million.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a 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. They are not depreciated until they are brought into use.

Land held specifically for development, investment and subsequent sale is included in current assets at the lower of cost and net realisable value.

The cost of additions to operational property shown in the balance sheet includes the cost of land. All other assets are capitalised and depreciated over their expected useful life as follows:

Library books	30 years
Furniture and equipment	10 years
Catering equipment	5 years
Information Technology	3 years

Leased assets

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Heritage assets

The College does not hold any assets that should be classed as heritage assets.

¹ Details of the listing can be found at: <http://historicengland.org.uk/listing/the-list/results?q=Downing+College>

INVESTMENTS

Fixed asset investments are included in the balance sheet as follows:-

a) Securities

Securities are included at their open market value.

b) Works of Art

Works of art and silver are shown in the accounts at their market value as assessed by Townley Valuation Services Limited on 7 November 2017.

c) Subsidiary Undertakings

Investments in subsidiary undertakings are recorded at costs less any provision for impairment in value, and eliminated on consolidation.

d) Unlisted investments

Unlisted investments are carried at costs less any provision for permanent diminution in value, unless they are listed as a recognised stock exchange in which case their open market value is used, or there has been a more recent funding round in which case this value is used to value all investments made to the fund.

e) Property

Investment properties are included at open market valuation. An annual assessment was carried out by Carter Jonas as at 30 June 2021.

STOCKS

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



PROVISIONS

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

CONTINGENT LIABILITIES AND ASSETS

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

TAXATION

The College is a registered charity (number 1137455) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax. The College is a partially exempt organisation for VAT purposes. With the approval of H M Revenue and Customs, it has adopted a methodology that enables it to recover part of the VAT on its expenses. Though recovered VAT significantly exceeds the VAT previously recoverable under the old CVCP Guidelines, input tax on purchases is, nevertheless, largely irrecoverable. In 2020-21, the College received £139,396 in refunds on purchases of £5.6 million.

The College's subsidiary companies, Downing College Developments Limited, Downing Cambridge Conferences Limited and The May Ball Company Limited are not subject to these exemptions and are liable for Corporation Tax. However, all taxable profits of the subsidiaries are gift aided to the College, thereby extinguishing any corporation tax that may be assessable.

CONTRIBUTION UNDER STATUTE G,II

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

PENSION COSTS

The College participates in the Universities Superannuation Scheme (the scheme). With effect from 1 October 2017, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2017 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

The College also operates defined contribution pension schemes and the pension charge represents the amounts payable by the College to the funds in respect of the year.



CRITICAL ACCOUNTING JUDGEMENTS

FRS102 makes the distinction between a group pension plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss in accordance with section 28 of FRS 102. The Council and Governing Body are satisfied that the scheme provided by Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

EMPLOYMENT BENEFITS

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

RESERVES

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity.

Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.



PRINCIPAL ACCOUNTING STATEMENTS



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2021

	Note	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000
Income									
Academic fees and charges	1	3,766	—	—	3,766	3,549	—	—	3,549
Accommodation, catering and conferences	2	2,786	—	—	2,786	5,141	—	—	5,141
Investment income	3	5	—	821	826	14	—	899	913
Endowment return transferred	3	1,138	1,106	(2,244)	—	1,131	1,063	(2,194)	—
Other income		533	—	—	533	489	—	—	489
Total income before donations and endowments		8,228	1,106	(1,423)	7,911	10,324	1,063	(1,295)	10,092
Donations		1,371	949	—	2,320	1,779	1,760	—	3,539
New endowments		—	1	668	669	—	2	3,432	3,434
Other capital grants for assets		—	7	—	7	—	17	—	17
Total income		9,599	2,063	(755)	10,907	12,103	2,842	2,137	17,082
Expenditure									
Education	4	3,753	1,625	—	5,378	4,161	1,035	—	5,196
Accommodation, catering and conferences	5	6,492	4	—	6,496	7,580	5	—	7,585
Other expenditure		335	72	89	496	(296)	162	52	(82)
Total expenditure	6	10,580	1,701	89	12,370	11,455	1,202	52	12,699
(Deficit) / Surplus before other gains and losses		(981)	362	(844)	(1,463)	658	1,640	2,085	4,383
Gain on disposal of fixed assets		1	—	—	1	—	—	—	—
Gain on investments		3,070	311	7,424	10,805	(199)	(16)	974	759
Surplus for the year		2,090	673	6,580	9,343	459	1,624	3,059	5,142
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		13,512	—	—	13,512	—	—	—	—
Actuarial gain / (loss) in respect of pension schemes	14	689	—	—	689	(314)	—	—	(314)
Total comprehensive income for the year		16,291	673	6,580	23,544	145	1,624	3,059	4,828

The notes on pages 72 to 97 form part of these accounts



STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 JUNE 2021

	Note	Income and expenditure reserve				Total £000
		Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	
Balance at 1 July 2020		126,283	6,506	34,108	35,164	202,061
Surplus from income and expenditure statement		2,090	673	6,580	—	9,343
Other comprehensive income		689	—	—	13,512	14,201
Release of restricted capital funds spent in year		7	(7)	—	—	—
Transfers between reserves		367	(2,361)	2,361	(367)	—
Balance at 30 June 2021		129,436	4,811	43,049	48,309	225,605

	Note	Income and expenditure reserve				Total £000
		Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	
Balance at 1 July 2019		125,755	2,348	33,600	35,530	197,233
Surplus from income and expenditure statement		459	1,624	3,059	—	5,142
Other comprehensive income		(314)	—	—	—	(314)
Release of restricted capital funds spent in year		17	(17)	—	—	—
Transfers between reserves		366	2,551	(2,551)	(366)	—
Balance at 30 June 2020		126,283	6,506	34,108	35,164	202,061

The notes on pages 72 to 97 form part of these accounts

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2021

	Note	2021 £000	2020 £000
Non-current assets			
Fixed Assets	8	176,083	160,290
Investments	9	79,763	65,988
		255,846	226,278
Current Assets			
Investments		—	650
Stocks		151	176
Trade and other receivables	10	2,619	5,107
Cash and cash equivalents	11	2,432	6,052
		5,202	11,985
Creditors: amounts falling due within one year	12	(2,856)	(3,121)
Net current liabilities		2,346	8,864
Total assets less current liabilities		258,192	235,142
Creditors: amounts falling due after more than one year	13	(30,774)	(30,500)
Provisions			
Pension provisions	14	(1,813)	(2,581)
Total net assets		225,605	202,061
Restricted reserves			
Income and expenditure reserve – endowment reserve	15	43,049	34,108
Income and expenditure reserve – restricted reserve	16	4,811	6,506
		47,860	40,614
Unrestricted reserves			
Income and expenditure reserve – unrestricted		129,436	126,283
Revaluation reserve		48,309	35,164
		177,745	161,447
Total reserves		225,605	202,061

The financial statements were approved by the Governing Body on 26 November 2021 and signed on its behalf by:



Alan Bookbinder, Master

The notes on pages 72 to 97 form part of these accounts

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £000	2020 £000
Surplus for the year		9,343	5,142
Adjustment for non-cash items			
Depreciation		2,285	2,165
Gain on Endowments, Donations and Investment Property		(10,715)	(707)
(Increase) / decrease in stocks		25	17
(Increase) / decrease in trade and other receivables		2,488	(4,811)
Increase / (decrease) in creditors		67	(591)
Pension costs less contributions payable		(79)	(477)
Adjustment for investing or financing activities			
Investment income		(826)	(913)
Interest payable		718	691
Profit of disposal of non-current fixed assets		(1)	—
Net cash inflow from operating activities		3,305	516
Proceeds from sales of non-current fixed assets		1	—
Non-current investment disposal		—	—
Investment income		2,185	2,247
Endowment funds invested		(4,755)	(9,472)
Withdrawal of deposits		650	—
Payments made to acquire non-current assets		(4,566)	(3,350)
Cash flows from investing activities		(6,485)	(10,575)
Interest received		4	14
Interest paid		(718)	(691)
New unsecured loan		—	20,000
New finance lease		274	—
Repayment of loans		—	(4,500)
Cash flows from financing activities		(440)	14,823
Increase/(decrease) in cash and cash equivalents in the year		(3,620)	4,764
Cash and cash equivalents at beginning of the year		6,052	1,288
Cash and cash equivalents at end of the year	11	2,432	6,052

The notes on pages 72 to 97 form part of these accounts



NOTES TO THE ACCOUNTS



NOTES TO THE ACCOUNTS

1. Academic Fees and Charges

	2021 £000	2020 £000
College fees:		
Fee income received at the regulated undergraduate rate	1,852	1,790
Fee income received at the unregulated undergraduate rate	625	595
Fee income received at the graduate rate	1,217	1,091
	3,695	3,476
Cambridge Bursaries Income	66	64
Research/Teaching Grants	1	4
Other income	4	5
Total	3,766	3,549

2. Income from accommodation, catering and conferences

	2021 £000	2020 £000
Accommodation		
College Members	2,256	2,275
Conferences	127	1,011
International programmes	—	250
Catering		
College Members	390	587
Conferences	13	918
International programmes	—	100
Total	2,786	5,141

3. Endowment return and Investment Income

	2021 £000	2020 £000
3a. Analysis		
Total return contribution (see note 3b)	2,244	2,194
Current asset investment	—	—
Other interest receivable	5	14
	2,249	2,081



NOTES TO THE ACCOUNTS CONTINUED

3b. Summary of Total Return

	2021 £000	2020 £000
Income from:		
Land and buildings	748	887
Quoted and other securities and cash	73	12
Gains/(losses) on investment assets:		
Land & Buildings	(523)	(430)
Quoted and other securities and cash	11,328	1,189
Investment management costs (see note 3c)	(89)	(52)
Total return for year	11,537	1,606
Total return transferred to income and expenditure reserve	(2,244)	(2,194)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 18)	9,293	(587)

3c. Investment Management Costs

	2021 £000	2020 £000
Land and buildings	18	18
Quoted and other securities and cash	71	34
Total	89	52

4. Education expenditure

	2021 £000	2020 £000
Teaching	2,334	2,371
Tutorial	747	766
Admissions	594	715
Research	220	226
Scholarships and awards	921	523
Other educational facilities	560	595
Total	5,376	5,196

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £231,133 (2020 - £219,639).

NOTES TO THE ACCOUNTS CONTINUED

5. Accommodation, catering and conferences expenditure

		2021 £000	2020 £000
Accommodation	College Members	3,598	3,681
	Conferences	1,402	1,629
Catering	College Members	1,151	996
	Conferences	345	1,279
Total		6,496	7,585

Conference expenditure above is on a fully-costed basis, which includes a significant contribution to the absorption of overheads.

6. Analysis of Expenditure by Activity

6a) Analysis of 2020/2021 expenditure by activity	Staff Costs (Note 7) £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education	2,459	2,323	595	5,377
Accommodation, catering and conferences	2,660	2,165	1,670	6,495
Other	215	263	20	498
	5,334	4,751	2,285	12,370

6b) Analysis of 2019/2020 expenditure by activity	Staff Costs (Note 7) £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education	2,482	2,188	526	5,196
Accommodation, catering and conferences	3,446	2,519	1,620	7,585
Other	(370)	269	19	(82)
	5,558	4,976	2,165	12,699

The above expenditure includes £491,895 as the direct cost of fundraising (2020 - £525,409). This expenditure includes the costs of alumni relations.

6b) Auditors' remuneration	2021 £000	2020 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	20	19
Other fees payable to the College's external auditors	4	3



NOTES TO THE ACCOUNTS CONTINUED

7. Staff Costs	College Fellows £000	Non-Academics £000	Total 2021 £000	Total 2020 £000
Staff Costs				
Emoluments	1,040	3,573	4,613	5,219
Social Security Costs	64	256	320	362
Other Pension Costs	81	320	401	(23)
	1,185	4,149	5,334	5,558
Average Staff Numbers (Full-time Staff Equivalents)	No	No	No	No
Academic	43	—	43	45
Non-Academic	3	119	121	146
Total	46	119	164	191

The Governing Body comprises 45 Fellows, of which 41 are stipendiary.

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Therefore the Trustees who include the Master, Senior Bursar, Vice-Master, Secretary to the Governing Body and Senior Tutor are the key management personnel.

	2021 £000	2020 £000
Aggregate Emoluments	189	187

Trustees received no emoluments in their capacity as Trustees of the Charity.

NOTES TO THE ACCOUNTS CONTINUED

8. Tangible Fixed Assets

Group and College	College Buildings and Site £000	Furniture fittings and equipment £000	Library Books £000	Total £000
Cost				
As at 1 July 2020	163,183	10,146	1,007	174,336
Additions at cost	3,569	975	22	4,566
Disposals	—	—	—	—
Revaluation	6,049	—	—	6,049
As at 30 June 2021	172,801	11,121	1,029	184,951
Depreciation				
As at 1 July 2020	5,936	7,613	497	14,046
Charge for the year	1,604	648	33	2,285
Disposals	—	—	—	—
Revaluation	(7,463)	—	—	(7,463)
As at 30 June 2021	77	8,261	530	8,868
Net Book value				
As at 30 June 2021	172,724	2,860	499	176,083
As at 1 July 2020	157,247	2,533	510	160,290

The insured value of freehold land and buildings as at 30 June 2021 was £165,060,904 (2020 - £158,069,047).

The value of the land, included in College Buildings and Site, as at 30 June 2021 was £56,866,000 (2020 - £54,520,272).



NOTES TO THE ACCOUNTS CONTINUED

9. Investments Consolidated and College	2021 £000	2020 £000
As at 1 July	65,988	56,688
Additions	11,633	9,936
Disposals	(6,441)	(5,189)
Gains	7,283	2,137
Increase / (decrease) in cash balances held at fund managers	1,300	2,416
As at 30 June	79,763	65,988

Represented by:

Property	14,710	14,012
Securities	53,113	41,343
Cash with agents	5,289	3,432
Works of art	5,289	5,283
Over distribution of market value of funds	902	1,458
Investment in Cambridge Colleges Funding Plc	5	5
Investment in Cambridge Colleges Funding II Plc	5	5
Land	450	450
Total	79,763	65,988

Subsidiary Company

At 30 June 2021 Downing College held an investment in the following companies:

Subsidiary Undertaking	Holding	Proportion of voting rights	Country of Incorporation
Downing College Developments Limited	Ordinary	100%	United Kingdom
Downing Cambridge Conferences Limited	Ordinary	100%	United Kingdom
The May Ball Company Limited	Ordinary	100%	United Kingdom

Downing College Developments Limited was incorporated on 20 January 1999. The principal activity of the company is development of student accommodation and other facilities. This company is included in these consolidated financial statements.

Downing Cambridge Conferences Limited was incorporated on 2 April 2007. The principal activity of the company is the provision of non-educational conference facilities. This company is included in these consolidated financial statements.

The May Ball Company Limited was incorporated on 28 July 2010. The principal activity of the company is to administer the operation of the biennial College May Ball. This company is included in these consolidated financial statements.

NOTES TO THE ACCOUNTS CONTINUED

10. Trade and other receivables

	Consolidated 2021 £000	College 2021 £000	Consolidated 2020 £000	College 2020 £000
Members of the College	109	106	16	16
Amounts due from subsidiary companies	—	373	—	1,233
Other receivables	1,041	977	811	811
Prepayments	1,469	1,469	4,280	4,280
Total	2,619	2,925	5,107	6,340

11. Cash and cash equivalents

	Consolidated 2021 £000	College 2021 £000	Consolidated 2020 £000	College 2020 £000
Bank deposits	2,160	2,160	5,206	5,206
Current accounts	271	49	845	77
Cash in hand	1	1	1	1
Total	2,432	2,210	6,052	351

12. Creditors: amounts falling due within one year

	Consolidated 2021 £000	College 2021 £000	Consolidated 2020 £000	College 2020 £000
Trade creditors	957	747	674	657
Members of the College	305	305	232	232
University fees	9	9	13	13
Other creditors	1,518	1,300	2,202	1,911
Obligations under finance leases	67	67	-	-
Total	2,856	2,428	3,121	2,813



NOTES TO THE ACCOUNTS CONTINUED

13. Creditors: amounts falling due after more than one year

	Consolidated 2021 £000	College 2021 £000	Consolidated 2020 £000	College 2020 £000
Long term bank loan	5,500	5,500	5,500	5,500
Other loans	25,000	25,000	25,000	25,000
Obligations under finance leases	274	274	—	—
Total	30,774	30,774	30,500	30,500

The long term bank loan is due for repayment in 2048 at a fixed interest rate of 4.64%.

During 2013-14 the College borrowed £5m from institutional investors in a private placement done collectively with other Colleges, although each College's loan is separate from those of the others. The loans are unsecured and repayable during the period 2043-53 and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of borrowings to net assets, and has been in compliance with the covenant at all times since incurring the debt.

During 2019-20, the College borrowed £20m from an institutional investor in a private placement. The loan is unsecured and repayable in 2069 at a fixed interest rate of 2.05%.

14. Pension provisions

Group and College	CCFPS £000	USS £000	2021 £000	2020 £000
Balance at beginning of year	1,991	590	2,581	2,743
Movement in year:				
Current service cost	15	—	15	16
Contributions	(54)	(26)	(80)	(75)
Change in expected contribution	—	(47)	(47)	(471)
Other finance cost	29	4	33	55
Actuarial (gain) / loss	(689)	—	(689)	314
Balance at end of year	1,292	521	1,813	2,581

NOTES TO THE ACCOUNTS CONTINUED

15. Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated and College	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2021 Total £000	2020 Total £000
Balance at beginning of year				
Capital	23,845	10,263	34,108	33,600
New donations and endowments	653	15	668	3,432
Increase/(decrease) in market value of investments	4,298	1,614	5,912	(373)
Transfers between reserves	2,361	-	2,361	(2,551)
Balance at end of year	31,157	11,892	43,049	34,108
Analysis by type of purpose:				
Fellowship Funds	9,639	—	9,639	7,556
Scholarship Funds	7,962	620	8,582	7,271
Prize Funds	523	26	549	463
Hardship Funds	4,348	—	4,348	2,208
Bursary Funds	51	—	51	44
Grant Funds	6,042	11	6,053	4,687
Other Funds	2,592	1,844	4,436	3,736
General Funds	—	9,391	9,391	8,143
	31,157	11,892	43,049	34,108
Analysis by asset				
Property	6,866	2,621	9,487	8,977
Investments	21,737	8,296	30,033	22,815
Cash	2,554	975	3,529	2,316
	31,157	11,892	43,049	34,108



NOTES TO THE ACCOUNTS CONTINUED

16. Restricted funds

Consolidated and College	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment	2021 Total £000	2020 Total £000
Balance at beginning of year					
Capital	—	5,092	—	5,092	1,425
Accumulated income	—	—	1,414	1,414	923
	—	5,092	1,414	6,506	2,348
New grants	7	—	—	7	17
New donations	—	897	53	950	1,762
Investment income	—	1,044	62	1,106	1,063
Increase/(decrease) in market value of investments	—	—	311	311	(16)
Expenditure	—	(1,642)	(59)	(1,701)	(1,202)
Capital grants utilised	(7)	—	—	(7)	(17)
Transfer to/(from) reserves	—	(2,310)	(51)	(2,361)	2,551
Balance at end of year	—	3,081	1,730	4,811	6,506
Comprising Capital	—	3,081	—	3,081	5,092
Accumulated income	—	—	1,730	1,730	1,414
	—	3,081	1,730	4,811	6,506
Analysis of other restricted funds/donations by type of purpose					
Fellowship Funds	—	370	—	370	992
Scholarship Funds	—	150	219	369	340
Prize Funds	—	24	—	24	22
Hardship Funds	—	26	—	26	1,804
Bursary Funds	—	2,395	1,054	3,449	2,980
Other Funds	—	116	457	573	368
	—	3,081	1,730	4,811	6,506

NOTES TO THE ACCOUNTS CONTINUED

17. Memorandum of Unapplied Total Return

	2021 £000	2020 £000
Unapplied total return at beginning of year	15,821	16,408
Unapplied total return for the year	8,958	(587)
Unapplied total return at end of year	24,779	15,821

18. Reconciliation and analysis of net debt

	At 1 July 2020 £000	Cash Flows £000	New finance leases £000	Other non- cash changes £000	At 30 June 2021 £000
Cash and cash equivalents	6,052	(3,620)	—	—	2,432
Borrowings:					
Amount falling due within one year:					
Obligations under finance leases	—	16	(67)	(16)	(67)
Amount falling due after more than one year:					
Obligations under finance leases	—	—	(290)	16	(274)
Unsecured loans	(30,500)	—	—	—	(30,500)
Total net debt	(24,448)	(3,604)	(357)	—	(28,409)

19. Financial instruments

	2021 £000	2020 £000
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments (note 9)	53,113	41,343
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents (note 9 and 11)	7,721	9,484
Other equity investments (note 9)	10	10
Other debtors (note 10)	1,041	811
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans (note 13)	30,500	30,500
Trade creditors (note 12)	957	674
Other creditors (note 12)	1,585	2,201



NOTES TO THE ACCOUNTS CONTINUED

20. Capital commitments	2021 £000	2020 £000
Capital commitments at 30 June 2021 are as follows -		
Authorised and contracted	1,889	4,487
Authorised but not yet contracted for	253	380

21. Financial Commitments	2021 £000	2020 £000
At 30 June 2021, the College had annual commitments under non-cancellable operating leases as follows:		
Land and buildings:		
Expiring within one year	9	40
Expiring between two and five years	37	37
Expiring in over 5 years	242	251
Other:		
Expiring within one year	4	5
Expiring between two and five years	2	4

22. Pension Schemes

In addition to the defined contribution scheme for assistant staff the College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS), and the Cambridge Colleges Federation Pension Scheme (CCFPS). The total pension cost for the year ended 30 June was as follows:

	2021 £000	2020 £000
USS: Contributions	279	294
CCFPS: Charged to income and expenditure account	54	54
Other pension schemes: Contributions	183	163
	516	511

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

Universities Superannuation Scheme

As at the 30 June 2021, the latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2018 (the valuation date), which was carried out using the projected unit method. Since the year end the valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022.

Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018 valuation
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for female
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females



NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

The current life expectancies on retirement at age 65 are:

	2021	2020
Valuation	24.6	24.4
Males currently aged 65 (years)	26.1	25.9
Females currently aged 65 (years)	26.6	26.3
Males currently aged 45 (years)	27.9	27.7
Females currently aged 45 (years)	27.9	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	2.00%	2.00%

Cambridge Colleges' Federated Pension Scheme

The College also operates a defined benefits plan for the College's employees of the Cambridge Colleges' Federation Pension Scheme.

The liabilities of the plan have been calculated, at 30 June 2021, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

The principal actuarial assumptions at the balance sheet date were as follows:

	2021 % p.a.	2020 % p.a.
Discount rate	1.80	1.45
Increase in salaries	3.10	2.70
Retail Price Index (RPI) assumption	3.40	3.10
Consumer Price Index (CPI) assumption	2.60	2.20
Pension increases in payment (RPI max 5% p.a.)	3.30	3.00
Pension increases in payment (CPI max 2.5%)	1.95	1.80

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2020 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2020: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 21.9 years (previously 21.9 years)
- Female age 65 now has a life expectancy of 24.3 years (previously 24.2 years)
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.2 years)
- Female age 45 now and retiring in 20 years would have a life expectancy of 25.7 years (previously 25.6 years)

Members are assumed to retire at their normal retirement age (65) apart from in the following cases:

	Male	Female
Active Members – Option 1 Benefits	64	64
Deferred Members – Option 1 Benefits	63	62

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current commutation factors in these calculations



NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2021 (with comparative figures as at 30 June 2020) are as follows:

	2021 £000	2020 £000
Market value of scheme assets	5,881	5,609
Present value of scheme liabilities	(7,173)	(7,600)
Net defined benefit (liability)	(1,292)	(1,991)

The amounts recognised in the income and expenditure account for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Current service cost	15	16
Interest on net defined benefit liability	29	38
Total charge	44	54

Changes in the present value of the scheme liabilities for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Present value of scheme liabilities at beginning of period	7,600	7,049
Current service cost (including employee contributions)	4	4
Benefits paid	(199)	(232)
Interest on scheme liabilities	109	156
Actuarial (gains) / losses	(341)	623
Present value of Scheme liabilities at end of period	7,173	7,600

NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

Changes in the fair value of scheme assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Market value of scheme assets at beginning of period	5,609	5,372
Contributions paid by the College	54	54
Benefits paid	(199)	(232)
Administration expenses paid	(17)	(17)
Interest on scheme assets	80	118
Return on assets, less interest included in profit and loss	354	314
Market value of Scheme assets at end of period	5,881	5,609
Actual return on scheme assets	434	432

The major categories of scheme assets as a percentage of total Scheme assets at 30 June 2021 (with comparative figures at 30 June 2020) are as follows:

	2021	2020
Equities	48%	49%
Bonds & Cash	42%	41%
Properties	10%	10%
Total	100%	100%

The plan has no investments in property occupied by, assets used by or financial instruments issued by the College.

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Actuarial return less expected return on scheme assets	354	314
Experience gains and losses arising on scheme liabilities	202	37
Changes in assumptions underlying the present value of scheme liabilities	133	(665)
Actuarial gain / (loss) recognised in OCI	689	(314)



NOTES TO THE ACCOUNTS CONTINUED

22. Pension Schemes continued

Movement in net defined benefit liability during the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Deficit in scheme at beginning of year	(1,991)	(1,677)
Recognised in Profit and Loss	(44)	(54)
Contributions paid by the College	54	54
Actuarial gain recognised in SOCIE	689	(314)
Deficit in scheme at the end of the year	(1,292)	(1,991)

Funding Policy

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102.

The last such actuarial valuation was as at 31 March 2020. This showed that the assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £39,105 p.a. payable for the period to 31 August 2025.

These payments are subject to review following the next funding valuation, due as at 31 March 2023.

Defined Contribution Pension Schemes

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £183,230 (2020 - £162,754) of which £26,062 (2020 - £31,505) was outstanding at the year end.

NOTES TO THE ACCOUNTS CONTINUED

23. Contingent Liabilities

As disclosed in note 21, with effect from 16 March 2007, the Universities Superannuation Scheme (USS) positioned itself as a “last man standing” scheme so that in the event of an 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.

24. Related Party Transactions

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

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

During the year no fees or expenses were paid to Fellows in respect of their duties as Trustees.

Fellows are remunerated for teaching, research and other duties within the College. Fellows are billed for any private catering. The Trustees remuneration is overseen by a Remuneration Committee.

The salaries paid to Trustees in the year are summarised in the table below:

From	To	2021 Number	2020 Number
0	10,000	33	33
10,001	20,000	5	9
20,001	30,000	4	2
30,001	40,000	3	2
40,001	50,000	2	2
50,001	60,000	2	1
60,001	70,000	—	—
70,001	80,000	—	—
80,001	90,000	2	1
90,001	100,000	—	1
		51	51



NOTES TO THE ACCOUNTS CONTINUED

24. Related Party Transactions continued

The total Trustee salaries were £724,938 for the year (2020 - £704,854).

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £191,776 for the year (2020 - £169,968).

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

The College has taken advantage of the exemption within section 33 of FRS 102 not to disclose transactions with wholly owned group companies that are related parties.

25. Post Balance Sheet Event

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £889,302 in the provision for the obligation to fund the deficit on the USS pension which would instead be £1,410,394. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £1,764,618 in the provision for the obligation to fund the deficit on the USS pension which would instead be £2,285,710.

26. Sir Mortimer Singer Fund

Other Unrestricted Funds includes the Sir Mortimer Singer Fund which was funded from a bequest of Sir Mortimer Singer, a Fellow Commoner of the College. The money was appointed to the College by Lady Singer upon the trusts declared by a deed dated 25 March 1952. The Pension Trust Fund was also set up from this bequest. Below are the movements on these Funds in the year.

	Singer Fund £000	Pension Trust £000
Opening Balance at 1 July 2020	7,043	252
Income	184	11
Expenditure	-	(11)
Change in Market Value of Investments	755	46
Closing Balance at 30 June 2021	7,982	298

NOTES TO THE ACCOUNTS CONTINUED

27. Analysis of Movement in Total Funds

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Alcan Prize Fund	—	13
Angharad John Fellowship	—	398
Alwyn W Heong Fund	—	340
Barry Moore Economics Prize Fund	—	19
Bathey Fund	—	12
Beinan Lu Fund	—	4
Bill Willetts Fund	—	0
B J Everitt Prize Fund	—	21
Blankenship Book Fund	—	16
Blankenship Law Fund	—	33
Bradbrook Fund	—	16
Brammer Fellowship in Geography	22	670
Buchanan Fund	—	329
Charles Campbell Book Fund	—	5
S M and H Haniff Prize	—	42
Cockerell Fund	—	31
Collins Fund	—	261
Darley Fund	—	405
Darley Sands Postgraduate Studentship	—	262
Downing Association Fund	—	52
Edward Collins Fund	—	153
Ernest William Denham Fund	—	36
Everitt Fund	—	2
Everitt Butterfield Fund	4	1,455
Fahrenwaldt Fund	—	17
Ferreras Willetts Fund	—	372
Florence & David Jacobs Memorial Prize	—	10
Fritsch Fund	—	594
Carried forward	26	5,567



NOTES TO THE ACCOUNTS CONTINUED

27. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	26	5,567
Fu Fund	—	6
Gamlingay Fund	—	104
Geoffrey Grimmett Prize	—	8
Gelber Bequest	—	13
Graystone Fund	—	233
Gulbenkian Fund	—	3
Hall Fund	—	14
Harold Hargreaves Prize	—	7
Harris Fund	—	592
Harrison Prize Fund	—	4
Hopkins Parry Fund	—	1,423
John Hopkins Fund	12	289
John Hopkins Supervision Fund	2	314
John Miller Scholarships	—	1,812
Hugh Brammer Fund	—	92
Ivor Evans Fund	—	29
Jan Hruska Fund	—	340
Jean Ruhman Fund	—	13
John Hawkins Mays Wild Fund	—	11
John Maples America Fund	—	202
Johnston Fund	2	2
Joseph Tcheng Prize	—	15
Judy Petty Book Prize & Scholarship	—	29
Kim and Julianna Silverman Research Fellowship	—	1,091
Percy Lander Research Fund	—	335
Lander Fund	—	14
Landrum & Brown Scholarship Fund	—	17
Carried forward	42	12,579

NOTES TO THE ACCOUNTS CONTINUED

27. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	42	12,579
Lord Butterfield Fund	—	230
Mays Wild Fund	41	846
Matthews/McKinley Travel Fund	—	17
Alfred Monk Fund	—	310
John H Morrison Prize in Law	—	34
Moullin Fund	—	3
Oon Khye Beng Ch'hia Tsio Memorial Fund	—	577
Oon Khye Beng Ch'hia Tsio Memorial Prize Fund	—	177
Professor Gabriel Oon Prize	—	8
Osler Fund	—	133
Owens Fund	—	501
Peter Mathias Economics Prize Fund	—	3
Pilley Fund	—	474
Platt Fund	—	38
Poulton Fund	64	650
Professor Audus Botanical Fund	—	22
Purcell Fund	—	0
Richards Fund	—	69
Robertson Research Fellowship Fund	—	990
Robson Physics Prize	—	9
Robson Postgraduate Fund	—	393
Saint Fund	—	56
Saunders Fund	—	57
Savile Fund	—	175
Schreiner Fund	—	84
Seton Fund	—	99
Seton Cavendish Fund	—	2,761
Carried forward	147	21,295



NOTES TO THE ACCOUNTS CONTINUED

27. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	147	21,295
Shallard Fund	—	0
Sir Arthur Watts Choral Awards	—	17
Stephen Peel Fellowship Fund	—	398
Stevens Fund	—	6
Susan & Geoffrey Eggington Scholarship	—	21
Sutcliffe Legacy	—	776
TG Jones Fund	—	972
Thomas Fund	—	25
Thrower Fund	5	83
Timothy Walton Remembrance Fund	80	80
Treherne Fund	—	135
Unwin Fund	—	77
Verjee Fellowship Fund	—	360
Verney Fund	—	2
Michael Waring Fund	110	110
Warner—Lambert Fund	—	316
Whitby Memorial Fund	—	525
White Fund	—	10
Whitelegg Fund	—	75
Whitworth Fund	—	2,735
Wicks Travel Fund	—	18
Williams Downing Fellowship	6	504
Wilsey & Lerch Scholarship in Economics	—	82
Wyatt Fund	—	2
Postgraduate Studentship Fund	1	5
Student Hardship Endowment	2	452
Student Support Endowment	198	957
Carried forward	549	30,038

NOTES TO THE ACCOUNTS CONTINUED

27. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	549	30,038
1970's Grant Fund	—	97
Alumni Sport Fund	—	70
Fundraising — Teaching	41	230
Fundraising — Access	53	839
Catalysis — Teaching & Learning	3	218
Catalysis — Research & Discovery	—	19
Catalysis — Heritage & Environment	3	48
Catalysis — Support & Services	4	294
Catalysis — Culture & Community	—	14
Other	—	81
	653	31,948
<i>Restricted expendable</i>		
Bartram Fund	—	167
Colin Hill Fund	—	2
Lt. Colonel Anderson Trust Fund	—	136
Goodey Fund	—	219
Richens Fund	—	770
Treherne Prize Fund	—	15
Student Hardship (Spend Down)	29	29
The Great Tradition	1	117
Segreants Fund	51	107
Catalysis Research Fund	—	203
Downing Enterprise	7	129
1717 Fund	82	12
Voellm-Hruska Studentship	—	105
Tazaki Studentship	—	1,000
Fundraising - Buildings	—	62
Other	787	947
	957	4,020
Total Restricted Funds	1,610	35,968



NOTES TO THE ACCOUNTS CONTINUED

27. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Unrestricted Permanent Funds</i>		
Clark Fund	—	3
French Fund	—	44
Jarvis Fund	—	53
Library Endowment Fund	—	1,473
Richmond Fund	—	276
Stenning Fund	—	74
Stevenson Fund	—	2
Whalley—Tooker Fund	—	22
Yates Fund	—	11
Young Fund	—	247
Singer Fund (Pension Trust)	—	297
Smyth Bequest	—	662
Fleet Bequest	—	71
Deryk Prosser Fund	—	569
Corporate Capital Fund	—	1,217
General Capital	—	6,871
	—	11,892
<i>Unrestricted</i>		
Designated Buildings	—	124,415
Corporate Capital Fund	—	22
Singer Fund (Will Trust)	—	8
General Capital and Other	1,386	(27,770)
Revaluation Reserves	—	52,778
Pension Reserves	—	(1,813)
	1,386	177,747
Total Unrestricted Funds	1,386	189,637
Total Reserves	2,996	225,605



Photograph: Nick High, College Porter.



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