



# ANNUAL REPORT AND ACCOUNTS

for the financial year ending 30 June 2022

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 2022

Graham John Virgo MA BCL (Oxon) KC (Hon), Fellow in Law, Professor of English Private Law (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, *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,  
College Associate Professor (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, 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,  
College Teaching Officer (2001)  
Liping Xu, BSc (Beijing) PhD, *Tutor*, Fellow in Engineering, University Lecturer in Turbomachinery (2004)  
Guy Barnett Williams MA PhD, *Senior Tutor, Safeguarding Officer*, Darley Fellow in Clinical Neurosciences,  
University Professor of Imaging Science, Assistant Director of Information Processing at the Wolfson Brain  
Imaging Centre (2004)  
Natalia Mora-Sitja BSc (Barcelona) MA (Barcelona) MSc (Oxon) DPhil (Oxon), *Tutor*, 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,  
University 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, 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, Internal Auditor*, 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, Associate Teaching Professor (2012)

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, College Associate Professor (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 Associate Professor 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, University Associate Professor in Classics (2019)

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

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

Michael Ashby BA MA MPhil PhD, *Senior Treasurer of the Amalgamation Club, Silver Auditor, Internal Auditor*, Williams Downing Fellow in Economics, College Associate Professor (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, *Graduate Tutor*, 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, College Associate Professor (2021)

Robert Todd Beardwell BSc (Sheffield), *Junior Bursar* (2022)

Francesco Muschitiello BSc (Venice) MSc (Perugia) PhD (Stockholm), Arnell Fellow in Climate Repair, Fellow in Geography (2022)

Helen Scott BA (Cape Town), LLB (Cape Town), BCL (Oxon), MPhil (Oxon), DPhil (Oxon), Fellow in Law, Regius Professor of Civil Law at Cambridge (2022)

Maria Vera-Morales BEng (Carlos III de Madrid), VK Diploma (Von Karman Institute for Fluid Dynamics), PhD, Fellow in Engineering, CDT Senior Fellow in Future Propulsion and Power (2022)

Dmitrij Szamozvancev BA, MEng, Fellow in Computer Science and Technology, College Associate Professor (2022)

Daniel Arnold Jolowicz BA (Oxon), MSt (Oxon), DPhil (Oxon), Fellow in Classics, College Associate Professor (2022)

Bonnie Claire Lander Johnson BA (Sydney), MA (Melbourne), DPhil (Oxon), Fellow in English (2022)

## Retirements and Resignations 1 July 2021–30 September 2022

John Stuart Richer MA PhD, *Tutor, Internal Auditor*, Fellow in Physics, Professor of Physics (2013–2022). *Retired 30 September 2022*

Paul Derek Barker BSc (Imperial College London) MA DPhil (Oxon), Fellow in Chemistry, University Senior Lecturer in Chemistry (2004–2022). *Resigned 30 September 2022*

Alison Deirdre Jane Scadden MSc (Otago) PhD, Fellow in Biochemistry (2020–22). *Resigned 30 September 2022*

Bjoern Neumann BSc (Würzburg) PhD (Würzburg), Kim and Julianna Silverman Research Fellow in Biomedicine (2020–2022). *Resigned 30 April 2022*



## OTHER FELLOWS

### The Honorary Fellows

Giles Skey Brindley MA (London) MD FRS  
Sir Francis Graham Smith MA PhD FRS  
Dame Janet Abbott Baker CH DBE  
Sir Trevor Robert Nunn BA CBE  
Godfrey Michael Bradman FCA  
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  
Sir 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 KC  
Farmida Bi MA CBE  
Richard Snowden BA LLM

### 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*  
John Stuart Richer MA PhD

### 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  
Paul Jarvis 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  
Sabine Cadeau BA MA PhD  
Matthew Carter BA MA MB BChir

Adrian Chung BSc (Warwick) MSc (UCL) MPhil  
Andrew Cockburn MSci 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)  
Louisa Denby MA MMus  
*Assistant Director of Chapel Music*  
Eoin Devlin BA (Dublin) MLitt (Dublin) MPhil PhD  
Alistair Dunham BA MPhil PhD  
Buffy Eldridge-Thomas BA  
Sebastian Gorgon BSc (UCL) MRes PhD  
Paula Heister MA MSc DPhil  
Vicky Jones MA MB BChir MRCS  
Joshua Kaggie BSc MSc PhD  
Patricia Laurenson PhD  
Max Leventhal BA (Durham) MPhil 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*  
Rakoen Maertens BSc (Ghent) MSc (Ghent)  
Deepti Marchment BA MA MChir  
Arlie McCarthy MA (Tasmania) BSc (Melbourne)  
Aram Mooradian AADIPL PGDIP ARCH ARB  
Lisa Mullen PhD  
Joanna Page MA  
Mykhailo Pivnenko MSc (Ukraine) PhD (Ukraine)  
Prerona Prasad BA MA MPhil DPhil  
William Schafer PhD FMedSci FRS  
Neal Spencer BA PhD  
Victoria Stewart-Jolley LLB (Sussex) LLM (Edinburgh)  
MSt 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  
Mark Vivian MSci (Imperial) MB BS FRCA  
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

HCR Hewitsons  
50–60 Station Road  
Cambridge CB1 2JH

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 2022 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 Master and Fellows elected under Statute X 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 undergraduates' studies, arranging their supervisions and providing pastoral support for both undergraduates and postgraduates, 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 per year and discharges its responsibilities through a network of standing committees dealing with Education, Finance, Buildings & Environment, Fellowships, Development, Investments, Information Management, HR and General Purposes. Representatives of the JCR and the MCR participate in these committees, with the exception of the Fellowships and HR Committees. Sub-committees deal with: Health & Safety, Diversity, the Heong Gallery, 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 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 in case of hardship – to bursaries, including rent bursaries, as well as those for the purchase of books and equipment, attendance at conferences, travel and studentships. For students from low-income families, the Cambridge Bursary Scheme provides grants of up to £3,500 per year, tapering down to £100 for those with household incomes of £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. The programme includes visits to schools, residential courses in Cambridge, Open Days, Admissions Fairs and webinars. It encourages students who may not otherwise consider higher

education to look at the university options available to them.

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, helping to raise their aspirations and supporting them to apply to highly rated institutions with the confidence that they are capable of achieving the required grades.

## 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 through the Student Loan Company. The College collects these fees and passes half of their value to the University. The College admits, matriculates and accommodates undergraduates, provides supervisions for them, takes responsibility for their pastoral care and presents them for degrees. The University provides lectures and laboratories and examines and classifies students. The portion of the tuition fee that goes to the College only partly covers the real costs of offering the distinctive small-group teaching that Cambridge provides. The shortfall must 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, profits from this business amount to around 19% 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 2021-22 academic year was marked by a rapid recovery from the disruption caused by Covid-19. The College community sprang back into life with impressive enthusiasm. Supervisions and exams largely took place in person. Matriculation and graduation events were restored to normal. The social life of the College, full Halls for dinners, music recitals, sports events, theatrical performances, chapel services – all the things that make for a vibrant, dynamic community – returned. After a gap of three years, we welcomed over 2,500 guests to a thrilling May Ball.

Our series of major lectures returned too – Professors John Walker and Patrick Chinnery delivered the Oon Lecture on mitochondria, alumnus Professor Ravi Gupta gave the Richmond Lecture on his work on Covid and HIV, and two of our Fellows, Professor Zoe Kourtzi and Professor Guy Williams, opened our new fund-raising campaign with a lecture about their pioneering work on the early diagnosis of Alzheimer's.

Financial recovery from Covid is a longer process. The income on which we depend from conferences, corporate functions and summer schools is gradually recovering, and we now have a thriving bed and breakfast business in the vacations. However, we face headwinds from the long, government-imposed freeze on tuition fees and from the enormous hike in energy prices and food costs. We are entering our fourth year of a deficit budget and, consequently, have had heavily to reduce our capital expenditure.

This is why Downing 360, our new fundraising campaign, is so vital. It is the fruit of the Fellows' strategic review of the College's priorities. We aim to raise £40 million over the next five years, with a particular focus on expanding our teaching capacity, enhancing the student experience through bursaries, providing new resources for wellbeing and mental health and improving study space and student accommodation. It is hoped that many alumni will support these initiatives, as we pivot away from the physical capital of bricks and mortar to the human capital of teaching and learning.

The national labour shortage in the wake of Brexit and Covid has proved difficult to manage. Catering and housekeeping have been particularly hard hit. Recruitment campaigns and retention bonuses have helped to address staff shortages, and existing staff have been heroic in covering gaps and Covid-related absences, but filling staff vacancies remains a challenge.

## FELLOWS

In the course of the year, five new Fellows were admitted:

- 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
- Mr Rob Beardwell is the College's Junior Bursar.



The Governing Body admitted three alumni as Honorary Fellows: Richard Snowden and Colin Birss, both recently appointed to the Court of Appeal, and Farmida Bi, the first woman to chair a major law firm. We were delighted to welcome Jon Howard and his sister Julie Lambert as Foundation Fellows, in recognition of the Howard Foundation's transformational support for the College. Sadly, two Honorary Fellows passed away this year: Sir Colin Blakemore and Sir Arnold Burgen.

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

## UNDERGRADUATES

At the beginning of the 2021-22 academic year, there were 439 undergraduates across all years at Downing; 50% were men and 49% were women (1% were 'other'); 80% were from the UK, 4% were from the EU and 15% from the rest of the world; of those schooled in the UK, 60.5% were from state schools and 39.5% from the independent sector.

Downing's popularity with applicants has continued to grow: 1,058 candidates applied for entry in 2022. In Law, 16% of all candidates applying to Cambridge put Downing as their first choice. Across most subjects, competition for our 128 undergraduate places grows ever more intense.

In considering whether to make an offer to applicants, the College notes 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. All candidates must meet the terms of the standard offer or equivalent. The number of students admitted to Downing with 'flags' continues steadily to grow.

Downing is one of 11 Cambridge colleges taking part in the new Foundation Year pilot, a scheme for students of high academic potential whose education has been disrupted by illness, social disadvantage or difficult family circumstances. Five of the first-ever group of 48 Foundation Year students will spend a preparatory year at Downing, learning the academic skills needed to compete for a full undergraduate place at Cambridge.

In Easter Term 2022, exams largely returned to normal after two years of virtual assessments. More than one-quarter of all results were First Class degrees. Three students graduated at the top of their Triposes: Samuel Ginns (Classics), Ragavi Vijayakumar (Pathology) and Michael Wong (Chemical Engineering). Sam and Ragavi were jointly awarded the Association Prize, and Michael received the Salters Graduate Award.

## POSTGRADUATES

At the beginning of the 2021-22 academic year, Downing had a total of 530 postgraduate students. Of these, 54% were men and 46% were women; 44% were from the UK, 9% from the EU and 47% from the rest of the world; 167 were studying for a PhD and 106 following one-year courses (comprising 73 MPhils, 22 full-time MBAs, 9 PGCEs and 2 LLMs), while 55 were clinical medics and vets. In 2021-22, 31 students were awarded PhDs.

## STRATEGIC REVIEW

Under the guidance of the Senior Bursar, the Fellowship undertook a thorough strategic review of the College's priorities, identifying gaps that needed filling in our teaching provision. As a result, the size of the Fellowship will be increased substantially over a number of years through the appointment of University Teaching Officers, College Associate Professors and Research Fellows. Greater emphasis will be put on enhancing the student experience, including wellbeing, equality and a wide-ranging experience beyond the core subject-matter. The College will look to optimise and decarbonise our physical spaces in search of more communal study space and more student accommodation on or near the Domus.

The Fellowship identified the core values of the College to be academic excellence, intellectual curiosity, community, integrity and kindness.

## STUDENT WELLBEING

The mental health of our 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. The traditional tutorial system that provides pastoral care has once again been under strain, and specialist counselling, though enormously helpful, is heavily oversubscribed.

Downing was the first College to recruit its own Head of Student Wellbeing, a qualified psychotherapist who can ensure that all cases are referred for the right treatment and offer professional back-up for the College tutors, who are often the first people to whom students turn in distress. The Head of Wellbeing also runs sessions to help students to build their resilience and to find coping strategies that work for them. A purpose-built wellbeing centre has been created on the ground floor of the Howard Lodge, providing a dedicated space for students in need of help. Downing's beautiful grounds continue to be a source of solace and relaxation.

## EQUALITY

The College is committed to outlawing discrimination of all kinds, as shown in our policy published on the Downing College 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, but they also prevent individuals from achieving their full potential, to all of our detriments. We acknowledge that the responsibility lies with each of us robustly to 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.'

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





Our Racial Equality Action Plan covers racial awareness training for students and staff, clear procedures for reporting incidents and taking disciplinary action, where appropriate, and positive actions to support the ethnic minority community. The Racial Justice Forum, chaired by an external facilitator, continues to provide an opportunity for ethnic minority students to raise concerns about their experience in College and to put forward ideas that allow Downing to realise its aspiration to be a truly anti-racist place to live and study.

In May 2022, we published our research into the Downing family's Links to Enslavement. This found no evidence that any of the family owned or traded slaves or profited directly from slave plantations. It did unearth two letters written in the 1640s – one by the first George Downing and one by his father, Emmanuel – advocating the use of using slaves and indentured workers in the Caribbean and New England. Through modern eyes, these letters sit uncomfortably, and we can regret they were written, although, sadly, the sentiments they expressed were not unusual at the time.

Downing also held its first-ever rainbow formal hall to celebrate the LGBTQ+ community.

## DRAMA

The Downing Dramatic Society emerged from lockdown with a joyful celebration in the form of a freshers' production of *A Midsummer Night's Dream*, which had been postponed from the previous term. Michaelmas also saw a short play based on Charles Schulz's *Peanuts* cartoon strip, to coincide with the Heong Gallery's exhibition on the same theme. In Lent, the regular freshers' play was Sheridan's *A Trip to Scarborough* and the *Festival of New Writing*, showcasing short student-written plays, took place for the ninth year. An innovation this year was the *Downing Shorts* festival of student-produced films.

## MUSIC

The annual freshers' recital featured a range of impressive music, from classical to pop to original compositions. Singer-songwriters also performed in the Master's Lodge, and organ scholar Dominic Remedios gave a recital in the Chapel. The world-renowned cellist Robert Cohen gave a special concert and conducted some fascinating masterclasses for Cambridge cellists. The Chapel Choir was back in full voice, with Sunday evensongs happening in person. The Choir sang at the memorial service for our greatest recent benefactor, Alan Howard; at the two highly popular Advent Carol services, in College and in London; and at the annual Commemoration service in May. They also teamed up with instrumental players in College to perform Mozart's *Spatzenmesse* in the Chapel. Throughout the year, the College jazz band was in fine form in the bar.

## STUDENT SOCIETIES

Talks, dinners, quizzes and other social events were restored by the many student societies. Highlights included the Cranworth Law Society's centenary, marked by a panel event called *Downing Women in the Law* and a dinner with speeches marking the impact of the Cranworth over its first hundred years. The Brammer Geographical Society was addressed by Downing alumnus Nigel Clifford, President of the Royal Geographical Society. Another Downing alumnus, Professor Sir John Pendry, a Royal Medal recipient, spoke to the Danby Society. Professor Helen McCarthy presented on her book *Writing the History of Women* to the Maitland Society and our own Fellow in Economics, Dr

Michael Ashby, talked on his research *Time Series Models for Epidemics* to the Mathias Society. Two new societies were formed: the Education Society, with the aims of bringing together students at all levels who are studying education and marking Downing as a hub for PGCE students, and the Board Games Society, intending to revive skills that pre-date the smartphone era. In a similar vein, the Blake Society's weekly crafting evenings proved an unexpectedly popular hit.

## SPORT

The College teams had a mixed record, with excellent performances from Tennis, with Downing 1s topping division 1, and Badminton, with the Mixed 1st Team defending their title as league champions. However, it was a turbulent year on and off the river for the Boat Club, and we failed to reach the heights of recent years in Rugby. Despite the setback of league relegation, the Men's Football Team had the compensation of winning the Plate. Our Ultimate Frisbee Team placed second in the British Universities & Colleges Sport League.

At University level, Blues were awarded to Jamie Benson and Luke Parry (Rugby Union), Charlotte Dawson and Madoka Hazemi (Basketball), Beatrice Fishwick (Powerlifting), Emily Mann and Will Silver (Hockey), Georgia Weeks (Lacrosse) and Jonty Win (Taekwondo).

## THE HEONG GALLERY

The highlight of the year was a spectacular David Hockney exhibition, in conjunction with a larger show at the Fitzwilliam Museum. Both exhibitions drew large crowds and won great critical acclaim. Hockney himself visited the College in June for a small dinner in the Master's Lodge and said how pleased he was with the exhibition and its impact.

In front of the Gallery now sits a new, Ai Weiwei-designed tree made from timber of the lovely old Blue Atlas cedar that stood in the East Lodge garden until disease forced us to chop it down, sadly. It lives on in Ai Weiwei's wonderful creation.

It is a mark of the Gallery's success that it continues to attract big-name artists and to punch above its weight in Cambridge's cultural scene. The added value to our students of living with exhibitions by acclaimed artists has become clear, giving them the opportunity to see, reflect, enjoy and discover. For students, the Gallery is also a venue for talks, symposia, film screenings, book launches and music recitals. Newly under the aegis of the Gallery, the Twining Egginton Art Prize attracted a record 15 entries and five students shared the prize.

## THE ESTATE

The College has completed the purchase of the premises at 19-31 Regent Street (formerly Pizza Hut) and is currently acquiring the adjoining properties, known as 33-35 Regent Street. This will extend its ownership of property from the corner opposite The University Arms as far as The Regent Hotel; a planning process is ongoing for a commercial outlet on the ground floor and student accommodation on the upper floors. A planning application has been submitted on 45 Bene't Place, a large building on the corner of Lensfield Road and Tennis Court Road, to convert it into teaching and study spaces and Fellows' accommodation.



## THE 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 host the Cambridge Climate Repair Centre, which researches initiatives to hold back the ravages of climate change. Thanks to the generosity of our alumnus Jamie Arnell, the College has recruited a Fellow in Geography, who is affiliated to the Centre. The Centre employs Downing students as summer interns.

In 2018, the College committed to divest itself of direct holdings in carbon, and offsets its indirect holdings with investments in sustainable energy. In 2019–20, we developed an environmental strategy that committed Downing 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;
- And participating in energy-conservation programmes, such as Green Impact, and Student Switch-Off.

This strategy includes the following initiatives:

- Introducing quarterly ‘green metric’ reports;
- Replacing diesel- and petrol-driven machines with battery equivalents;
- Reducing the use of chemicals and using only organic fertiliser;
- Planting more hedges, pollen-and nectar-rich plants and meadows to encourage wild life;
- Increasing the use of double-glazed and draught-proofed windows;
- Continuing the roll-out of LED lighting;
- Increasing the choice of plant-based options on College menus;
- Identifying suitable sites in College for additional roof-top photo-voltaic arrays;
- And improving the thermal performance of our refurbished buildings.

The Senior Bursar and Estates Director are working on a detailed sustainability initiative that establishes a roadmap for the College to ‘net zero’, together with an associated funding plan, to be introduced during 2022–23. This will represent a significant future cost, albeit spread over many years.

## DEVELOPMENT AND ALUMNI RELATIONS

Donations to the College recorded in the accounts totalled £3.29 million this financial year, while £4.16 million cash was received due to legacies notified to the College last year. Regular gifts from Downing alumni make a vital contribution to the life of the College.

In June 2022, we launched the Downing 360 Campaign, which aims to raise £40 million over five years in support of three key areas: extending the Fellowship to fill important gaps in our teaching provision; expanding our student bursaries and wellbeing programmes; and creating new teaching, study and accommodation spaces.

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

Members of the Downing Enterprise Board make it possible for the College to host its 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.

Downing is grateful to all alumni who contribute to the College by giving their time, advice and support to its activities, helping it to continue to nurture, challenge and inspire.

## PLANS FOR THE FUTURE

In the coming year the Governing Body will focus on implementing the results of the Fellows' strategic review: further expanding the Fellowship, through a combination of new University-employed Fellows, new College Associate Professors and new Research Fellows; enhancing students' study skills; reviewing Fellows' duties and benefits; taking forward the Downing 360 fundraising campaign; making a success of the Foundation Year; addressing the low admissions rate for state-educated candidates; making further progress with the Racial Justice Forum, and widening our Diversity work to include Disability and LGBTQ+ issues; considering a revised space plan to prioritise student and Fellows' accommodation and communal study spaces; tackling the impact of the cost-of-living crisis, particularly on lower-paid staff; and electing a new Master to take office on 1 October 2023.



## 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. Also included is a linked charity that is invested as part of the College's endowment, The John Miller Scholarships, the fund value of which is disclosed in note 26 of the accounts.

## SIGNIFICANT POLICIES

### Reserves

1. Total Net Assets stood at £226.5 million at 30 June 2022. Of this amount, £177.0 million represents the net book value of the buildings, including the Revaluation Reserve of £47.8 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 £49.5 million, £49.4 million consists of Permanent Restricted Endowment, and £5.3 million is attributable to the revaluation of works of art. At 30 June 2022, therefore, free reserves (General Reserve less pension liability of £1.9 million) stood at negative £5.2 million (2021: positive £0.5 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 has 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 variability of donations and benefactions. 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. drainage, dry rot, and 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 (2022: £1,940,752; 2021: £1,812,954).
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 cash needs (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 negative £5.2 million is due to the completion of the conversion of 90–92 Regent Street and the purchase of 4-5 Bene't Place; however, the Governing Body does not consider this currently to be a problem, as the College has access to various sources

of liquidity, including raising loan finance, 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. The free reserves policy is currently under review.

## 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 and updated subsequently). 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 late 2022. A process to evaluate Partners Capital, overseen by the Investment Committee, is now underway.
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) Equity-Like Risk 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 7.8% with a standard deviation of 12.1% and an Equity-Like Risk 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 Gilts; 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).
7. Tactical Allocation ranges were Cash: 0–5%; Fixed Income: 0–18%; Hedge Funds: 5–33%; 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 53% 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 Privee (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 £24,445,000, 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 2022.

## 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'. The judgment passed in a more-recent case (Butler-Sloss v. the Charity Commission, 2022) concluded that as long as the trustees exercise good judgment and balance all relevant factors resulting in a reasonable and proportionate investment policy, they have complied with their legal duties. 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 2022 is £30.3 million (note 13 to the financial statements). 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 the College's 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. The ongoing cost of living crisis makes recruiting and retaining staff problematic, further risking our delivery of core objectives.



# THE FINANCIAL REVIEW



## FINANCIAL REVIEW

### Income and expenditure

The total surplus for the year was £0.08 million, compared with £23.5 million last year; this figure includes new endowments and restricted donations, as well as gains on investments and, last year, included the surplus from the quinquennial revaluation of the operational buildings of £13.5 million. The Unrestricted column in the accounts measures the efficiency of operations and this year showed a loss of £1.9 million, resulting from the continued effect of the Coronavirus pandemic, especially on conference income.

### Unrestricted income and expenditure

The unrestricted income of the College before donations is made up of academic fees (37%), charges to students for accommodation and meals (40%), conference income (11%), income from the College's investment assets (11%) and other sources (1%). This income amounted to £10.9 million (2021: £8.2 million), up 32%. This increase was partly a result of the recovery of some of the conference business for the year, as well as of full student occupation for the year.

Income from student accommodation and catering was £4.3 million (2021: £2.6 million). The previous year was affected by lockdown, when students were not in residence for one term. Income from conference activity recovered to about 40% of pre-pandemic levels, at £1.2 million (2021: £0.1 million). 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 44%, of which non-academic salaries represent 36%; operating costs make up a further 41%; and depreciation is 15%. Staff costs increased by £1.6 million, although this includes a movement between years in the provision to fund the deficit in the USS pension scheme of nearly £0.6 million. Underlying staff costs increased by 17% as staff were recruited, particularly in housekeeping and catering, to service the increased post-pandemic activity. Operating costs increased by £1.5 million to £6.3 million, again reflecting the increased business activity.

Income from academic fees increased slightly to £4.0 million, while the corresponding expenditure increased to £6.1 million (2021: £5.4 million); this resulted in the Education account being in deficit by £2.1 million (2021: £1.6 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 increased from £8,597 to £9,805 for the 2021-22 year, as both fixed costs and direct costs increased. 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 £4,537 to £5,006.

Unrestricted donation income was £0.4 million (2021: £1.4 million due to a legacy of £1.0 million). Endowment return was £1.2 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 £2.9 million (2021: £2.1 million) and the associated expenditure was £2.3 million (2021: £1.7 million).

## Conference Services

For Conference Services, 2021-22 was the first financial year after the pandemic during which events could be held throughout the year; however, a spate of 10 cancellations, representing almost all events for the rest of the calendar year, followed the announcement of the move to Plan B in December, as Omicron spread across UK.

Enquiries increased in number sharply at the beginning of 2022 and settled at around pre-pandemic levels. In the second half of the financial year, income returned to pre-pandemic levels on a par with 2019, in part driven by several events postponed from the previous year, but also by larger conferences and programmes keen to run following a return to normal behaviours. Income for the year was £1.2 million, compared with the previous high of £2.8 million.

July-September 2022 saw a strong period of trading, representing only 17% less revenue than the same period in 2019 (the highest-performing quarter on record) and 20% fewer residential and non-residential delegates. This difference can be attributed largely to the fact that Downing College Summer Schools did not run. Overseas groups were generally unaffected by any Covid-related travel concerns and most international events proceeded, although with variable levels of attendees in some instances. October to December is currently tracking 10% ahead of 2019 on confirmed business.

The general view within the events industry is that business levels will continue to increase, although staffing remains a considerable issue, as is the case in the Downing College Catering, Housekeeping and Conference Support teams, restricting the number of events that can be held.

## Investments

The total investment portfolio stood at £70.7 million at 30 June 2022 (2021: £73.1 million), consisting of £55.5 million in securities and £15.2 million in property. The overall total return was 2.59% (securities 0.9%, property 9.1%). During the year £3.25 million was withdrawn from the securities portfolio to fund the acquisition of 4-5 Bene't Place.

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 £24.4 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. 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 £2.5 million (or 3.9% of the portfolio) in support of current operations, an increase of 12.4% 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 2021-22, each unit was valued at £31.84, and received income for spending ('the dividend') of £1.24, a dividend increase of 4.7% 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 2022, the College's estimated indirect exposure to fossil fuels (including companies involved in the extraction of fossil fuels) is 1.0% of the total portfolio. At 30 June 2022, 2.0% (£1.1 million) of the College's securities portfolio was invested in renewable energy assets. The equities allocation of the College at 30 June 2022 is estimated to have a carbon intensity of 111 (Tco2/ \$1M sales), which compares favourably to the MSCI All Countries World Index carbon intensity of 152.



## Securities Performance

The securities portfolio returned +0.9% in 2021–22 after deducting all costs and fees. The 2021–22 College Year was a challenging period for risk and fixed income assets, with global equities returning -12.2% and fixed income down -13.6%. The College benefitted from its multi-asset class approach to investing over this period. Its Strategic Asset Allocation benchmark returned +0.4% versus -12.5% for the 70%/30% Equity/Bond benchmark, benefitting from the skew to Absolute Return and Private Equity relative to the index. The portfolio further benefitted from contributions from its non-Sterling exposure in a period in which the US dollar strengthened significantly, but this was partially offset by a tilt towards growth public equities, which struggled in a rising-interest-rate environment.

From inception in 2009, when the mandate for the portfolio was given to Partners Capital, to 30 June 2022, the securities portfolio has returned an annualised 8.6%, ahead of the strategic asset allocation composite benchmark, which has returned an annualised 8.0%. Over the three years to 30 June 2022, the securities portfolio has returned 10.1% p.a., compared with a 9.8% p.a. return for the strategic asset allocation composite benchmark.

At 30 June 2022, 60% of the £54.9 million securities portfolio was in Sterling, 25% in USD and 15% in other currencies. Of the securities portfolio, 50% was invested in illiquid assets (38% Private Equity, 12% Private Debt). Of the securities portfolio, 26% has quarterly or better liquidity, of which 13% has daily liquidity. At 30 June 2022, the Equity-Like Risk of the securities portfolio stood at 75%.

The period since inception in 2009 has been marked by relatively little volatility but, given the current state of the world economy and markets, it is expected that volatility will increase in the near future, as evidenced by the performance chart in Section 4 of the College Statistics and Financial Highlights.

## Property

The property portfolio returned 9.1% in 2021–22. 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. The property portfolio stood at £15.2 million as at 30 June 2022 (some 22% of the total portfolio of £70.7 million), an increase of 3.4%. The rental income yield was 5.7%.

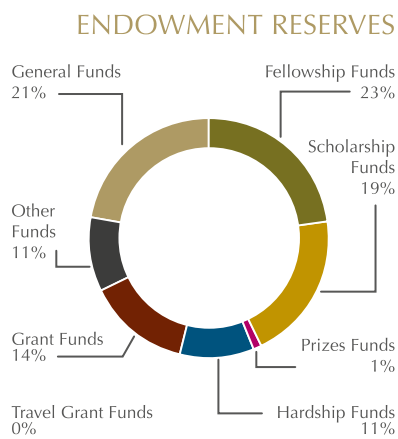
Further information is shown in section 4 of the College Statistics and Financial Highlights.

## Capital and Reserves

The College's capital base increased by £0.9 million (0.4%) to £226.5 million. Continuing investment in the College buildings, including the £2.2 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: £4.7 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 £1.9 million, but were then increased by a £0.5 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 negative £5.2 million, but is likely to worsen slightly next year due to general improvement works across the Domus.

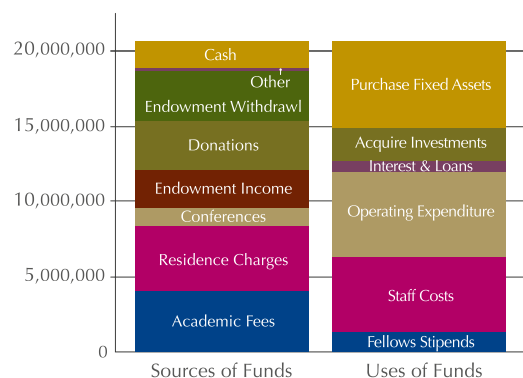
As well as Capital and Reserves decreasing as a result of the change in free reserves, there was an increase due to the combined return of 2.6% in the Securities and Property portfolio, restricted and capital donations of £2.9 million and the quinquennial revaluation of the College Works of Art of £0.8 million.



## Cash Flow

Cash flows from all activities resulted in a decrease of £1.1 million in cash balances, with cash of £1.3 million held at year end. Cash consumed by operating activities<sup>1</sup> before the effects of working capital amounted to £1.7 million, an increase from £0.9 million last year. Endowment income, less interest payable, contributed £1.9 million of cash. The capital expenditure during the year of £6.8 million included £3.2 million for the acquisition of 4-5 Bene't Place, which was funded by a withdrawal from the securities portfolio.

### SOURCES AND USES OF FUNDS 2021/22



On behalf of the Governing Body:

Alan Bookbinder, Master

Gavin Flynn, Senior Bursar

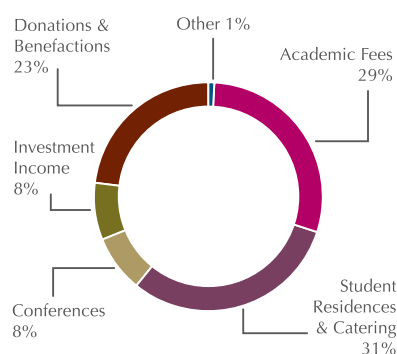
Date: 13 December 2022

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

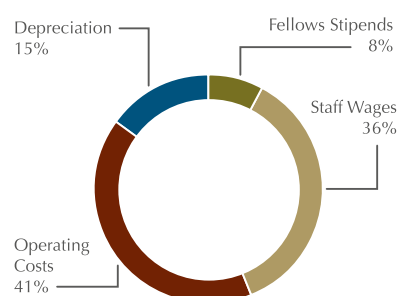
# COLLEGE STATISTICS AND FINANCIAL HIGHLIGHTS

	2022	2021	2020
<b>Income and Expenditure</b>			
Total Income	14,055,689	10,907,126	17,081,899
Donations and Benefactions Received	3,287,586	2,996,379	6,989,777
Conference Services Income	1,157,063	139,765	2,278,178
Total Expenditure	15,615,349	12,370,824	12,699,330
Total Surplus/(Deficit) before other gains and losses	(1,559,660)	(1,463,697)	4,382,569
Unrestricted Surplus/(Deficit) before other gains and losses	(1,889,781)	(981,336)	656,967
<b>Capital Expenditure</b>			
Total Capital Expenditure	6,816,442	4,566,308	3,349,957
Investment in Buildings	5,949,946	3,569,543	2,552,630
Other Capital Expenditure	866,496	996,765	797,327
<b>Assets</b>			
Free Reserves	(5,204,760)	553,667	(267,141)
Investment Portfolio	70,681,272	73,112,150	58,786,385
Spending Rule Amount	2,525,485	2,243,774	2,193,707
Net Assets	226,492,843	225,605,802	202,061,796

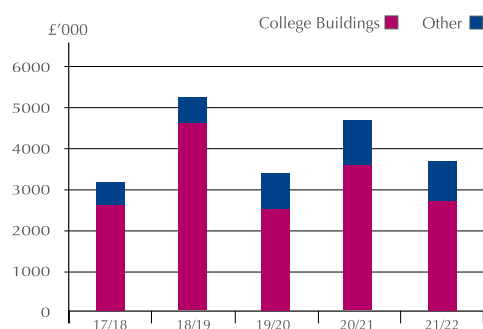
**BREAKDOWN OF INCOME**  
2021/22



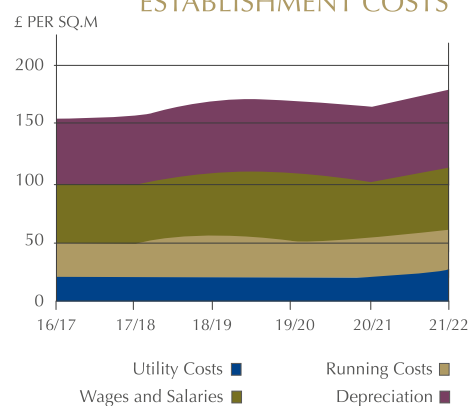
**BREAKDOWN OF EXPENDITURE**  
2021/22



**CAPITAL EXPENDITURE**



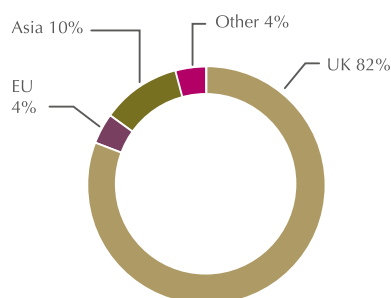
**ESTABLISHMENT COSTS**



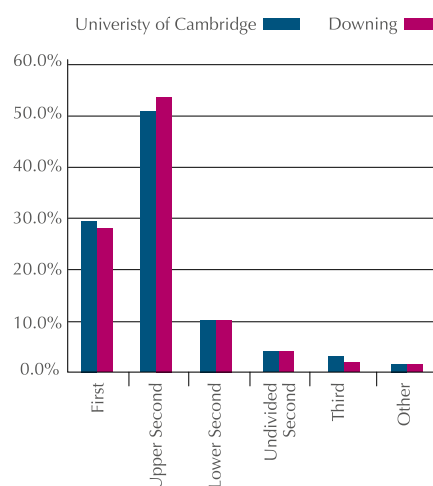
# 1. UNDERGRADUATE NUMBERS 2021–22 AS OF 1 OCTOBER 2021

<i>Subject</i>	Year 1	Year 2	Year 3	Year 4	Years 5–6	Total 2021–22	Total 2020–21
Anglo-Saxon	—	—	1	—	—	1	1
Archaeology	1	1	—	—	—	2	2
Architecture	2	4	—	—	—	6	6
Asian & Middle Eastern Studies	2	3	1	1	—	7	5
Chemical Engineering	—	—	2	2	—	4	8
Chemical Engineering via Engineering	1	—	—	—	—	1	1
Chemical Engineering via Natural Science	—	—	—	—	—	—	—
Classics	3	4	4	—	—	11	10
Classics – 4yr	3	3	4	1	—	11	11
Computer Science	5	4	3	—	—	12	11
Economics	3	4	6	—	—	13	16
Education	1	1	1	—	—	3	3
Engineering	12	14	14	11	—	51	46
English	5	10	5	—	—	20	21
Geography	5	8	3	—	—	16	16
History	6	6	5	—	—	17	16
History with Modern Languages	1	—	1	—	—	2	2
History with Politics	1	2	—	—	—	3	2
History of Art	2	2	2	—	—	6	5
Human, Social and Political Science	6	8	8	—	—	22	23
Land Economy	2	3	—	—	—	5	4
Law	12	13	7	—	—	32	34
Linguistics	2	1	1	—	—	4	2
Management Studies	—	—	1	—	—	1	3
Manufacturing Engineering	—	—	—	1	—	1	5
Mathematics	7	5	5	1	—	18	17
Medical Sciences	16	16	12	19	27	90	84
Modern & Medieval Languages	4	6	4	5	—	19	22
Music	2	1	2	—	—	5	5
Natural Sciences (Biological)	10	10	9	2	—	31	33
Natural Sciences (Physical)	7	16	12	6	—	41	41
Philosophy	1	1	1	—	—	3	4
Psychological and Behavioural Sciences	3	5	5	—	—	13	12
Theology	2	—	—	—	—	2	2
Theology BTh	—	—	—	—	—	—	—
Veterinary Medicine	2	3	3	4	3	15	15
<b>Total</b>						<b>488</b>	<b>488</b>

UNDERGRADUATES  
BY REGION



UNDERGRADUATE  
DEGREE CLASSIFICATIONS



## 2. PHD THESES SUCCESSFULLY DEFENDED BY DOWNING POSTGRADUATE STUDENTS 2021–22

Biological Science at European Bioinformatics Institute	Modelling the structural, functional and phenotypic consequences of protein coding mutations
Biological Science at the MRC Laboratory of Molecular Biology	The life of prion: an investigation into the physiological role of a prion-like protein in the nematode <i>Caenorhabditis elegans</i>
Biological Science at the Sanger Institute	An integrated approach to ciprofloxacin susceptibility analysis and high-throughput bacterial phenotyping in salmonella
Chemistry	The functional and pathological pathways of $\alpha$ -Synuclein
Chemistry	Iron nanoparticles and zirconium metal-organic frameworks for therapeutic application
Chemistry	Exploring the functionality and application of cyclic phosphazanes
Clinical Biochemistry	Investigation of conventional and unconventional protein secretion using galectin-3
Clinical Neurosciences	Integrative genomic analysis of Neurogenin2 reprogramming of human iPSCs
Clinical Neurosciences	Synaptic loss in the primary tauopathies of progressive supranuclear palsy and corticobasal degeneration
Computer Science	Software-based approximate computing for mathematical functions
Earth Sciences	Seismic imaging of Earth's core-mantle boundary using diffracted waves
Education	Teachers' engagement in continuing professional development: exploring profiles and factors
Education	China's belt and road initiative: reordering region and regionalising higher education
Engineering	Future Infrastructure and Built Environment) (Wind dynamics of the next generation of tall timber buildings
Engineering	Engineering low noise organic electrochemical transistors for electrophysiology applications
History of Art	Gender ambiguity in early modern English and French art, 1530–1630
Latin American Studies	Embodied dissent: exploring the activist turn in contemporary Cuban art
Law	Reasons for unjust enrichment
Materials Science and Metallurgy	Extraction of mechanical properties over a range of strain rates from indentation data
Materials Science and Metallurgy	The creep behaviour of rubbers reinforced with particulate or short fibres
Materials Science and Metallurgy	Low dose analytical electron microscopy of hybrid perovskite photovoltaic devices
Medicine	The role of Myocardin in regulating vascular smooth muscle cell inflammatory activation and disease
Pharmacology	On the mechanisms of substrate translocation by the ABC transporter MsbA
Physics	Understanding and controlling the optoelectronic properties of Cs <sub>2</sub> AgBiBr <sub>6</sub> double perovskite
Psychology	The role of ventrolateral prefrontal cortex in performance of spatial self-ordered response sequences in the marmoset
Psychology	Neurocognitive mechanisms of learning and decision-making in adolescent-OCD: a computational approach
Pure Mathematics at Cambridge Centre for Analysis	Homogenization of random media: random walks, diffusions and stochastic interface models
Radiology	Functional magnetic resonance imaging of breast cancer
Veterinary Medicine	Physiological and pharmacological factors affecting sickle cell function
Zoology	Axial patterning of the chondrichthyan pharyngeal endoskeleton and the origin of the jaw
Zoology	Correlates of male status in the long-tailed manakin <i>Chiroxiphia linearis</i> (Aves: pipridae))





### 3. SELECTED PUBLICATIONS BY DOWNING FELLOWS

#### **Bravo, Professor Michael**

Bravo, M., 'Risk Constellations and the Politics of Polarity', in *Risky Futures: Climate, Geopolitics, and Local Realities in the Uncertain Circumpolar North*, Ulturgasheva, O. and Bodenhorn, B. (eds.) Berghahn Press (New York, 2022).

#### **Barber, Professor Zoe**

Kurdi, S., Sakuraba, Y., Masuda, K., Tajiri, H., Nair, B., Nataf, G.F., Vickers, M.E., Reiss, G., Meinert, M., Dhesi, S.S., Ghidini, M. and Barber, Z.H. (2022) 'Quantitative atomic order characterization of a Mn<sub>2</sub>FeAl Heusler epitaxial thin film', *J. Phys. D: Appl. Phys.*, Vol. 55 (18), pp. 185305-185314.

#### **Christie, Dr Alec**

Christie, A., Aldridge, D., Gallardo, B., Ó hÉigeartaigh, S., Petrovan, S. and Sutherland, W. (2022), 'Strengthen biosecurity when rewiring global food supply chains', *Nature*, Vol. 606, pp. 864. doi: <https://doi.org/10.1038/d41586-022-01773-1>

#### **Correia, Dr Marta M.**

Huang, P., Correia, M.M., Rua, C., Rodgers, C.T., Henson, R.N. and Carlin, J.D. (2021) 'Correcting for Superficial Bias in 7T Gradient Echo fMRI', *Front. Neurosci.* 2021 Sep 22; 15:715549. <https://doi.org/10.3389/fnins.2021.715549> (2021).

#### **Davies, Mr Justin**

Davies, R. J., Chew, C., Bromham, N. and Hoskin, P. on behalf of National Institute for Health and Care Excellence (NICE) (2022) 'NICE 2020 Guideline for the management of colorectal cancer', *Lancet Oncology*, Vol. 23 (6), e247. [https://doi.org/10.1016/S1470-2045\(22\)00256-X](https://doi.org/10.1016/S1470-2045(22)00256-X)

#### **Day, Mr William**

Day, W., 'Justifications for and Limitations on Interventions by Undisclosed Principals' in *Intermediaries in Commercial Law*, Davies, P.S. and Tan, C.-H. (eds.) Hart (Oxford, 2022).

#### **Hammer, Dr Charlotte**

Hammer, C.C., Dub, T., Luomala, O. and Sane, J. (2022), 'Is clinical primary care surveillance for tularaemia a useful addition to laboratory surveillance? An analysis of notification data for Finland, 2013 to 2019', *Euro Surveill.*, Vol. 27 (4). <http://doi.org/10.2807/1560-7917.ES.2022.27.4.2100098>

#### **Jolowicz, Dr Daniel**

Jolowicz, D., *Latin Poetry in the Ancient Greek Novels*, Oxford University Press (Oxford, 2021).

#### **Jones, Dr Ewan**

Jones, E., 'Poetic Vigils, Rhythmical Vigilance' in *Zeiten der Wachsamkeit*, Brendecke, A. and Reichlin, S. (eds.) De Gruyter (Berlin, 2022).

#### **Kourtzi, Professor Zoe**

Giorgio, J., Jagust, W., Baker, S., Landau, S., Tino, P. and Kourtzi, Z. for the Alzheimer's Disease Neuroimaging Initiative (2022), 'A robust and interpretable machine learning approach using multimodal biological data to predict future pathological tau accumulation', *Nature Communications*, Vol.13, pp. 1887.

#### **Lander Johnson, Dr Bonnie**

Lander Johnson, B. (2022), 'Treasure', *Hinterland*, Vol. 10.

#### **Ledgeway, Professor Adam**

*The Cambridge Handbook of Romance Linguistics*, Ledgeway, A. and Maiden, M. (eds.), Cambridge University Press (Cambridge, 2022).

#### **Milton, Dr Amy**

Rutherford, L.G. and Milton, A.L. (2022) 'Deconstructing and reconstructing behaviour relevant to mental health disorders: the benefits of a psychological approach, with a focus on addiction', *Neurosci. Biobehav. Rev.*, Vol. 33, pp. 104514. doi: 10.1016/j.neubiorev.2021.104514

#### **Moreno Figueroa, Dr Mónica G.**

*Against Racism: Organizing for Social Change in Latin America*, Pitt Latin American Series, Moreno Figueroa, M.G. and Wade P. (eds.), University of Pittsburgh Press (Pittsburgh P.A., 2022).

**Morgan, Dr John**

Niroomand, M. P., Morgan, J. W., Cafolla, C. T., and Wales, D. J. (2022), 'On the capacity and superposition of minima in neural network loss function landscapes', *Machine Learning: Science and Technology*, Vol. 3 (2), 025004.

**Muschitiello, Dr Francesco**

Tesi, T., Muschitello, F., Capotondi, L. et al. (2021), 'Rapid Atlantification along the Fram Strait at the beginning of the 20th century', *Science Advances*, Vol. 7 (48).  
doi: 10.1126/sciadv.abj2946

**Rawlinson, Professor Nicholas**

Linang, H. T., Pilia, S., Rawlinson, N., Bacon, C. A., Gilligan, A., Cornwell, D. G. and Tongkul, F. (2022), 'Collision-induced subduction polarity reversal explains the crustal structure of northern Borneo: New results from Virtual Deep Seismic Sounding (VDSS)', *Geophysical Research Letters*, Vol. 49 (19), e2022GL099123.

**Scott, Professor Helen**

Scott, H., 'What Mistake Can Do' in *Iurium Itinera. Historische Rechtsvergleichung und vergleichende Rechtsgeschichte / Historical Comparative Law and Comparative Legal History*, Jansen, N., Meier, S., Christandl, G., Doralt, W., Häcker, B., Hellwege, P., et al. (eds.), Mohr Siebeck (Tübingen, 2022).

**Steger, Dr Brigitte**

Steger, B., Inemuri. L'arte giapponese di addormentarsi dove e come si vuole. Newton Compton Editori (Rome, 2022).  
doi: <http://doi.org/10.5334/wwwj.69>

**Virgo, Professor Graham**

Child, J.J., Simester, A.P., Spencer, J.R., Stark, F. and Virgo, G.J., *Simester and Sullivan's Criminal Law: Theory and Doctrine*, 8th edn., Hart (Oxford, 2022).

**Wales, Professor David**

Wales, D.J. (2022), 'Dynamical Signatures of Multifunnel Energy Landscapes', *J Phys Chem Lett*, Vol. 13, pp. 6349.  
DOI: 10.1021/acs.jpcclett.2c012586349

**Whelan, Dr Lucy**

Whelan, L., *Pierre Bonnard Beyond Vision*, Yale University Press (New Haven, 2022).

**Yunus, Dr Kamran**

Okedi, T., Yunus, K. and Fisher, A. (2022), 'Decomposing biophotovoltaic current density profiles using the Hilbert–Huang transform reveals influences of circadian clock on cyanobacteria exoelectrogenesis', *Scientific Reports*, Vol. 12, pp.10962.  
<https://doi.org/10.1038/s41598-022-15111-y>

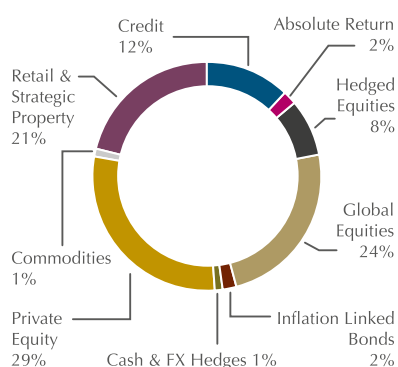


## 4. INVESTMENTS

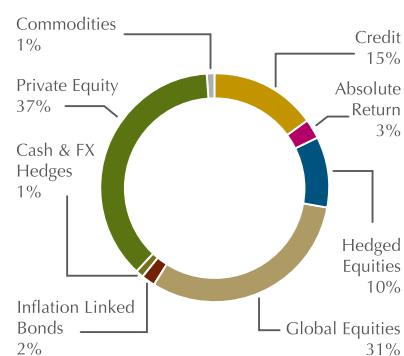
### Composition of Investment Portfolio

	30 June 2022 £	30 June 2021 £	30 June 2020 £
<b>1. Securities</b>			
Core Portfolio Cash	2,355,607	5,289,442	3,431,754
Forward Foreign Exchange Hedges	(1,674,741)	(352,835)	30,190
Fixed Income	—	—	—
Credit	8,218,234	5,530,926	4,314,098
Absolute Return	1,410,581	1,844,869	1,242,515
Hedged Equities	5,592,234	6,666,934	5,973,268
Global Equities	16,867,513	21,225,542	18,092,134
Private Equity	20,720,037	14,851,047	9,247,606
Inflation Linked Bonds	1,324,645	1,654,638	1,107,370
Commodity Fund	653,772	1,692,127	1,335,949
Total	55,467,881	58,402,691	44,774,885
Other Private Equity*	—	—	—
TOTAL SECURITIES	55,467,881	58,402,691	44,774,885
<b>2. Property</b>			
Office	4,700,000	4,270,000	4,240,000
Retail	10,005,000	9,950,000	9,060,000
Property Development	508,391	489,459	711,500
TOTAL PROPERTY	15,213,391	14,709,459	14,011,500
TOTAL PORTFOLIO	70,681,272	73,112,150	58,786,385
Securities ENEB	75%	75%	75%

ASSET ALLOCATION AT  
30 JUNE 2022 (inc. property)



ASSET ALLOCATION AT  
30 JUNE 2022 (exc. property)



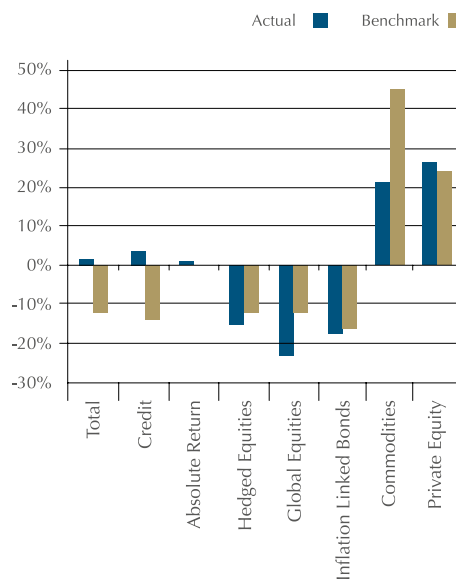
\* Includes donated shares in seven new ventures, held at nil value.

## ENDOWMENT & TOTAL RETURN

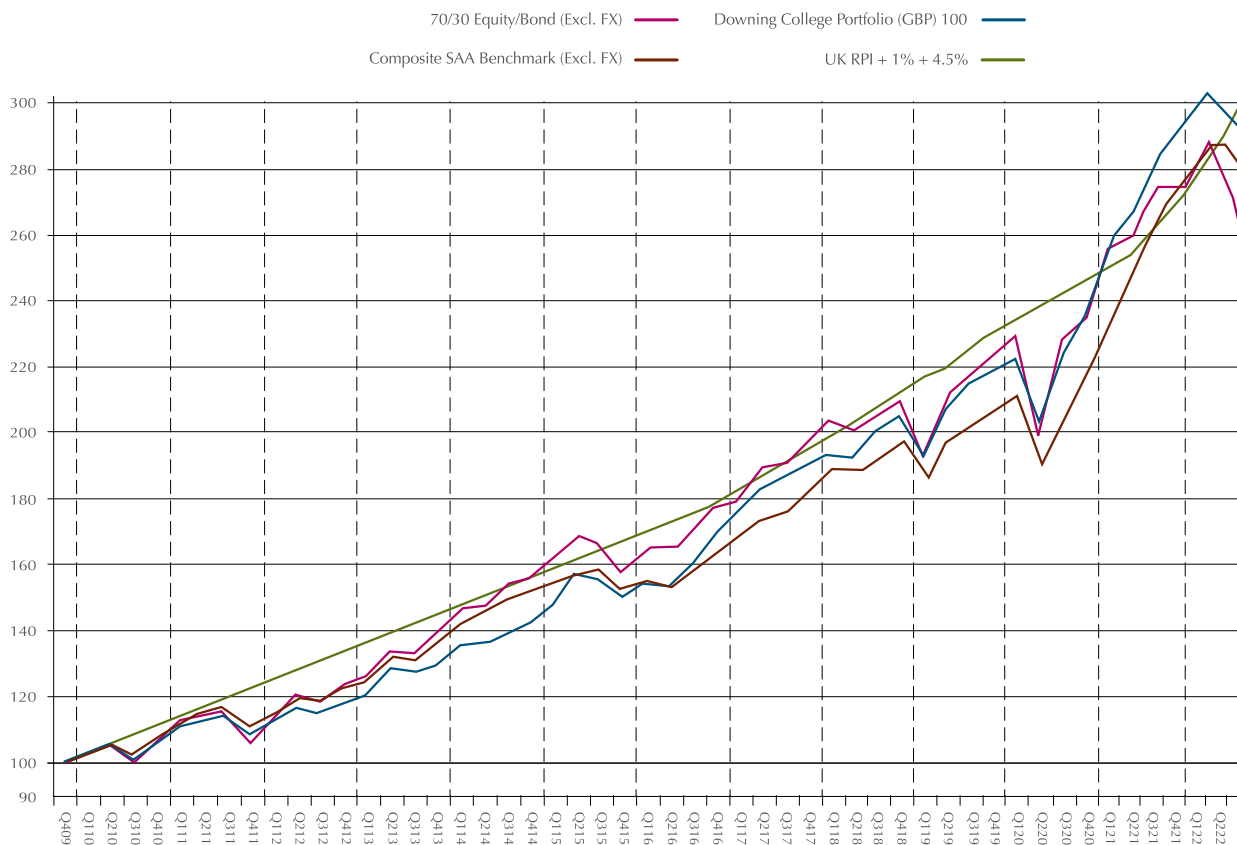


Note: £9 million added to endowment in 2019/20 from private placement

## SECURITIES RETURN AGAINST BENCHMARKS 2021/22



## 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') and its subsidiaries (the 'Group') for the year ended 30 June 2022 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 Group's and College's affairs as at 30 June 2022 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 Group 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 Group's or 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 Group and College and its environment obtained in the course of the audit, we have not identified material misstatements in 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 THE GOVERNING BODY

As explained more fully in the responsibilities of the Governing Body statement set out on page 46, 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 Group's and 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 Group or 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 Group 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 Group and how the Group is complying with that framework;
- we obtained an understanding of the Group'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 Group. 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 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 Group'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](http://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: 16 December 2022

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 2022 when measured against the previous year's market value was 3.9%.

## Other income

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

## Cambridge Bursary Scheme

In 2021-22, 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 £164,412 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£117,661
Expenditure (see note 4)	£282,073

## 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 2022. 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 II. 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 £157.4 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.

<sup>1</sup> 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 26 October 2022.

### 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 2022.

## 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 2021-22, the College received £187,656 in refunds on purchases of £7.7 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 Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the 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 defined contribution scheme. As a result, the amount charged to the profit and loss 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) with related expenses being recognised through the profit and loss account.

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

FRS 102 makes the distinction between a group 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) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The Council and Governing Body are satisfied that 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 recovery plan in existence at the date of approving these 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 2022

	Note	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000
<b>Income</b>									
Academic fees and charges	1	4,040	—	—	4,040	3,766	—	—	3,766
Accommodation, catering and conferences	2	5,450	—	—	5,450	2,786	—	—	2,786
Investment income	3	2	—	1,147	1,149	5	—	821	826
Endowment return transferred	3	1,248	1,277	(2,525)	—	1,138	1,106	(2,244)	—
Other income		129	—	—	129	533	—	—	533
<b>Total income before donations and endowments</b>		<b>10,869</b>	<b>1,277</b>	<b>(1,378)</b>	<b>10,768</b>	<b>8,228</b>	<b>1,106</b>	<b>(1,423)</b>	<b>7,911</b>
Donations		412	1,527	—	1,939	1,371	949	—	2,320
New endowments		—	1	1,289	1,290	—	1	668	669
Other capital grants for assets		—	59	—	59	—	7	—	7
<b>Total income</b>		<b>11,281</b>	<b>2,864</b>	<b>(89)</b>	<b>14,056</b>	<b>9,599</b>	<b>2,063</b>	<b>(755)</b>	<b>10,907</b>
<b>Expenditure</b>									
Education	4	4,504	1,582	—	6,086	3,753	1,625	—	5,378
Accommodation, catering and conferences	5	7,629	7	—	7,636	6,492	4	—	6,496
Other expenditure		1,038	742	114	1,894	335	72	89	496
<b>Total expenditure</b>	6	<b>13,171</b>	<b>2,331</b>	<b>114</b>	<b>15,616</b>	<b>10,580</b>	<b>1,701</b>	<b>89</b>	<b>12,370</b>
<b>Surplus / (deficit) before other gains and losses</b>		<b>(1,890)</b>	<b>533</b>	<b>(203)</b>	<b>(1,560)</b>	<b>(981)</b>	<b>362</b>	<b>(844)</b>	<b>(1,463)</b>
Gain on disposal of fixed assets		—	—	—	—	1	—	—	1
Gain on investments		693	(9)	1,278	1,962	3,070	311	7,424	10,805
<b>Surplus / (deficit) for the year</b>		<b>(1,197)</b>	<b>524</b>	<b>1,075</b>	<b>402</b>	<b>2,090</b>	<b>673</b>	<b>6,580</b>	<b>9,343</b>
<b>Other comprehensive income</b>									
Unrealised surplus on revaluation of fixed assets		—	—	—	—	13,512	—	—	13,512
Actuarial gain / (loss) in respect of pension schemes	14	485	—	—	485	689	—	—	689
<b>Total comprehensive income for the year</b>		<b>(712)</b>	<b>524</b>	<b>1,075</b>	<b>887</b>	<b>16,291</b>	<b>673</b>	<b>6,580</b>	<b>23,544</b>

The notes on pages 70 to 95 form part of these accounts

## STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 JUNE 2022

	Note	Income and expenditure reserve				Total £000
		Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	
<b>Balance at 1 July 2021</b>		129,436	4,811	43,049	48,309	225,605
Surplus from income and expenditure statement		(1,197)	524	1,075	—	402
Other comprehensive income		485	—	—	—	485
Release of restricted capital funds spent in year		59	(59)	—	—	—
Transfers between reserves		483	12	(12)	(483)	—
<b>Balance at 30 June 2022</b>		129,266	5,288	44,112	47,826	226,492

	Note	Income and expenditure reserve				Total £000
		Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	
<b>Balance at 1 July 2020</b>		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)	—
<b>Balance at 30 June 2021</b>		129,436	4,811	43,049	48,309	225,605

The notes on pages 70 to 95 form part of these accounts

## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2022

	Note	2022 £000	2021 £000
<b>Non-current assets</b>			
Fixed Assets	8	180,514	176,083
Investments	9	78,302	79,763
<b>Total non-current assets</b>		258,816	255,846
<b>Current Assets</b>			
Stocks		140	151
Trade and other receivables	10	1,545	2,189
Cash and cash equivalents	11	1,319	2,432
<b>Total current assets</b>		3,004	4,772
<b>Creditors: amounts falling due within one year</b>	12	(3,099)	(2,856)
<b>Net current (liabilities) / assets</b>		(95)	1,916
<b>Total assets less current liabilities</b>		258,721	257,762
<b>Creditors: amounts falling due after more than one year</b>	13	(30,288)	(30,344)
<b>Provisions</b>			
Pension provisions	14	(1,941)	(1,813)
<b>Total net assets</b>		226,492	225,605
<b>Restricted reserves</b>			
Income and expenditure reserve – endowment reserve	15	44,112	43,049
Income and expenditure reserve – restricted reserve	16	5,288	4,811
		49,400	47,860
<b>Unrestricted reserves</b>			
Income and expenditure reserve – unrestricted		129,266	129,436
Revaluation reserve		47,826	48,309
		177,092	177,745
<b>Total reserves</b>		226,492	225,605

The financial statements were approved by the Governing Body on 25 November 2022 and signed on its behalf by:



Alan Bookbinder, Master

The notes on pages 70 to 95 form part of these accounts

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £000	2021 £000
<b>Surplus for the year</b>		402	9,343
<b>Adjustment for non-cash items</b>			
Depreciation		2,387	2,285
Gain on Endowments, Donations and Investment Property		(1,848)	(10,715)
Decrease in stocks		11	25
Decrease in trade and other receivables		644	2,475
Increase in creditors		3	80
Pension costs less contributions payable		613	(79)
<b>Adjustment for investing or financing activities</b>			
Investment income		(1,149)	(826)
Interest payable		752	718
Profit of disposal of non-current fixed assets		—	(1)
<b>Net cash inflow from operating activities</b>		1,815	3,305
Proceeds from sales of non-current fixed assets		—	1
Investment income		2,639	2,185
Endowment funds invested		(1,182)	(4,755)
Withdrawal of deposits		3,250	650
Payments made to acquire non-current assets		(6,817)	(4,566)
<b>Cash flows from investing activities</b>		(2,110)	(6,485)
Interest received		2	4
Interest paid		(752)	(718)
New finance lease		—	274
Repayment of finance leases		(68)	—
<b>Cash flows from financing activities</b>		(818)	(440)
<b>Decrease in cash and cash equivalents in the year</b>		(1,113)	(3,620)
<b>Cash and cash equivalents at beginning of the year</b>		2,432	6,052
<b>Cash and cash equivalents at end of the year</b>	11	1,319	2,432

The notes on pages 70 to 95 form part of these accounts



# NOTES TO THE ACCOUNTS



## NOTES TO THE ACCOUNTS

1. Academic Fees and Charges		2022 £000	2021 £000
College fees:			
Fee income received at the regulated undergraduate rate		1,851	1,852
Fee income received at the unregulated undergraduate rate		658	625
Fee income received at the graduate rate		1,331	1,217
		3,840	3,695
Cambridge Bursary Scheme income		118	66
Research/Teaching Grants		65	1
Other income		17	4
<b>Total</b>		<b>4,040</b>	<b>3,766</b>

2. Income from accommodation, catering and conferences		2022 £000	2021 £000
Accommodation	College Members	3,577	2,256
	Conferences	572	127
	International programmes	—	—
Catering	College Members	716	390
	Conferences	585	13
	International programmes	—	—
<b>Total</b>		<b>5,450</b>	<b>2,786</b>

3. Endowment return and Investment Income		2022 £000	2021 £000
3a. Analysis			
Total return contribution (see note 3b)		2,525	2,244
Other interest receivable		2	5
		<b>2,527</b>	<b>2,249</b>





## NOTES TO THE ACCOUNTS CONTINUED

### 3b. Summary of Total Return

	2022 £000	2021 £000
<b>Income from:</b>		
Land and buildings	871	748
Quoted and other securities and cash	276	73
<b>Gains/(losses) on investment assets:</b>		
Land & Buildings	485	(523)
Quoted and other securities and cash	673	11,328
Investment management costs (see note 3c)	(114)	(89)
<b>Total return for year</b>	<b>2,191</b>	<b>11,537</b>
Total return transferred to income and expenditure reserve	(2,525)	(2,244)
<b>Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 18)</b>	<b>(334)</b>	<b>9,293</b>

### 3c. Investment Management Costs

	2022 £000	2021 £000
Land & Buildings	18	18
Quoted securities and other investments	96	71
	<b>114</b>	<b>89</b>

### 4. Education expenditure

	2022 £000	2021 £000
Teaching	2,565	2,334
Tutorial	930	747
Admissions	801	594
Research	313	220
Scholarships and awards	805	921
Other educational facilities	672	560
<b>Total</b>	<b>6,086</b>	<b>5,376</b>

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £282,073 (2021 - £231,133).

## NOTES TO THE ACCOUNTS CONTINUED

### 5. Accommodation, catering and conferences expenditure

		2022 £000	2021 £000
Accommodation	College Members	4,082	3,598
	Conferences	1,571	1,402
Catering	College Members	1,196	1,151
	Conferences	787	345
<b>Total</b>		<b>7,636</b>	<b>6,496</b>

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

### 6a. Analysis of 2021/2022 expenditure by activity

	Staff Costs (Note 7) £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education	2,714	2,747	625	6,086
Accommodation, catering and conferences	3,219	2,676	1,741	7,636
Other	958	915	21	1,894
<b>Totals</b>	<b>6,891</b>	<b>6,338</b>	<b>2,387</b>	<b>15,616</b>

### 6b. Analysis of 2020/2021 expenditure by activity

	Staff Costs (Note 7) £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education	2,459	2,324	595	5,378
Accommodation, catering and conferences	2,660	2,164	1,670	6,494
Other	215	263	20	498
<b>Totals</b>	<b>5,334</b>	<b>4,751</b>	<b>2,285</b>	<b>12,370</b>

The above expenditure includes £490,030 as the direct cost of fundraising (2021 - £406,150). This expenditure includes the costs of alumni relations.

### 6c. Auditors' remuneration

	2022 £000	2021 £000
<b>Other operating expenses include:</b>		
Audit fees payable to the College's external auditors	22	20
Other fees payable to the College's external auditors	4	4



## NOTES TO THE ACCOUNTS CONTINUED

<b>7. Staff Costs</b>	College Fellows £000	Non-Academics £000	Total 2022 £000	Total 2021 £000
<b>Staff Costs</b>				
Emoluments	786	4,588	5,374	4,613
Social Security Costs	87	323	410	320
Other Pension Costs	444	663	1,107	401
	<b>1,317</b>	<b>5,574</b>	<b>6,891</b>	<b>5,334</b>
<b>Average staff numbers (full-time equivalents):</b>	No	No	No	No
Academic	46	—	46	43
Non-academic	3	131	134	121
<b>Total</b>	<b>49</b>	<b>131</b>	<b>180</b>	<b>164</b>

The Governing Body comprises 49 Fellows, of which 43 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.

	2022 £000	2021 £000
Aggregate Emoluments	182	189

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

## NOTES TO THE ACCOUNTS CONTINUED

### 8. Tangible Fixed Assets

Consolidated and College	College Buildings and Site £000	Furniture fittings and equipment £000	Library Books £000	Total £000
Cost				
As at 1 July 2021	172,801	11,121	1,029	184,951
Additions at cost	5,950	841	26	6,817
Disposals	—	—	—	—
Revaluation	—	—	—	—
As at 30 June 2022	178,751	11,962	1,055	191,768
Depreciation				
As at 1 July 2021	77	8,261	530	8,868
Charge for the year	1,685	667	34	2,386
Disposals	—	—	—	—
Revaluation	—	—	—	—
As at 30 June 2022	1,762	8,928	564	11,254
Net Book value				
As at 30 June 2022	176,989	3,034	491	180,513
As at 1 July 2021	172,724	2,860	499	176,083

The insured value of freehold land and buildings as at 30 June 2022 was £157,434,681 (2021 - £165,060,904).

The value of the land, included in College Buildings and Site, as at 30 June 2022 was £56,866,000 (2021 - £56,866,000).



## NOTES TO THE ACCOUNTS CONTINUED

### 9. Investments

	2022 £000	2021 £000
<b>Consolidated and College</b>		
As at 1 July	79,763	65,988
Additions	16,401	11,633
Disposals	(20,231)	(6,441)
Gains	5,174	7,283
(Decrease) / increase in cash balances held at fund managers	(2,805)	1,300
As at 30 June	78,302	79,763

#### Represented by:

Property	15,213	14,710
Securities	53,112	53,113
Cash with agents	2,356	5,289
Works of art	6,131	5,289
Over distribution of market value of funds	1,030	902
Investment in Cambridge Colleges Funding Plc	5	5
Investment in Cambridge Colleges Funding II Plc	5	5
Land	450	450
	78,302	79,763

### Subsidiary Company

At 30 June 2022 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 2022 £000	College 2022 £000	Consolidated 2021 £000	College 2021 £000
Members of the College	220	220	109	106
Amounts due from group companies	—	1,127	—	373
Other receivables	710	413	611	547
Prepayments	615	615	1,469	1,469
	<b>1,545</b>	<b>2,361</b>	<b>2,189</b>	<b>2,495</b>

### 11. Cash and cash equivalents

	Consolidated 2022 £000	College 2022 £000	Consolidated 2021 £000	College 2021 £000
Bank deposits	462	462	2,160	2,160
Current accounts	856	166	271	49
Cash in hand	1	1	1	1
	<b>1,319</b>	<b>629</b>	<b>2,432</b>	<b>2,210</b>

### 12. Creditors: amounts falling due within one year

	Consolidated 2022 £000	College 2022 £000	Consolidated 2021 £000	College 2021 £000
Trade creditors	1,099	985	957	747
Members of the College	318	318	305	305
Amounts due to group companies	—	120	—	—
University fees	5	5	9	9
Other creditors	1,608	1,260	1,518	1,300
Obligations under finance leases	69	69	67	67
	<b>3,099</b>	<b>2,757</b>	<b>2,856</b>	<b>2,428</b>

## NOTES TO THE ACCOUNTS CONTINUED

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

	Consolidated 2022 £000	College 2022 £000	Consolidated 2021 £000	College 2021 £000
Long term bank loan	5,478	5,478	5,477	5,477
Other loans	24,606	24,606	24,593	24,593
Obligations under finance leases	204	204	274	274
	30,288	30,288	30,344	30,344

The long term bank loan is due for repayment in 2048 at a fixed interest rate of 4.94%.

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	2022 £000	2021 £000
Balance at beginning of year	1,292	521	1,813	2,581
<b>Movement in year:</b>				
Current service cost	15	—	15	15
Contributions	(54)	(26)	(80)	(80)
Change in expected contribution	—	650	650	(47)
Other finance cost	23	5	28	33
Actuarial (gain) / loss	(485)	—	(485)	(689)
Balance at end of year	791	1,150	1,941	1,813

## 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	2022 Total £000	2021 Total £000
<b>Balance at beginning of year</b>				
Capital	31,157	11,892	43,049	34,108
New donations and endowments	1,273	16	1,289	668
(Decrease)/increase in market value of investments	(160)	(54)	(214)	5,912
Transfers between reserves	(12)	—	(12)	2,361
<b>Balance at end of year</b>	<b>32,258</b>	<b>11,854</b>	<b>44,112</b>	<b>43,049</b>
<b>Analysis by type of purpose:</b>				
Fellowship Funds	10,161	—	10,161	9,639
Scholarship Funds	7,971	617	8,588	8,582
Prize Funds	21	26	547	549
Hardship Funds	4,754	—	4,754	4,348
Bursary Funds	51	—	51	51
Grant Funds	6,014	11	6,025	6,053
Other Funds	2,786	1,835	4,621	4,436
General Funds	—	9,365	9,365	9,391
	<b>32,258</b>	<b>11,854</b>	<b>44,112</b>	<b>43,049</b>
<b>Analysis by asset</b>				
Property	7,247	2,663	9,910	9,487
Investments	23,850	8,764	32,614	30,033
Cash	1,161	427	1,588	3,529
	<b>32,258</b>	<b>11,854</b>	<b>44,112</b>	<b>43,049</b>





## 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	2022 Total £000	2021 Total £000
<b>Balance at beginning of year</b>					
Capital	—	3,081	—	3,081	5,092
Accumulated income	—	—	1,730	1,730	1,414
	—	3,081	1,730	4,811	6,506
New grants	59	—	—	59	7
New donations	—	1,499	29	1,528	950
Investment income	—	1,210	67	1,277	1,106
(Decrease)/increase in market value of investments	—	—	(9)	(9)	311
Expenditure	—	(2,244)	(87)	(2,331)	(1,701)
Capital grants utilised	(59)	—	—	(59)	(7)
Transfer to/(from) reserves	—	16	(4)	12	(2,361)
<b>Balance at end of year</b>	—	3,562	1,726	5,288	4,811
Comprising Capital	—	3,562	—	3,562	3,081
Accumulated income	—	—	1,726	1,726	1,730
	—	3,562	1,726	5,288	4,811
<b>Analysis of other restricted funds/donations by type of purpose</b>					
Fellowship Funds	—	281	—	281	370
Scholarship Funds	—	144	217	361	369
Prize Funds	—	26	—	26	24
Hardship Funds	—	22	—	22	26
Grant Funds	—	2,624	1,053	3,677	3,449
Other Funds	—	465	456	921	573
	—	3,562	1,726	5,288	4,811

## NOTES TO THE ACCOUNTS CONTINUED

### 17. Memorandum of Unapplied Total Return

	2022 £000	2021 £000
Unapplied total return at beginning of year	24,779	15,821
Unapplied total return for the year	(334)	8,958
Unapplied total return at end of year	24,445	24,779

### 18. Reconciliation and analysis of net debt

	At 1 July 2021 £000	Cash Flows £000	New finance leases £000	Other non- cash changes £000	At 30 June 2022 £000
Cash and cash equivalents	2,432	(1,113)	—	—	1,319
<b>Borrowings:</b>					
Amount falling due within one year:					
Obligations under finance leases	(67)	68	—	(70)	(69)
Amount falling due after more than one year:					
Obligations under finance leases	(274)	—	—	70	(204)
Unsecured loans	(30,500)	—	—	—	(29,445)
<b>Total net debt</b>	<b>(28,409)</b>	<b>(1,045)</b>	<b>—</b>	<b>—</b>	<b>(29,454)</b>

### 19. Financial instruments

	2022 £000	2021 £000
<b>Financial assets at fair value through Statement of Comprehensive income</b>		
Listed equity investments (note 9)	53,112	53,113
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Cash and cash equivalents (note 9 and 11)	3,675	7,721
Other equity investments (note 9)	10	10
Other debtors (note 10)	1,126	1,041
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Loans (note 13)	30,500	30,500
Trade creditors (note 12)	1,099	957
Other creditors (note 12)	1,677	1,585

## NOTES TO THE ACCOUNTS CONTINUED

20. Capital commitments	2022 £000	2021 £000
<b>Capital commitments at 30 June 2022 are as follows -</b>		
Authorised and contracted	670	1,889
Authorised but not yet contracted for	202	253

21. Financial Commitments	2022 £000	2021 £000
At 30 June 2022, the College had annual commitments under non-cancellable operating leases as follows:		
<b>Land and buildings:</b>		
Expiring within one year	153	9
Expiring between two and five years	349	37
Expiring in over 5 years	232	242
<b>Other:</b>		
Expiring within one year	3	4
Expiring between two and five years	5	2

## 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:

	2022 £000	2021 £000
USS: Contributions	274	279
CCFPS: Charged to income and expenditure account	54	54
Other pension schemes: Contributions	196	183
	<b>524</b>	<b>516</b>

# NOTES TO THE ACCOUNTS CONTINUED

## 22. Pension Schemes continued

### *Universities Superannuation Scheme*

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

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 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increase (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females



## NOTES TO THE ACCOUNTS CONTINUED

### 22. Pension Schemes continued

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	0.87%
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 2022, 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:

	2022 % p.a.	2021 % p.a.
Discount rate	3.80	1.80
Increase in salaries	3.25	3.10
Retail Price Index (RPI) assumption	3.45*	3.40
Consumer Price Index (CPI) assumption	2.75*	2.60
Pension increases in payment (RPI max 5% p.a.)	3.30*	3.30
Pension increases in payment (CPI max 2.5%)	2.05*	1.95

\*For 1 year only, we have assumed that RPI 11% and CPI will be 9%. The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI\_2021 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 (2021: S3PA with CMI\_2020 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 24.3 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	63

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 2022 (with comparative figures as at 30 June 2021) are as follows:

	2022 £000	2021 £000
Market value of scheme assets	4,873	5,881
Present value of scheme liabilities	(5,664)	(7,173)
<b>Net defined benefit (liability)</b>	<b>(791)</b>	<b>(1,292)</b>

The amounts recognised in the income and expenditure account for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 £000	2021 £000
Current service cost	15	15
Interest on net defined benefit liability	23	29
<b>Total charge</b>	<b>38</b>	<b>44</b>

Changes in the present value of the scheme liabilities for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 £000	2021 £000
Present value of scheme liabilities at beginning of period	7,173	7,600
Current service cost (including employee contributions)	2	4
Benefits paid	(244)	(199)
Interest on scheme liabilities	127	109
Actuarial (gains) / losses	(1,394)	(341)
<b>Present value of Scheme liabilities at end of period</b>	<b>5,664</b>	<b>7,173</b>

## NOTES TO THE ACCOUNTS CONTINUED

### 22. Pension Schemes continued

Changes in the fair value of scheme assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 £000	2021 £000
Market value of scheme assets at beginning of period	5,881	5,609
Contributions paid by the College	54	54
Benefits paid	(244)	(199)
Administration expenses paid	(16)	(17)
Interest on scheme assets	104	80
Return on assets, less interest included in profit and loss	(906)	354
<b>Market value of Scheme assets at end of period</b>	<b>4,873</b>	<b>5,881</b>
Actual return on scheme assets	(802)	434

The major categories of scheme assets as a percentage of total Scheme assets at 30 June 2022 (with comparative figures at 30 June 2021) are as follows:

	2022	2021
Equities	52%	48%
Bonds & Cash	34%	42%
Properties	14%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 £000	2021 £000
Actuarial return less expected return on scheme assets	(906)	354
Experience gains and losses arising on scheme liabilities	(535)	202
Changes in assumptions underlying the present value of scheme liabilities	1,926	133
<b>Actuarial gain / (loss) recognised in OCI</b>	<b>485</b>	<b>689</b>





## NOTES TO THE ACCOUNTS CONTINUED

### 22. Pension Schemes continued

Movement in net defined benefit liability during the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 £000	2021 £000
Deficit in scheme at beginning of year	(1,292)	(1,991)
Recognised in Profit and Loss	(38)	(44)
Contributions paid by the College	54	54
Actuarial gain recognised in SOCIE	485	689
<b>Deficit in scheme at the end of the year</b>	<b>(791)</b>	<b>(1,292)</b>

#### *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 2022 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 £195,565 (2021 - £183,230) of which £30,864 (2021 - £26,062) 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	2021-22 Number	2020-21 Number
0	10,000	28	33
10,001	20,000	7	5
20,001	30,000	6	4
30,001	40,000	1	3
40,001	50,000	4	2
50,001	60,000	2	2
60,001	70,000	—	—
70,001	80,000	—	—
80,001	90,000	1	2
90,001	100,000	1	—
<b>Total</b>		<b>50</b>	<b>51</b>



## NOTES TO THE ACCOUNTS CONTINUED

### 24. Related Party Transactions continued

The total Trustee salaries were £817,327 for the year (2020/21 - £724,938).

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £239,194 for the year (2020/21 - £191,776).

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. 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 2021	7,982	298
Income	192	12
Expenditure	—	(12)
Change in Market Value of Investments	(25)	(2)
Closing Balance at 30 June 2022	8,149	296

## NOTES TO THE ACCOUNTS CONTINUED

### 26. Analysis of Movement in Total Funds

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Alcan Prize Fund	—	13
Angharad John Fellowship	—	396
Alwyn W Heong Fund	—	338
Barry Moore Economics Prize Fund	—	19
Bathey Fund	—	12
Beinan Lu Fund	—	4
Bill Willetts Fund	—	—
B J Everitt Prize Fund	—	21
Blankenship Book Fund	—	16
Blankenship Law Fund	—	32
Bradbrook Fund	—	16
Brammer Fellowship in Geography	500	1,167
Buchanan Fund	—	327
Charles Campbell Book Fund	—	5
S M and H Haniff Prize	—	43
Cockerell Fund	—	30
Collins Fund	—	260
Darley Fund	—	403
Darley Sands Postgraduate Studentship	—	217
Downing Association Fund	—	52
Edward Collins Fund	—	152
Ernest William Denham Fund	—	36
Everitt Fund	—	2
Everitt Butterfield Fund	3	1,451
Fahrenwaldt Fund	—	17
Ferreras Willetts Fund	—	370
Florence & David Jacobs Memorial Prize	—	10
Fritsch Fund	—	612
Carried forward	503	6,021



## NOTES TO THE ACCOUNTS CONTINUED

### 26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	503	6,021
Formoso—Papalios	50	50
Fu Fund	—	7
Gamlingay Fund	—	103
Geoffrey Grimmett Prize	—	8
Gelber Bequest	—	13
Graystone Fund	—	232
Gulbenkian Fund	—	3
Hall Fund	—	14
Harold Hargreaves Prize	—	7
Harris Fund	—	587
Harrison Prize Fund	—	4
Hopkins Parry Fund	2	1,417
John Hopkins Fund	184	471
John Hopkins Supervision Fund	2	314
John Miller Scholarships	121	1,992
Hugh Brammer Fund	—	95
Ivor Evans Fund	—	29
Jan Hruska Fund	—	339
Jean Ruhman Fund	—	13
John Hawkins Mays Wild Fund	—	11
John Maples America Fund	—	200
Johnston Fund	—	2
Joseph Tcheng Prize	2	17
Judy Petty Book Prize & Scholarship	—	29
Kim and Julianna Silverman Research Fellowship	—	1,078
Percy Lander Research Fund	—	345
Lander Fund	—	15
Carried forward	864	13,416

## NOTES TO THE ACCOUNTS CONTINUED

### 26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	864	13,416
Landrum & Brown Scholarship Fund	—	17
Lord Butterfield Fund	—	237
Mays Wild Fund	—	822
Matthews/McKinley Travel Fund	1	19
Alfred Monk Fund	—	309
John H Morrison Prize in Law	—	34
Moullin Fund	—	3
Oon Khye Beng Ch'hia Tsio Memorial Fund	—	579
Oon Khye Beng Ch'hia Tsio Memorial Prize Fund	—	169
Professor Gabriel Oon Prize	—	8
Osler Fund	—	132
Owens Fund	—	498
Peter Mathias Economics Prize Fund	—	3
Pilley Fund	—	471
Platt Fund	—	39
Poulton Fund	—	660
Professor Audus Botanical Fund	—	22
Richards Fund	—	69
Robertson Research Fellowship Fund	—	965
Robson Physics Prize	—	9
Robson Postgraduate Fund	—	391
Saint Fund	—	56
Saunders Fund	—	57
Savile Fund	—	175
Schreiner Fund	—	84
Seton Fund	—	99
Seton Cavendish Fund	—	2,747
Carried forward	865	22,090



## NOTES TO THE ACCOUNTS CONTINUED

### 26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	865	22,090
Sir Arthur Watts Choral Awards	—	17
Stephen Peel Fellowship Fund	—	396
Stevens Fund	—	6
Susan & Geoffrey Eggington Scholarship	—	21
Sutcliffe Legacy	—	772
TG Jones Fund	—	966
Thomas Fund	—	25
Thrower Fund	5	87
Timothy Walton Remembrance Fund	—	80
Treherne Fund	—	139
Unwin Fund	—	77
Verjee Fellowship Fund	—	358
Verney Fund	—	2
Michael Waring Fund	—	109
Warner—Lambert Fund	—	292
Whitby Memorial Fund	—	522
White Fund	—	9
Whitelegg Fund	—	74
Whitworth Fund	—	2,721
Wicks Travel Fund	—	18
Williams Downing Fellowship	15	516
Wilsey & Lerch Scholarship in Economics	—	81
Wyatt Fund	—	2
Postgraduate Studentship Fund	1	6
Student Hardship Endowment	2	452
Student Support Endowment	136	1,088
1970's Grant Fund	—	97
Carried forward	1,024	31,023

## NOTES TO THE ACCOUNTS CONTINUED

### 26. Analysis of Movement in Total Funds continued

	Donations £000	Closing Balance £000
<i>Restricted Permanent Funds</i>		
Brought forward	1,024	31,023
Alumni Sport Fund	—	69
Fundraising - Teaching	28	229
Fundraising - Access	103	938
Catalysis - Teaching & Learning	2	219
Catalysis - Research & Discovery	—	18
Catalysis - Heritage & Environment	12	60
Catalysis - Support & Services	3	298
Catalysis - Culture & Community	—	14
Other	101	180
	1,273	33,048
<i>Restricted expendable</i>		
Bartram Fund	—	166
Colin Hill Fund	—	2
Lt. Colonel Anderson Trust Fund	—	135
Goodey Fund	—	217
Richens Fund	—	766
Treherne Prize Fund	—	15
Student Hardship (Spend Down)	9	—
The Great Tradition	1	120
Segreants Fund	28	113
Catalysis Research Fund	—	202
Downing Enterprise	38	101
1717 Fund	65	—
Voellm-Hruska Studentship	—	88
Tazaki Studentship	—	1,000
Fundraising - Buildings	—	61
Other	1,446	1,512
	1,587	4,498
	2,860	37,546





## NOTES TO THE ACCOUNTS CONTINUED

### 26. 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	—	1,465
Richmond Fund	—	274
Stenning Fund	—	74
Stevenson Fund	—	2
Whalley-Tooker Fund	—	22
Yates Fund	—	11
Young Fund	—	245
Singer Fund (Pension Trust)	—	296
Smyth Bequest	—	659
Fleet Bequest	—	70
Deryk Prosser Fund	—	566
Corporate Capital Fund	—	1,211
General Capital	—	6,859
	—	11,854
<i>Unrestricted</i>		
Designated Buildings	—	129,163
Corporate Capital Fund	—	22,667
Singer Fund (Will Trust)	—	8,149
General Capital and Other	428	(34,077)
Revaluation Reserves	—	53,135
Pension Reserves	—	(1,941)
	428	177,092
Total Unrestricted Funds	428	188,948
<b>Total Reserves</b>	<b>3,288</b>	<b>226,492</b>



DOWNING COLLEGE | CAMBRIDGE | CB2 1DQ

DESIGN Nicholas Hawksworth 01223 693 082