



# ANNUAL REPORT AND ACCOUNTS

for the financial year ending 30 June 2023

DOWNING COLLEGE CAMBRIDGE

# CONTENTS

- ▶ 2. Members of the Governing Body
- ▶ 6. Officers and Principal Professional Advisors
- ▶ 7. Report of the Governing Body
- ▶ 11. The Year in Review
- ▶ 23. The Financial Review
- ▶ 29. College Statistics and Financial Highlights
- ▶ 36. Financial Statements
- ▶ 43. Statement of Principal Accounting Statements
- ▶ 52. Principal Accounting Statements
  - ▶ 53. Consolidated Statement of Comprehensive Income and Expenditure
  - ▶ 54. Statement of Changes in Reserves
  - ▶ 55. Consolidated Balance Sheet
  - ▶ 56. Consolidated Cash Flow Statements
- ▶ 57. Notes to the Accounts

# DOWNING COLLEGE, CAMBRIDGE CB2 1DQ

Patron: HRH The Duchess of Kent, GCVO

Visitor: The Crown

## MEMBERS OF THE GOVERNING BODY

Master: Graham John Virgo MA BCL (Oxon) KC (Hon), University Professor of English Private Law

### The Fellows of the College (in order of Election) as of 1 October 2023

David John Wales MA PhD ScD FRS FRSC, Fellow in Chemistry, University Professor of Chemical Physics (1989)  
Christopher Allim Haniff MA PhD, *Fellows' Steward*, Fellow in Physics, University Professor of Physics (1993)  
Nicholas Coleman BSc MB ChB (Bristol) PhD FRCPath FMed Sci, Verjee Fellow in Medicine,  
University Professor of Molecular Pathology (1994)  
Adam Noel Ledgeway BA (Salford) MA (Manchester) PhD (Manchester) FBA, Fellow in Italian,  
University Professor of Italian and Romance Linguistics (1996)  
Zoe Helen Barber MA PhD, *Vice-Master*, Fellow in Materials Science and Metallurgy,  
University 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,  
University 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)  
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) FREng, *Tutor*, Stephen Peel Fellow in Engineering,  
Professor of Laser Engineering (2006)  
Amy Louise Milton MA PhD, Ferreras Willetts Fellow in Neuroscience, *Praelector*,  
University Professor of Behavioural Neuroscience (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 and Dean of Chapel, Secretary to the Governing Body*,  
*SCR President*, 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,  
University 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, College Associate Professor (2013)  
Monica Moreno Figueroa BA (UIA Leon) MA (London) PhD (London) MA, Fellow in Social Sciences,  
University 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, University Professor of the Anthropology of Religion (2019)

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

Michael Ashby 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, College Associate Professor* (2020)

William Day BA (Durham) MA BCL (Oxon), Fellow in Law, College Associate Professor (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 (2022)

Maria Vera-Morales BEng (Carlos III de Madrid) VK Diploma (Von Karman Institute for Fluid Dynaics) 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)

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

Liesbeth François BA (KU Leuven) MA (KU Leuven) PhD (KU Leuven), Fellow in Spanish (2023)

Hugh Burton BA MSci MA PhD, Kim and Juliana Silverman Fellow (2023)

Stefania Fiorentino MSc (ENSA Paris) BEng (Rome) MEng (Rome) PhD (UCL), Fellow in Land Economy, University Senior Teaching Associate (2023)

Rebecca Freund BA (Cape Town) LLB (Cape Town) LLM, Parry-Anderson Fellow in Law, College Associate Professor (2023)

Rachel Coombes BA (Oxon) MA (Birmingham) DPhil (Oxon), Graham Robertson Research Fellow (2023)

Alice Sowton BA MRes PhD, Fellow in Natural Sciences (Biological), University Research Associate (2023)

Cédric Scheidegger Laemmle BA (St Andrews) MA (Basel) DPhil (Basel), College Associate Professor in Classics (2023)

## Retirements and Resignations 1 July 2022–30 September 2023

Alan Peter Bookbinder BA (Oxon) MA (Harvard) MA, Master (2018–2023) *Retired 30 September 2023*

Ian Richard James MA MA (Warwick) PhD (Warwick), Fellow in Modern and Medieval Languages, Professor of Modern French Literature and Thought (1996–2023). *Resigned 25 April 2023*

Liping Xu BSc (Beijing) PhD, *Tutor, Fellow in Engineering, University Lecturer in Turbomachinery* (2004–2023). *Retired 30 September 2023.*

Lucy Winifred Whelan BA MSt (Oxon) DPhil (Oxon), Graham Robertson Research Fellow in History of Art (2020–2023). *End of Research Fellowship 30 September 2023.*

Daniel Arnold Jolowicz BA (Oxon) MSt (Oxon) DPhil (Oxon), Fellow in Classics, College Associate Professor (2022–2023). *Resigned 30 September 2023.*



## OTHER FELLOWS

### The Honorary Fellows

Giles Skey Brindley MA MD FRS  
Sir Francis Graham Smith MA PhD FRS  
Dame Janet Abbott Baker CH DBE  
Sir Trevor Robert Nunn BA CBE  
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 LLD 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 MA PhD ScD DSc  
FRS FMedSci  
Martin Baker MA FRCO  
Stephen Chambers MA RA  
Caroline Elizabeth Wilson MA MA CMG  
Professor Geoffrey Grimmett MA DPhil DSc ScD FRS  
Keith Ajegbo BA MA OBE  
Martin Maiden MA MPhil PhD FBA  
Ritchie Neil Ninian Robertson MA DPhil FBA  
Victoria Susan Brignell MA  
The Rt Hon Lord Justice Colin Birss BA KC  
Farmida Bi MA CBE  
Richard Snowden BA LLM  
Alan Peter Bookbinder BA MA MA  
Edward Bullmore MB PhD FRCP FRCPsych FMedSci  
Emily Greenwood BA MA MPhil PhD  
Ai Weiwei  
Rachel O'Reilly MA PhD FRSC CChem CSci

### The Emeritus Fellows

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 PhD  
Richard Michael Smith BA MA PhD FBA  
Stafford Withington BEng PhD  
Peter James Duffett-Smith MA PhD  
Peter David Evans MA PhD ScD  
Paul Frederick Linden BSc MSc PhD FRS  
Richard Keith Taplin BSc MA MBE  
John Stuart Landreth McCombie MA MA PhD  
Trevor William Robbins CBE MA PhD FRS  
Kenneth McNamara BSc PhD  
David John Feldman MA DCL PhD FBA FRSA  
Trevor William Clyne MA PhD FREng  
Paul Christopher Millett MA PhD *MCR Liaison Fellow*  
William Mark Adams MA MSc PhD  
Catherine Lynette Phillips BA MA PhD  
Susan Elizabeth Lintott MA PhD  
John Stuart Richer MA PhD  
Ian Richard James MA MA PhD  
Liping Xu BSc PhD

### Foundation Fellows

Humphrey William Battcock MA MBA  
Tadayoshi Tazaki MA  
Alwyn Wai-Yin Heong MA BA BM BCh MBA  
Kim Silverman MA PhD  
Jonathan Howard MA  
Julie Lambert BSc

## 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  
Robert John MA DLitt  
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  
Sarah Pickard BA  
Stephen Mannion MA MB BChir FRCP FRCPGlas Mchir  
James Moore 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 MPA  
Marco A Aquino-Lopez  
Jennifer Ashworth BA MA  
Stephen Bennett BEd

Richard Berengarten MA  
Jan-Moritz Bogdanovic MA  
Toby Buttress  
Sabine Cadeau BA MA PhD  
Matthew Carter BA MA MB BChir  
Samuel P Charlwood  
Adrian Chung BSc MSc MPhil  
Andrew Cockburn MSc PhD  
Kate Daniels BA MA PhD  
Elizabeth Deans BA (Maryland) MA PhD  
Louisa Denby MA MMus *Acting Director of  
College and Chapel Music*  
Alistair Dunham BA MPhil PhD  
Buffy Eldridge-Thomas BA  
Paula Heister MA MSc DPhil  
Vicky Jones MA MB BChir MRCS  
Ange La Furcia BA  
Patricia Laurenson PhD  
Yongcan Liu BA (Guangdong) MA MPhil PhD  
Deepti Marchment BA MA MChir  
James McCaffrey  
Katie McCallum BVMS RCVS  
Arlie McCarthy MA BSc  
Aram Mooradian AADIPL PGDIP ARCH ARB  
Nuno Oliveira M BA MSc PhD  
Joanna Page MA  
Yeong Seo Park  
Mykhailo Pivnenko MSc PhD  
Prerona Prasad BA MA MPhil DPhil  
Carolyn Sauer  
William Schafer PhD FMedSci FRS  
Nanase Shirota  
Neal Spencer BA PhD  
Victoria Stewart-Jolley LLB LLM MSt PhD  
Gareth Taylor BA MA PhD  
Claudia Tobin BA MA PhD  
Thomas Towers BA VetMB MSc  
Mark Vivian MSc MB BS FRCA  
Lewis Wynn  
Xin-She Yang MSc DPhil  
Katharina Zülsdorff

## OFFICERS AND PRINCIPAL PROFESSIONAL ADVISERS

Master: Graham John Virgo MA BCL (Oxon) KC (Hon)

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

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 2023 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 £62,343. 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. The programme includes visits to schools, fully funded 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. Additionally, 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.

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 (approx. 25% of income), 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 25% 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 20% of the College's total income.

Donations and legacies from alumni and friends of the College typically amount to around 15–20% of our total income. Investment income from our relatively modest endowment normally contributes a further 15–20%. These percentages are based on total income excluding endowment donations but including all of the endowment spending rule income.

# THE YEAR IN REVIEW



## THE YEAR IN REVIEW

The impact on the College's finances of Covid-19 is still being felt, but in other respects the 2022–23 academic year saw Downing complete its recovery from the disruption caused by the pandemic. The student experience is once again rich and varied. The face-to-face small group supervision that distinguishes a Cambridge education returned to its prominent place in undergraduates' lives. 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 – were fully revived. For the second year running over 2,500 guests enjoyed a night of entertainment and refreshment at the May Ball.

Financial recovery is a longer process, but the picture is steadily brightening. Our bookings for conferences and corporate functions have nearly returned to pre-pandemic levels, and a new programme of summer schools was particularly successful in generating income. The high price of energy and food hit us hard, however, and we continue to suffer from the prolonged government-imposed freeze on tuition fees. As a result, we are entering our fifth year with a deficit budget and hence will once again have to defer some areas of major expenditure.

Downing 360, our fundraising campaign launched in 2022, is making steady progress. It is the fruit of the Fellows' strategic review of the College's priorities. We are over halfway to raising a total of £40 million over 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. Alumni are responding well to this 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 eased a little, but we still struggle to fill posts in some areas, especially catering and housekeeping. Retention bonuses have helped to address some staff shortages, and we continue to be grateful to existing, stretched staff for filling gaps and covering Covid-related absences.

### Master

Alan Bookbinder completed his five-year stint as Master on 30 September 2023, leaving the post after he reached the statutory retirement age of 67. Professor Graham Virgo, a Downing alumnus, Fellow in Law and the Governing Body's Senior Fellow, succeeded him as the 19th Master of Downing College on 1 October 2023.

### Fellows

To help fulfil the College's ambition to build the Fellowship and fill important teaching gaps, eight new Fellows were admitted in the course of the year:

- Dr Bonnie Lander Johnson, Fellow in English, writes literary essays, fiction, journalism and academic books about Shakespeare and Renaissance culture.
- Dr Francesco Muschitiello, Arnell Fellow in Climate Repair, researches the physical and chemical evidence preserved in geological archives in order to reconstruct the past climate.
- Prof Helen Scott joined Downing and the University Faculty of Law as the Regius Professor of Civil Law.
- Dr Maria Vera-Morales, Fellow in Engineering, works in the Turbomachinery Group at the Whittle Laboratory, and is a Senior Fellow in the Centre for Doctoral Training in Future Propulsion and Power.

- Dr Dmitrij Szamozvancev, Fellow in Computer Science and a Downing alumnus, is a member of a research group that investigates the formalisation and implementation of metaprogramming features in *OCaml*.
- Dr Liesbeth Francois, Fellow in Modern Languages, works on contemporary Latin American literature and culture.
- Dr Hugh Burton, Kim and Julianna Silverman Research Fellow, studies theoretical chemistry.
- Dr Daniel Jolowicz, Fellow in Classics, teaches Greek and Latin language and literature, resigned within the year to take up a similar post at Oxford.

Dr Liping Xu retired on 30 September 2023 after many years of distinguished service as a Fellow in Engineering and a Graduate Tutor.

The Governing Body admitted three new Honorary Fellows: alumna Prof Emily Greenwood, who holds the Chair of Classics and Comparative Literature at Harvard University; research psychiatrist Prof Ed Bullmore, who is Deputy Head of the School of Clinical Medicine and Director of the Wolfson Brain Imaging Centre; and the acclaimed Chinese artist and activist Ai Weiwei. We were delighted to welcome Kim Silverman as a Foundation Fellow. Sadly, Honorary Fellow Godfrey Bradman passed away on Christmas Day 2022.

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

## Undergraduates

At the beginning of the 2022–23 academic year, there were 458 undergraduates across all years at Downing; 51% were men and 47% were women (2% were ‘other’); 81% were from the UK, 3% were from the EU and 16% from the rest of the world; of those schooled in the UK, 62.5% were from state schools and 37.5% from the independent sector.

Downing’s popularity with applicants has continued to grow: 1,027 candidates applied for entry in 2023. 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’), 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 to grow steadily.

Downing is one of 11 Cambridge colleges taking part in the 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 group of 48 Foundation Year students spent a preparatory year at Downing, learning the academic skills needed to compete for a full undergraduate place. Three of the five met the standard necessary to join the next cohort of freshers in October 2023. The other two won places at University College London and the University of Manchester.

A national Marking and Assessment Boycott initiated by the University and Colleges Union resulted in long delays to many students receiving their Tripos results. The absence of final grades for around half of the graduating cohort was frustrating, but in almost all cases the College was able to provide enough information about students’ academic standing to allow them to progress to their next destination. Graduation ceremonies were reframed as a celebration of completion of studies – the Latin phrase *studia perfecta* a fitting recognition of the students’ achievements, even if in many cases the actual conferral of degrees was delayed.



More than one-quarter of all results were First Class degrees. Eight students graduated at the top of their Triposes: Alexander Hulton (Architecture), Libby Harris and Emily Finston (English), Lawrence Brown (Modern and Medieval Languages), Alessandra Moon (Psychological and Behavioural Sciences), Harry Barker, Francesco de Batte and Hyung Jin (Natural Sciences).

This year's Richmond Lecture, organised by and for the undergraduate student body, was given by Emeritus Professor Trevor Robbins on 'the mysterious frontal lobes of the brain'. The JCR President reports an important new initiative this year: the funding of free prescriptions for students.

## Postgraduates

At the beginning of the 2022–23 academic year, Downing had a total of 537 postgraduate students. Of these, 52% were men and 48% were women; 44% were from the UK, 7% from the EU and 49% from the rest of the world; 172 were studying for a PhD and 125 following one-year courses (comprising 70 MPhils, 21 full-time MBAs, 7 PGCEs, 3 LLMs and 24 others), while 52 were clinical medics and vets. In 2022–23, 41 students were awarded PhDs.

Twice each term the MCR holds a seminar evening at which three postgraduate students present their research to an audience of their peers in the Howard Theatre. The annual Graduate Conference in May allows a larger group of MPhil and PhD candidates to speak about the outcomes of their research. The custom of six MCR members at a time being invited to dine with Fellows at High Table is now well established.

## Student Wellbeing

The mental health of our students continues to be a significant priority. 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.

Downing was one of the first Colleges 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 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 and accessible space for students in need of help. Downing's beautiful grounds continue to be a source of solace and relaxation.

## Equality and Inclusion

All 19 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: Director of Development, Academic Registrar, College Secretary, Accommodation Officer, Director of Engagement and Development Operations, College Archivist, College Librarian, Communications Officer, Domus Manager, Heong Gallery Curator and HR Manager.

The College remains committed to rejecting 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 also they 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.'

We offer 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 Cambridge and to put forward ideas that help Downing to realise its aspiration to be a truly anti-racist place to live and study.

To celebrate the LGBTQ+ community, rainbow formal halls are a regular feature of College life. An all-gay adaptation of *Carmen* was a notably successful production in the Howard Theatre.

With the close involvement of the JCR's Disability Officer, the College has reviewed and improved its access provision. A lift has been installed in the Butterfield café.

## The Arts

The revival since Covid of the Arts in College has been impressive.

The Downing Dramatic Society broke new ground in the Howard Theatre this year with its reimagined and entirely LGBTQ+ production of *Carmen*. The annual fixtures – the Freshers' Play and Festival of New Writing – continue to thrive; the former drawing on fully 25% of the year's intake for *Shakespeare's Sister* and the latter enhancing its reputation as the leading showcase in Cambridge for aspiring student playwrights. The year concluded with *Much Ado About Nothing* in the Master's Lodge Garden.

On the music front, the choir sang at College services to mark the death of Queen Elizabeth II and to celebrate the coronation of King Charles III. They performed at Ely Cathedral and Great St Mary's and sang at several venues on their summer tour in Paris. The Music Society put on recitals at several venues in Downing. In addition to the classical repertoire, these included contemporary experimental compositions and open mic nights in the bar, where the Jazz Band can also be found performing their termly Week 5 Blues jam.

The Heong Gallery hosted Gavin Turk's *In Search of Ariadne*, which explored what public art means to the public, while the photographic exhibition, *Picturing the Invisible*, reflected the devastating fallout of the Fukushima nuclear disaster of 2011. *Wang Dongling: Ink. Space. Time* showcased the renowned Chinese artist's floor-to-ceiling modern calligraphy, including masterclasses and demonstrations given by the artist himself. Students displayed their entries for the Twining Egginton Fine Art Prize and, through regular student-run 'Arts After Dark' events, the Gallery was home to myriad creative projects throughout the year. It also was the venue for the launch of Downing's first literary magazine, *The Leaves*, written and edited by students.

Downing's connection with the Chinese artist Ai Weiwei led him to design for us a tree sculpture made from the magnificent, but diseased, blue atlas cedar tree that had stood in the East Lodge Garden for more than 200 years. 'Cedar' can be seen in First Court, just outside the gallery.

## Student Societies

The Blake Society's popular craft evenings included life-drawing, clay-sculpting and lino-printing. Among the eminent speakers to address societies were biochemist Professor Nick Lane (Danby), Professor Richard Rex (Maitland) and Dr Maarten de Ridder (Mathias). The Board Games Society continues to draw students away from their smartphones for a few hours. New this year were the Millett Society (Classics), Downamix (entrepreneurship) and the Wine Society.

It is a measure of Downing alumni's penetration of the upper reaches of the legal profession that the Cranworth Society was able to organise a trip to London for a Q&A session with Lord David Lloyd-Jones at the Supreme Court, a tour of the House of Commons with Attorney General Victoria Prentis, a discussion of life at the Bar with Edward Cumming KC and an account of a career as a solicitor at Norton Rose Fulbright. All in a single day!

## Sport

This year our racquet sports teams had notable successes: the Men's badminton team won cuppers and both the women's and the mixed teams reached their finals; the 1st and 2nd squash teams topped their leagues, and the 1st tennis team won the 1st Division title. There were promotions to the 1st Division for Men's football and hockey, and to the 2nd Division for Women's football and Ladies' netball. Most pleasing of all, Downing was one of the very few colleges to field a team in every university sport.

Blues were awarded to Jamie Benson (Rugby Union), Rudi Bruijn-Yard (Fencing and Modern Pentathlon), Jacinta Chin (Tennis), Juliana Ganendra (Tennis and Squash), Emily Mann and Will Silver (Hockey), Thomas Masding, Panav Patel and Tim Wallace (Cricket), Paul McKinley (Cross Country), Lemuel Osei-Binny, Tim Wallace and Brody Wooding (Football) and Georgia Weeks (Lacrosse and Ski Racing).

## The Estate

We continue to seek planning permission to convert 19–35 Regent Street into student accommodation, which we hope will extend from the corner opposite the University Arms as far as The Regent Hotel. 98 Regent Street opened as graduate accommodation on 1 October 2023, and work is progressing on 4–5 Bene't Place, a large building on the corner of Lensfield Road and Tennis Court Road, which is being converted into teaching and study spaces and Fellows' accommodation, due to be completed by January 2024.

## 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. 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 year, the Senior Bursar and Estates Director obtained a substantial government grant to develop a detailed sustainable buildings plan.

New features in the gardens include some colourful tropical planting at the main entrance, and new herbaceous borders, a bog garden and a laburnum archway in the Fellows' Garden. The gardeners designed a wellbeing garden for the BBC Gardeners' World Autumn Fair at Audley End House, which won a platinum award, the highest accolade possible. It will be recreated in College as a permanent fixture.

## Development and Alumni Relations

Donations to the College recorded in the accounts totalled £2.47 million this financial year. Gifts from Downing alumni and our volunteers' time 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 by 2027 to support 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.

By summer 2023 we were over halfway to our target, allowing us to establish five new named student bursaries, new postgraduate travel scholarships and emergency grants for students facing unexpected financial difficulties. Thanks to generous gifts from our law alumni, the new Parry-Anderson Fellowship in Law is now fully endowed. Dr Rebecca Freund will join us as the first post-holder in October 2023.

The College is grateful to the 410 members of the 1749 Society for committing a legacy to Downing; to the members of the 1717 Society, who support the Heong Gallery; and to those who support music, drama and sport, all of which make a huge contribution to student life at Downing.

Downing is also thankful 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

As we look to the future, with a new Master in post from 1 October 2023, the priority remains to implement the recommendations of our 2022 strategic review. The expansion of the fellowship continues, through a combination of new University-employed Fellows, new College Associate Professors and new Research Fellows. A new Head of Academic Skills Development will be tasked with improving students' performance. A revised Masterplan to look at our long-term space planning will be created. A special Giving Day in November 2023 will boost the Downing 360 fundraising campaign. A yet more profitable set of summer schools is planned from 2024. We will continue to devote resources to the Foundation Year and maintain our focus on outreach to students from disadvantaged backgrounds.

## 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 £224.0 million at 30 June 2023. Of this amount, £178.1 million represents the net book value of the buildings, including the Revaluation Reserve of £47.3 million. As functional fixed assets, they cannot be spent as income. Continuing investment by the College in its buildings, in excess of depreciation, has caused this figure to increase and correspondingly reduce free reserves. However, opportunities, such as the acquisition of property on the College borders, do not always arise when they are affordable, but are nevertheless strategically necessary. Of the remaining £45.9 million, £48.3 million consists of Permanent Restricted Endowment, and £5.3 million is attributable to the revaluation of works of art. At 30 June 2023, therefore, free reserves (General Reserve less pension liability of £1.8 million) stood at negative £7.7 million (2022: negative £5.2 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 CCPS final salary pension scheme for staff (2023: £1,797,061; 2022: £1,940,752).
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 or major incremental expenditure take into account these factors. The current level of free reserves at negative £7.7 million is due to the completion of the conversion of 90–92 Regent Street and the purchase of 4-5 Bene't Place last year and the purchase of 98 Regent Street and continuing building improvements this year; 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 which stand at £11.6 million. 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. Given this complexity, and the wide range of funding options, the Governing Body has not defined a formal reserves policy, preferring a flexible approach as the situation requires.

## Investments

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 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 carried out in early 2023. Following this review, the Investment Committee opted to reappoint Partners Capital for a further five years.
3. 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, 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.
4. The College's spending rule is designed to smooth spending and reduce the effect on income of fluctuations in market performance. The amount of spend 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). The unapplied total return stands at £22,7104,000, and, since 1 July 2007, has included returns from commercial property. The Committee reviewed the spending rule in May 2023.
5. 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.



## Investment Policy

1. 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.
2. For the securities portfolio, the goal implies a time-weighted net return target, comprising inflation plus 1%, plus a spending rate of c. 4%, measured on a five-year trailing basis. The target return is therefore 8.5%. 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.
3. 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 8.7% with a standard deviation of 11.9% and an Equity-Like Risk of 75%.
4. 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 58% of the aggregate market value of the value of the securities portfolio.
5. All traditional and alternative asset classes are acceptable within defined liquidity and risk limits, along with specific asset class constraints. Direct positions are expected to be 3-7% in size and pooled vehicles and passive investments may be in excess of 7%.
6. The currency hedging policy is managed through foreign currency forward contracts. In 2023, it was decided to reduce the target Sterling exposure from 60% to 50%, which will be done gradually over the next two years. The 50% remaining unhedged foreign currency exposure is a combination of US dollars, Euro, Yen and Emerging Market Currencies. The currency hedging policy is applied across the entire securities portfolio.
7. Actual performance is judged against the strategic asset allocation benchmarks and the performance of the underlying asset classes and asset managers is reviewed on a quarterly basis.
8. Portfolio rebalancing is normally undertaken on a quarterly basis to re-align asset allocations to targets.
9. 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.

10. Since February 2019, the portfolio has not had any direct exposure to fossil fuels and, as of 30 June 2023, the College's estimated indirect exposure to fossil fuels (including companies involved in the extraction of fossil fuels) is 0.6% of the total portfolio. Nor has it directly held any energy-focused public equity managers since February 2019 and all passive equity holdings have tracked indices excluding fossil fuels. At 30 June 2023, 1.8% (£1.0 million) of the College's securities portfolio was invested in renewable energy assets. The equities allocation of the College at 30 June 2023 is estimated to have a carbon intensity of 115 (Tco2/\$1M sales), which compares favourably to the MSCI All Countries World Index carbon intensity of 150.
11. The College has adopted considered positions for several other sectors, along with key metrics arising from policies and positions. These will be updated on an ad-hoc basis as issues arise and reviewed every two years by the Investment Committee.
12. The custodian for the majority of the securities is Union Bancaire Privee (London) S.A.
13. 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.
14. This statement was last revised in November 2023.

## 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 2023 is £34.2 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 recommended by Finance Committee and then 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, based on the learnings from the recent pandemic. 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 deficit for the year was £2.52 million, compared with a £0.9 million surplus last year; this figure includes new endowments and restricted donations, as well as gains on investments. The Unrestricted column in the accounts measures the efficiency of operations and this year showed a loss of £1.0 million (2022: £1.9 million), resulting from high energy prices, general inflation and conference and catering income not having returned to pre-pandemic levels.

### Unrestricted Income and Expenditure

The unrestricted income of the College before donations is made up of academic fees (33%), charges to students for accommodation and meals (35%), conference income (20%), income from the College's investment assets (11%) and other sources (1%). This income amounted to £13.1 million (2022: £10.9 million), up 21%. This increase was largely a result of the recovery of the conference business for the year.

Income from student accommodation and catering was £4.5 million (2022: £4.3 million). Income from conference activity recovered to about 90% of pre-pandemic levels, at £2.6 million (2022: £1.2 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 43%, of which non-academic salaries represent 39%; operating costs make up a further 44%; and depreciation is 13%. Staff costs increased by £0.7 million, although last year included a movement between years in the provision to fund the deficit in the USS pension scheme of £0.6 million. Underlying staff costs increased by 22% as staff were recruited, particularly in housekeeping and catering, to service the increased post-pandemic activity. Operating costs increased by £1.6 million to £7.9 million, again reflecting the increased business activity and also including £1.1 million paid to the University as a result of the transfer from the College of the Centre for Climate Repair, the amount being the net of donations received less costs incurred for the Centre since 2020.

Income from academic fees increased slightly to £4.3 million, while the corresponding expenditure increased to £6.9 million (2022: £6.1 million); this resulted in the Education account being in deficit by £2.7 million (2022: £2.1 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 £9,805 to £10,871 for the 2022–23 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 £5,006 to £5,849.

Unrestricted donation income was £0.4 million (2022: £0.4 million). Endowment return was £1.4 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 £2.7 million (2022: £2.9 million), of which £1.5 million is endowment return, and the associated expenditure was £3.5 million (2022: £2.3 million).

## Conference Services

The year finished with income of £2.57 million, representing a strong return to pre-pandemic business levels. It would have been higher but for the noticeable absence of summer schools from China and Japan on account of travel restrictions, historically worth about £0.4 million. This did, however, allow College departments to work within the confines of staff challenges, which continue to constrain business opportunities. A not insubstantial number of private dining and meeting enquiries were turned down due to lack of staffing capacity, rather than event space capacity. We secured £0.2 million of confirmed business through Meet Cambridge.

Larger conferences and programmes were all run in-person with high delegate numbers or at capacity. Whilst virtual-only events are on the decline industry wide, an estimated 90% of all meetings and conferences now have some hybrid or digital element. This represents an opportunity for Downing to continue to invest in AV and streaming facilities in the Theatre, in other facilities, and in staff training, in order to maintain a competitive edge on the venues in the area.

Bed and breakfast revenues were relatively modest in 2022–23; this was possibly due to an increase in international travel over domestic, although significant steps were made over the winter to increase coverage from on-line travel agents by featuring on the far larger-scaled sites Booking.com and Expedia.com. The benefits of these changes were seen in spring and summer of 2023 and are anticipated to increase further throughout the next year. This revenue stream should continue to increase and be lucrative with some further operational streamlining.

There has been an increasing trend of clients requesting information about green and sustainability policies from suppliers. An evidence-based roadmap clearly outlining the College's commitment in this area will provide benefit from a marketing and financial perspective. There are a number of initiatives currently taking place in all departments which need to be communicated simply to the wider audience.

## Investments

The total investment portfolio stood at £71.9 million at 30 June 2023 (2022: £70.7 million), consisting of £55.0 million in securities and £16.9 million in property. The overall total return was 2.15% (securities 1.1%, property 5.7%).

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. 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 £2.9 million (or 4.0% of the portfolio) in support of current operations, an increase of 13.7% 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 £31.00, and received income for spending ('the dividend') of £1.39, a dividend increase of 11.5% on last year's levels.

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

## Securities Performance

The securities portfolio returned +1.1% in 2022-23 after deducting all costs and fees. The portfolio slightly lagged its Strategic Asset Allocation composite benchmark which returned +1.8% over the same period, primarily due to the non-Sterling exposure as the US dollar weakened over the period. Excluding the impact of foreign currency, the portfolio returned 3.0% with outperformance versus the Strategic Asset Allocation composite benchmark driven by the allocation to private debt which stands to benefit from the higher interest rate environment. A similar risk equity/ bond benchmark returned +5.1% in the period, driven by a strong rally in global equities (+17.3%), whilst fixed income declined -14.5% in the same period due to rising rates.

From inception in 2009, when the mandate for the portfolio was given to Partners Capital, to 30 June 2023, the securities portfolio has returned 8.1% per annum, ahead of the Strategic Asset Allocation composite benchmark, which has returned 7.6% per annum.

At 30 June 2023, 60% of the £55.0 million securities portfolio was in Sterling, 24% in USD and 16% in other currencies. Of the securities portfolio, 49% was invested in illiquid assets (37% Private Equity, 12% Private Debt). Of the securities portfolio, 34% has quarterly or better liquidity, of which 22% has daily liquidity. At 30 June 2023, the Equity-Like Risk of the securities portfolio stood at 75%.

### Property

The property portfolio returned 5.7% in 2022–23. With the exception of a small investment in a residential property fund, the property portfolio consists almost exclusively of the shops and offices on the Regent Street border. Owned for opportunistic and defensive purposes, these properties are classified as part of the investment portfolio, yet share only some of the characteristics of financial investments. Despite being the main route between the station, the Ring Road and the City Centre, Regent Street remains a tertiary location for shops it is, therefore, difficult to attract tenants with strong covenants. During the year, two properties were purchased, 98 Regent Street and 33–35 Regent Street for a combined amount of £1.8 million. The property portfolio stood at £16.7 million as at 30 June 2023 (some 23% of the total portfolio of £71.9 million), an increase of 11.5%. The rental income yield was 6.0%.

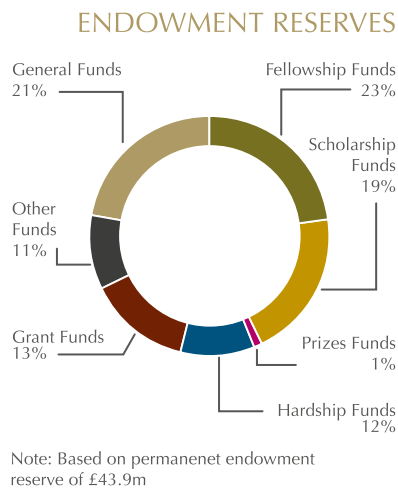
Further information is shown in section 4 of the College Statistics and Financial Highlights.

### Capital and Reserves

The College’s capital base decreased by £2.5 million (1.1%) to £224.0 million. Continuing investment in the College buildings, including the £1.8 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: £1.6 million, representing the increase in the net book value of the operational buildings, was transferred to the internal designated buildings reserve. The College has had success in the past in attracting donations for buildings, but the timing or nature of some projects, which are nevertheless strategically necessary, does not always make this possible.

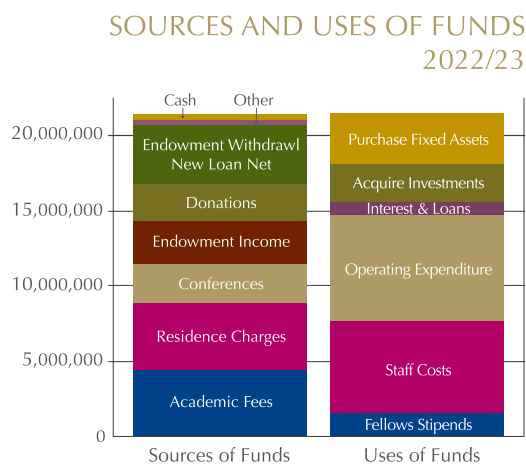
Free reserves were decreased by the unrestricted deficit of £1.0 million. This led to a year-end position of free reserves of negative £7.7 million, which is likely to worsen slightly next year due to the continual general improvement works across the Domus.

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 2.2% in the Securities and Property portfolio, and restricted and capital donations of £2.0 million.



Cash Flow

Cash flows from all activities resulted in an increase of £0.6 million in cash balances, with cash of £1.9 million held at year end. Cash consumed by operating activities<sup>1</sup> before the effects of working capital amounted to £2.6 million, an increase from £1.7 million last year. Endowment income, less interest payable, contributed £2.0 million of cash. The capital expenditure during the year of £3.3 million included £1.8 million for the acquisition of 98 Regent Street. A short-term loan of £4 million was taken out during the year to fund the acquisition of 98 Regent Street, 33-35 Regent Street and the refurbishment of 45 Bene't Place.



On behalf of the Governing Body:

Graham Virgo, Master

Gavin Flynn, Senior Bursar

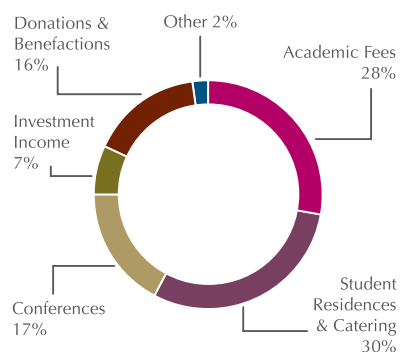
Date: 20th December 2023

<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

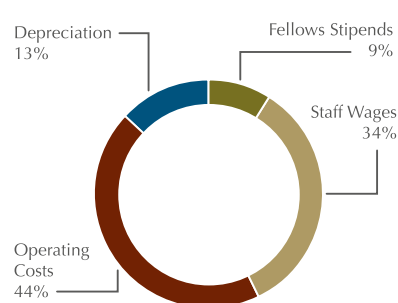
	2023	2022	2021
<b>Income and Expenditure</b>			
Total Income	15,266,352	14,055,689	10,907,126
Donations and Benefactions Received	2,466,039	3,287,586	2,996,379
Conference Services Income	2,571,338	1,157,063	139,765
Total Expenditure	17,947,805	15,615,349	12,370,824
Total Surplus/(Deficit) before other gains and losses	(2,681,453)	(1,559,660)	(1,463,697)
Unrestricted Surplus/(Deficit) before other gains and losses	(953,796)	(1,889,781)	(981,336)
<b>Capital Expenditure</b>			
Total Capital Expenditure	3,291,076	6,816,442	4,566,308
Investment in Buildings	2,843,664	5,949,946	3,569,543
Other Capital Expenditure	447,412	866,496	996,765
<b>Assets</b>			
Free Reserves	(7,718,701)	(5,204,760)	553,667
Investment Portfolio	71,947,345	70,681,272	73,112,150
Spending Rule Amount	2,872,414	2,525,485	2,243,774
Net Assets	223,973,919	226,492,843	225,605,802

BREAKDOWN OF INCOME  
2022/23

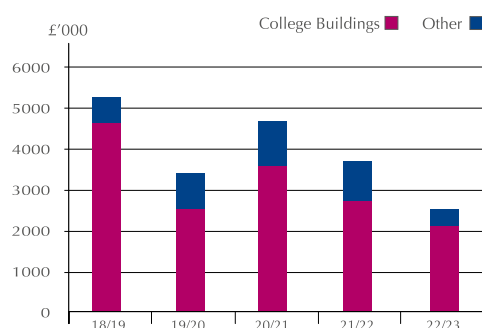


Note: Based on SOCIE income

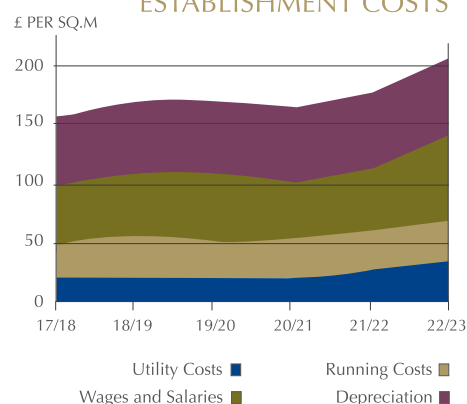
BREAKDOWN OF EXPENDITURE 2022/23



CAPITAL EXPENDITURE



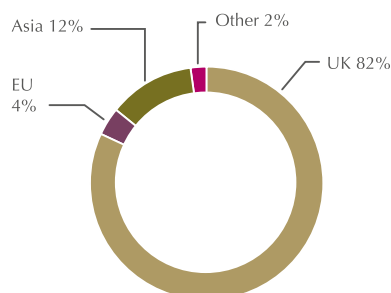
ESTABLISHMENT COSTS



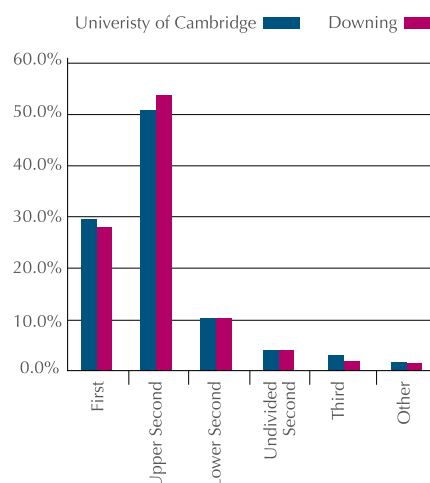
# 1. UNDERGRADUATE NUMBERS 2022–23 AS OF 1 OCTOBER 2022

Subject	Year 1	Year 2	Year 3	Year 4	Years 5–6	Total 2022–23	Total 2021–22
Anglo-Saxon	—	—	—	—	—	0	1
Archaeology	2	—	1	—	—	3	2
Architecture	2	2	4	—	—	8	6
Asian & Middle Eastern Studies	2	1	—	4	—	7	7
Chemical Engineering	—	1	—	2	—	3	4
Chemical Engineering via Engineering	2	—	—	—	—	2	1
Chemical Engineering via Natural Science	1	—	—	—	—	1	—
Classics	3	3	4	—	—	10	11
Classics – 4yr	2	3	3	3	—	11	11
Computer Science	5	6	3	1	—	15	12
Economics	4	4	4	—	—	12	13
Education	1	1	1	—	—	3	3
Engineering	11	13	11	15	—	50	51
English	7	5	11	—	—	23	20
Geography	3	5	8	—	—	16	16
History	5	6	6	—	—	17	17
History with Modern Languages	1	1	—	1	—	3	2
History with Politics	1	1	2	—	—	4	3
History of Art	0	2	2	—	—	4	6
Human, Social and Political Science	6	7	8	—	—	21	22
Land Economy	4	1	3	—	—	8	5
Law	13	14	11	—	—	38	32
Linguistics	2	2	1	—	—	5	4
Management Studies	—	—	—	1	—	1	1
Manufacturing Engineering	—	—	3	—	—	3	1
Mathematics	5	8	4	3	—	20	18
Medical Sciences	15	15	12	12	30	84	90
Modern & Medieval Languages	2	3	7	4	—	16	19
Music	1	1	1	—	—	3	5
Natural Sciences (Biological)	11	9	13	3	—	36	31
Natural Sciences (Physical)	5	10	13	7	—	35	41
Philosophy	2	1	2	—	—	5	3
Psychological and Behavioural Sciences	5	4	7	—	—	16	13
Theology	1	1	—	—	—	2	2
Theology BTh	—	—	—	—	—	0	—
Veterinary Medicine	2	2	3	1	5	13	15
<b>Total</b>	<b>126</b>	<b>132</b>	<b>148</b>	<b>57</b>	<b>35</b>	<b>498</b>	<b>488</b>

UNDERGRADUATES  
BY REGION



UNDERGRADUATE  
DEGREE CLASSIFICATIONS



## 2. PHD THESES SUCCESSFULLY DEFENDED BY DOWNING POSTGRADUATE STUDENTS 2022–23

Medicine	Investigating the role of mitochondria in the hypoxia response using in vitro and in vivo models
Engineering	Welding using metal powder in the solid-state
English	Midwestern Americanism: fiction of the 'middle border', 1900–1930
Psychology	Neuropsychological and biological mechanisms of checking in OCD and clozapine induced SchizoOCS
Archaeology	The functional adaptation of mandibular trabecular bone and its association with diet: inter- and intraspecific comparisons among Homo Sapiens, cercopithecoids and mice
Medical Science at Cancer Research UK Cambridge Institute	Identification of centrosomal proteomes using COMPACT, a novel tool for purification of centrosomes
Physics	Plasmonic sensing via surface-enhanced spectroscopies
Education	Creativity through oracy: a mixed methods study of creativity in L2 talk
Management Studies	Three essays on dynamic corporate finance in continuous time
Education	Families and the state: relations of dependency, responsibility and educational inequality in Singapore
Clinical Neurosciences	Early synaptic changes in experimental glaucoma
Medical Science at the MRC Cancer Unit	Mechanisms of human RAD51 regulation by RAD52 and BRCA2
Psychology (BBSRC)	Cross-modality profiling of high-content microscopy images using deep learning
Biochemistry	A Metabolomics-based analysis of Acyl-homoserine lactone quorum sensing in <i>Pseudomonas aeruginosa</i>
Chemistry	The development of asymmetric palladium-catalysed transformations using chiral sulfonated phosphine ligands
German	Analysing contemporary German-language literature through a translingual-intermedial framework
Applied Mathematics at Cambridge Centre for Analysis	Accelerated optimisation algorithms for machine learning and image processing
Medicine	Developing novel therapies for <i>Mycobacterium abscessus</i>
Chemistry	Using vibrational laser spectroscopy to study biologically relevant interfaces
Asian and Middle Eastern Studies	Producing and using codices in Tenth century Dunhuang
Medicine	Biomechanical analysis of human coronary atherosclerotic plaques in response to pharmacotherapy, and in predicting adverse clinical events
Chemistry	Studies towards controlling selectivity in Minisci reactions
Physiology, Development and Neuroscience	The role of inherited determinants and embryonic–extraembryonic cell interactions in models of mammalian embryogenesis
Chemistry (BBSRC)	Using biological and chemical information to improve understanding of drug mechanism of action on the systems—level
Physics	Developing ternary bismuth chalcogenide nanocrystals for photovoltaics and photodetectors
Pathology	The transcriptional programme of natural killer (NK) cell functional maturation and maintenance
Economics	Essays on Networks and Industrial Organization
Biological Science at the Sanger Institute	Germline mutation in rare disease
Genetics	Genetic interactors of the SWI/SNF chromatin remodelling complex in <i>Caenorhabditis elegans</i>
Applied Mathematics and Theoretical Physics	Dynamically induced uncertainty in stratified turbulent mixing models
Clinical Biochemistry	The role of thada in energy homeostasis
Psychology	The long-term effectiveness of inoculation against misinformation: an integrated theory of memory, threat, and motivation
Physics	Dynamics of frustrated magnetic systems: emergent fractals and anomalous noise in spin ice
Medical Science at the MRC Cancer Unit	The molecular mechanisms of BRCA2 in tumourigenesis: a novel idehyde/proteasome axis
Genetics	Ancestral Paths: Redefining local genetic ancestry and its inference with application to Europeans
Politics and International Studies	Standing up for the nations? devolution and the changing dynamics of territorial representation in the UK House of Commons, 1992–2019
Plant Sciences (BBSRC)	Understanding C4 photosynthesis through quantitative genetics
Engineering	Zinc oxide nanowire field effect transistors for sensor applications



### 3. SELECTED PUBLICATIONS BY DOWNING FELLOWS

#### Burton, Dr Hugh

Burton, H. G. A., Marti-Dafcik, D., Tew, D.P. and Wales, D.J. (2023), 'Exact electronic states with shallow quantum circuits from global optimisation', *npj Quantum Inf*, Vol 9, Article number 75.  
<https://doi.org/10.1038/s41534-023-00744-2>

#### Christie, Dr Alec

Miller, J., White, T.B. and Christie, A.P. (2023), 'Parachute conservation: Investigating trends in international research', *Conservation Letters*, Vol 16, e12947.  
<https://doi.org/10.1111/conl.12947>

#### Crisp, Dr Michael

Xia, J., Li, T., Cheng, Q., Glick, M., Crisp, M., Bergman, K. and Penty, R. (2023) 'A Future Proof Reconfigurable Wireless and Fixed Converged Optical Fronthaul Network Using Silicon Photonic Switching Strategies', *Journal of Lightwave Technology*, Vol 41 (6), pp. 1610–1618.  
doi: 10.1109/jlt.2022.3188773.

#### Davies, Mr Justin

*Ellis and Calne's Lecture Notes in General Surgery* (14th Edition), Watson, C. and Davies, J. (eds.), Wiley-Blackwell (Hoboken, 2023).

#### Day, Mr William

Day, W., *Key Ideas in Commercial Law*, Hart (Oxford, 2023).

#### Farahi, Dr Neda

Writing Committee for the REMAP-CAP Investigators et al. (2023) 'Effect of Angiotensin-Converting Enzyme Inhibitor and Angiotensin Receptor Blocker Initiation on Organ Support-Free Days in Patients Hospitalized With COVID-19: A Randomized Clinical Trial', *The Journal of the American Medical Association*, Vol 329 (14), pp.1183–1196.  
doi:10.1001/jama.2023.4480

#### Fiorentino, Dr Stefania

Fiorentino, S., Livingstone, N., McAllister, P. and Cooke, H. (2022), 'The future of the corporate office? Emerging trends in the post-Covid city', *Cambridge Journal of Regions, Economy and Society*, Vol 15 (3), pp. 597–614.  
<https://doi.org/10.1093/cjres/rsac027>

#### Francois, Dr Liesbeth

François, L., 'Shaping the Right to the Megalopolis: Earthquake Crónicas in Mexico City', in *Routledge Companion to Literary Urban Studies*, Ameen, L. (ed.) Routledge (London, 2023).

#### Hammer, Dr Charlotte

Brainard, J., Jones, N.R., Harrison, F.C.D., Hammer, C.C. and Lake, I.R. (2023), 'Super-spreaders of novel coronaviruses that cause SARS, MERS and COVID-19: A systematic review', *Annals of Epidemiology*, Vol 82, pp. 66-76.e6.  
doi: 10.1016/j.annepidem.2023.03.009

#### Jones, Dr Ewan

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

#### Kennedy, Dr Sarah

Kennedy, S., 'Eliot among the Rag-Pickers: Waste, Hope, and the Ecocritical Imagination in The Waste Land' in *The T. S. Eliot Studies Annual Volume 5*, Dickey, F. and Daniel, J.E. (eds.), Liverpool University Press (Liverpool, 2023).

#### Kourtzi, Professor Zoe

Michael, E., Santamaria Covarrubias, L., Leong, V. and Kourtzi, Z. (2022), 'Learning at your brain's rhythm: individualized entrainment boosts learning for perceptual decisions', *Cerebral Cortex*, Vol 33 (9), pp. 5382–5394.  
bhac426, doi.org/10.1093/cercor/bhac426

#### Lander Johnson, Dr Bonnie

Lander Johnson, B. 'Fairy Bowers' and 'Precious Flowers' in Shakespeare's *A Midsummer Night's Dream* and Elizabethan Court Culture', in *Floral Culture and the Tudor and Stuart Courts*, Lyon-Whaley, S. (ed.), Amsterdam University Press (Amsterdam, publication due Feb 2024).

#### Ledgeway, Professor Adam

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

**Milton, Professor Amy**

Milton, A.L., Das, R.K. and Merlo, E. (2023), 'The challenge of memory destabilisation: from prediction error to prior expectations and biomarkers', *Brain Research Bulletin*, Vol 194, pp. 100–104.

**Moreno Figueroa, Dr Mónica G**

Contra o Racismo: Mobilização Para a Mudança Social Na América Latina, Moreno Figueroa, M.G. and Wade, P. (eds.), *Latin America Research Commons* (2023).  
<https://doi.org/10.2307/jj.3355124>

**Morgan, Dr John**

Wesołowski, P.A., Sieradzan, A.K., Winnicki, M.J., Morgan, J.W.R and Wales, D.J. (2023), 'Energy landscapes for proteins described by the UNRES coarse-grained potential', *Biophysical Chemistry*, Vol 303 (107107).  
<https://www.sciencedirect.com/science/article/pii/S0301462223001588>

**Muschitiello, Dr Francesco**

Muglia, J., Mulitza, S., Repschläger, J., Schmittner, A., Lembke-Jene, L., Lisiecki, L., Mix, A. et al. (2023), 'A global synthesis of high-resolution stable isotope data from benthic foraminifera of the last deglaciation', *Scientific Data*, Vol 10 (1):131.  
<https://www.nature.com/articles/s41597-023-02024-2>

**Pratt, Dr David**

*English Coronation Ordines in the Ninth and Early Tenth Centuries*, Pratt, D. (ed.), Henry Bradshaw Society Vol 125, Boydell Press (London, 2023).

**Scheidegger Laemmle, Dr Cedric**

*Cicero: Opera omnia. Ed. Andreas Cratander, Basel 1528. Facsimile of the copy of the University Library in Basel, with an introductory essay*, Scheidegger Laemmle, C. and Manuwald, G. (eds.) Schwabe Verlagsgruppe AG (Basel, 2022).

**Sheffield, Dr Frisbee**

Sheffield, F., 'Dover and Plato's Symposium: Attraction, Aversion and Intemperance' in *Scholarship and Controversy: Centenary Essays on the Life and Work of Kenneth Dover*, Halliwell, S. and Stray, C. (eds.), Bloomsbury Publishing (London, 2023).

**Virgo, Professor Graham**

Virgo, G., *The Principles of Equity and Trusts (5th ed)*, Oxford University Press (Oxford, 2023).

**Wales, Professor David**

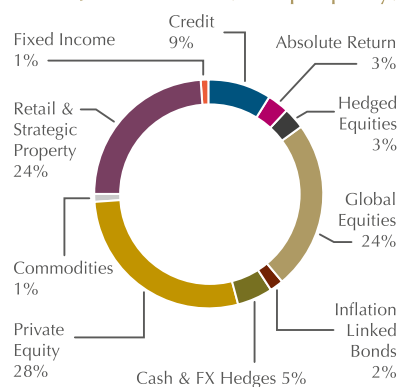
Csányi, G., Morgan, J.W.R. and Wales, D.J. (2023), 'Global analysis of energy landscapes for materials modeling: A test case for C60', *The Journal of Chemical Physics*, Vol 159 (10) 104107. <https://pubs.aip.org/aip/jcp/article/159/10/104107/2910708>

## 4. INVESTMENTS

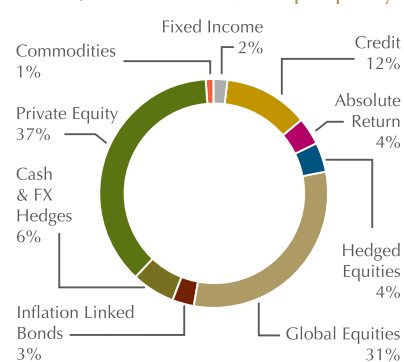
### Composition of Investment Portfolio

	30 June 2023 £	30 June 2022 £	30 June 2021 £
<b>1. Securities</b>			
Core Portfolio Cash	2,853,446	2,355,607	5,289,442
Forward Foreign Exchange Hedges	598,304	(1,674,741)	(352,835)
Fixed Income	875,699	—	—
Credit	6,539,731	8,218,234	5,530,926
Absolute Return	2,389,950	1,410,581	1,844,869
Hedged Equities	2,173,557	5,592,234	6,666,934
Global Equities	17,161,700	16,867,513	21,225,542
Private Equity	20,408,416	20,720,037	14,851,047
Inflation Linked Bonds	1,421,454	1,324,645	1,654,638
Commodity Fund	564,630	653,772	1,692,127
Total	54,986,886	55,467,881	58,402,691
Other Private Equity*	—	—	—
<b>TOTAL SECURITIES</b>	<b>54,986,886</b>	<b>55,467,881</b>	<b>58,402,691</b>
<b>2. Property</b>			
Office	4,730,000	4,700,000	4,270,000
Retail	11,741,000	10,005,000	9,950,000
Property Development	489,459	508,391	489,459
<b>TOTAL PROPERTY</b>	<b>16,960,459</b>	<b>15,213,391</b>	<b>14,709,459</b>
<b>TOTAL PORTFOLIO</b>	<b>71,947,345</b>	<b>70,681,272</b>	<b>73,112,150</b>
<b>Securities Equity Like Risk</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>

ASSET ALLOCATION AT  
30 JUNE 2023 (inc. property)



ASSET ALLOCATION AT  
30 JUNE 2023 (exc. property)



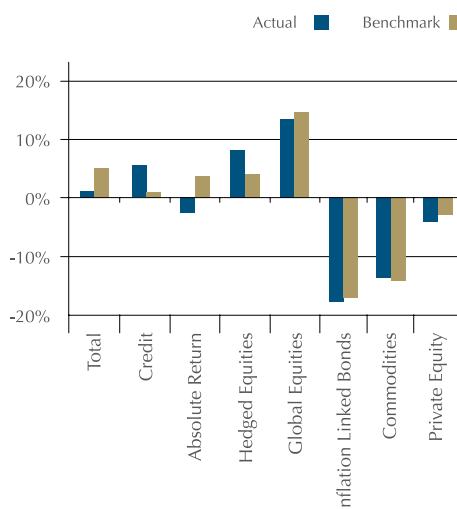
\* Includes donated shares in seven new ventures, held at nil value.

## ENDOWMENT & TOTAL RETURN

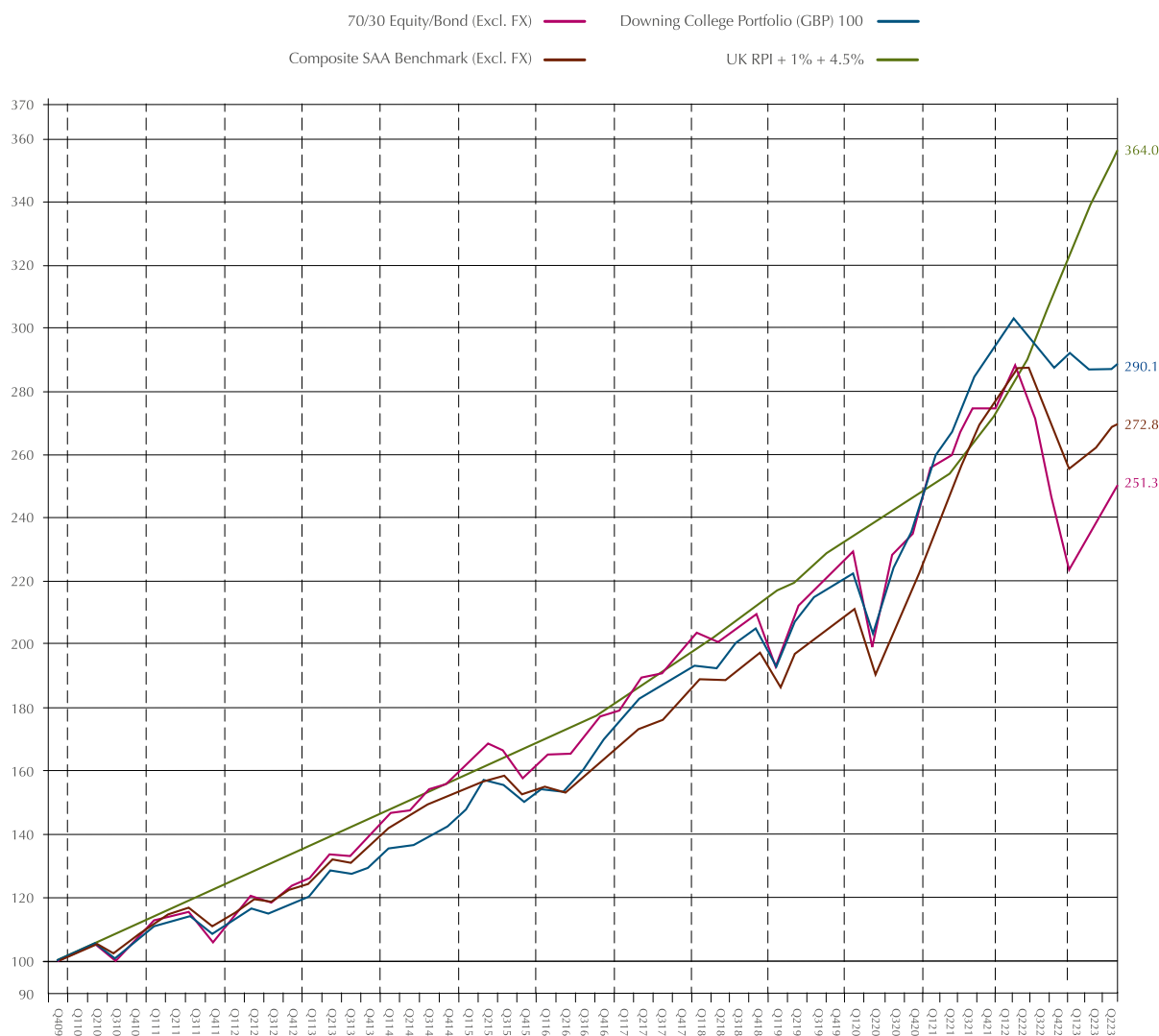


Note: £9 million added to endowment in 2019/20 from private placement and £3.25 million withdrawn in 2021/22

## SECURITIES RETURN AGAINST BENCHMARKS 2022/23



## 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 2023 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 2023 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 XX, 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: 20th December 2023

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 9. 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 2023 when measured against the previous year's market value was 4.5%.

Other Income

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

Cambridge Bursary Scheme

In 2022–23, 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 £177,763 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£219,677
Expenditure (see note 4)	£397,440

FOREIGN CURRENCY TRANSLATION

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

FIXED ASSETS

Land and Buildings

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

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

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

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

earliest buildings, designed by William Wilkins, form a significant part of the Domus and are listed as Grade I<sup>1</sup>. 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 £156.2 million.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

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

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

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

Leased assets

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

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

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

Heritage assets

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

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



## INVESTMENTS

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

### a) Securities

Securities are included at their open market value.

### b) Works of Art

Works of art and silver are shown in the accounts at their market value as assessed by Townley Valuation Services Limited on 18 October 2022. A review for impairment of works of art is carried out if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable.

### 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 2023.

## 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 2022-23, the College received £172,537 in refunds on purchases of £7.6 million.

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

## CONTRIBUTION UNDER STATUTE G,II

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

## PENSION COSTS

The College participates in the Universities Superannuation Scheme. The 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 2023

	Note	Unrestricted £000	Restricted £000	Endowment £000	2023 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000
<b>Income</b>									
Academic fees and charges	1	4,320	—	—	4,320	4,040	—	—	4,040
Accommodation, catering and conferences	2	7,119	—	—	7,119	5,450	—	—	5,450
Investment income	3	16	—	1,069	1,085	2	—	1,147	1,149
Endowment return transferred	3	1,392	1,480	(2,872)	—	1,248	1,277	(2,525)	—
Other income		277	—	—	277	129	—	—	129
<b>Total income before donations and endowments</b>		13,124	1,480	(1,803)	12,801	10,869	1,277	(1,378)	10,768
Donations		442	1,180	—	1,622	412	1,527	—	1,939
New endowments		—	1	833	834	—	1	1,289	1,290
Other capital grants for assets		—	9	—	9	—	59	—	59
<b>Total income</b>		13,566	2,670	(970)	15,266	11,281	2,864	(89)	14,056
<b>Expenditure</b>									
Education	4	4,927	1,975	—	6,902	4,504	1,582	—	6,086
Accommodation, catering and conferences	5	9,024	2	—	9,026	7,629	7	—	7,636
Other expenditure		569	1,477	(26)	2,020	1,038	742	114	1,894
<b>Total expenditure</b>	6	14,520	3,454	(26)	17,948	13,171	2,331	114	15,616
<b>(Deficit) / Surplus before other gains and losses</b>		(954)	(784)	(944)	(2,682)	(1,890)	533	(203)	(1,560)
Gain on disposal of fixed assets		—	—	—	—	—	—	—	—
Gain on investments		(565)	(46)	648	37	693	(9)	1,278	1,962
<b>(Deficit) / Surplus for the year</b>		(1,519)	(830)	(296)	(2,645)	(1,197)	524	1,075	402
<b>Other comprehensive income</b>									
Unrealised surplus on revaluation of fixed assets	8	—	—	—	—	—	—	—	—
Actuarial gain / (loss) in respect of pension schemes	14	125	—	—	125	485	—	—	485
<b>Total comprehensive income for the year</b>		(1,394)	(830)	(296)	(2,520)	(712)	524	1,075	887

The notes on pages 57 to 83 form part of these accounts

## STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 JUNE 2023

	Income and expenditure reserve				Total £000
	Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	
<b>Balance at 1 July 2022</b>	129,266	5,288	44,112	47,826	226,492
(Deficit)/ surplus from income and expenditure statement	(1,519)	(830)	(296)	—	(2,645)
Other comprehensive income	125	—	—	—	125
Release of restricted capital funds spent in year	9	(9)	—	—	—
Transfers between reserves	483	(57)	57	(483)	—
<b>Balance at 30 June 2023</b>	128,365	4,392	43,873	47,342	223,972

	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
(Deficit)/ 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

The notes on pages 57 to 83 form part of these accounts

## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023

	Note	2023 £000	2022 £000
<b>Non-current assets</b>			
Fixed assets	8	181,399	180,514
Investments	9	79,257	78,302
<b>Total non-current assets</b>		<b>260,656</b>	<b>258,816</b>
<b>Current assets</b>			
Stocks		142	140
Trade and other receivables	10	1,043	1,545
Cash and cash equivalents	11	1,945	1,319
<b>Total current assets</b>		<b>3,130</b>	<b>3,004</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(3,812)</b>	<b>(3,099)</b>
<b>Net current liabilities</b>		<b>(682)</b>	<b>(95)</b>
<b>Total assets less current liabilities</b>		<b>259,974</b>	<b>258,721</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<b>(34,205)</b>	<b>(30,288)</b>
<b>Provisions</b>			
Pension provisions	14	(1,797)	(1,941)
<b>Total net assets</b>		<b>223,972</b>	<b>226,492</b>
<b>Restricted reserves</b>			
Income and expenditure reserve – endowment reserve	15	43,873	44,112
Income and expenditure reserve – restricted reserve	16	4,392	5,288
		<b>48,265</b>	<b>49,400</b>
<b>Unrestricted reserves</b>			
Income and expenditure reserve – unrestricted		128,365	129,266
Revaluation reserve		47,342	47,826
		<b>175,707</b>	<b>177,092</b>
<b>Total reserves</b>		<b>223,972</b>	<b>226,492</b>

The financial statements were approved by the Governing Body on 24th November 2023 and signed on its behalf by:



Graham Virgo, Master

The notes on pages 57 to 83 form part of these accounts



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £000	2022 £000
<b>(Deficit) / Surplus for the year</b>		(2,645)	402
<b>Adjustment for non-cash items</b>			
Depreciation		2,406	2,387
Gain on Endowments, Donations and Investment Property		(63)	(1,848)
(Increase) / decrease in stocks		(2)	11
Decrease in trade and other receivables		633	644
Increase in creditors		477	3
Pension costs less contributions payable		(19)	613
<b>Adjustment for investing or financing activities</b>			
Investment income		(1,085)	(1,149)
Interest payable		856	752
Profit of disposal of non-current fixed assets		—	—
<b>Net cash inflow from operating activities</b>		558	1,815
Proceeds from sales of non-current fixed assets		—	—
Non-current investment disposal		—	—
Investment income		2,838	2,639
Endowment funds invested		(2,567)	(1,182)
Withdrawal of deposits		—	3,250
Payments made to acquire non-current assets		(3,291)	(6,817)
<b>Cash flows from investing activities</b>		(3,020)	(2,110)
Interest received		16	2
Interest paid		(856)	(752)
New unsecured loan		4,000	—
New finance lease		—	—
Repayment of loans		(72)	(68)
<b>Cash flows from financing activities</b>		3,088	(818)
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		626	(1,113)
<b>Cash and cash equivalents at beginning of the year</b>		1,319	2,432
<b>Cash and cash equivalents at end of the year</b>	11	1,945	1,319

The notes on pages 57 to 83 form part of these accounts

# NOTES TO THE ACCOUNTS

## NOTES TO THE ACCOUNTS

### 1. Academic Fees and Charges

	2023 £000	2022 £000
College fees:		
Fee income received at the regulated undergraduate rate	1,865	1,851
Fee income received at the unregulated undergraduate rate	769	658
Fee income received at the graduate rate	1,362	1,331
	3,996	3,840
Cambridge Bursary Scheme income	220	118
Research/Teaching Grants	90	65
Other income	14	17
<b>Total</b>	<b>4,320</b>	<b>4,040</b>

### 2. Income from accommodation, catering and conferences

	2023 £000	2022 £000
Accommodation		
College Members	3,727	3,577
Conferences	1,326	572
International programmes	—	—
Catering		
College Members	820	716
Conferences	1,246	585
International programmes	—	—
<b>Total</b>	<b>7,119</b>	<b>5,450</b>

### 3. Endowment return and Investment Income

	2023 £000	2022 £000
<b>3a. Analysis</b>		
Total return contribution (see note 3b)	2,872	2,525
Other interest receivable	16	2
	2,888	2,527

## NOTES TO THE ACCOUNTS CONTINUED

### 3b. Summary of Total Return

	2023 £000	2022 £000
<b>Income from:</b>		
Land and buildings	980	871
Quoted and other securities and cash	89	276
<b>Gains/(losses) on investment assets:</b>		
Land & Buildings	(26)	485
Quoted and other securities and cash	63	673
Investment management costs (see note 3c)	26	(114)
<b>Total return for year</b>	<b>1,132</b>	<b>2,191</b>
Total return transferred to income and expenditure reserve	(2,872)	(2,525)
<b>Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 17)</b>	<b>(1,740)</b>	<b>(334)</b>

### 3c. Investment Management Costs

	2023 £000	2022 £000
Land & Buildings	22	18
Quoted securities and other investments	(48)	96
	<b>(26)</b>	<b>114</b>

### 4. Education expenditure

	2023 £000	2022 £000
Teaching	2,887	2,565
Tutorial	1,038	930
Admissions	939	801
Research	312	313
Scholarships and awards	1,006	805
Other educational facilities	720	672
<b>Total</b>	<b>6,902</b>	<b>6,086</b>

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £397,440 (2022 - £282,073).

## NOTES TO THE ACCOUNTS CONTINUED

### 5. Accommodation, catering and conferences expenditure

		2023 £000	2022 £000
Accommodation	College Members	4,553	4,082
	Conferences	1,891	1,571
Catering	College Members	1,314	1,196
	Conferences	1,268	787
<b>Total</b>		<b>9,026</b>	<b>7,636</b>

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

### 6a. Analysis of 2022/2023 expenditure by activity

	Staff Costs (Note 7) £000	Other Operating Expenses £000	Depreciation £000	Total £000
Education	3,103	3,157	642	6,902
Accommodation, catering and conferences	4,127	3,156	1,743	9,026
Other	395	1,604	21	2,020
<b>Totals</b>	<b>7,625</b>	<b>7,917</b>	<b>2,406</b>	<b>17,948</b>

### 6b. 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>

The above expenditure includes £533,794 as the direct cost of fundraising (2022 - £490,030). This expenditure includes the costs of alumni relations.

### 6c. Auditors' remuneration

	2023 £000	2022 £000
<b>Other operating expenses include:</b>		
Audit fees payable to the College's external auditors	24	22
Other fees payable to the College's external auditors	7	4

## NOTES TO THE ACCOUNTS CONTINUED

<b>7. Staff Costs</b>	College Fellows £000	Non-Academics £000	Total 2023 £000	Total 2022 £000
<b>Staff Costs</b>				
Emoluments	1,302	5,321	6,623	5,374
Social Security Costs	102	423	525	410
Other Pension Costs	137	340	477	1,107
	<b>1,541</b>	<b>6,084</b>	<b>7,625</b>	<b>6,891</b>
<b>Average staff numbers (full-time equivalents):</b>				No
Academic	48	—	48	46
Non-academic	3	153	156	134
<b>Total</b>	<b>51</b>	<b>153</b>	<b>204</b>	<b>180</b>

The Governing Body comprises 51 Fellows, of which 47 are stipendiary.

The number of officers and employees of the College, including the Head of House, who received emoluments in the following range was:

From	To	2022-23 Number	2021-22 Number
100,001	110,000	1	—
<b>Total</b>		<b>1</b>	<b>—</b>

### 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.

	2023 £000	2022 £000
Aggregate Emoluments	187	182

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 2022	178,751	11,962	1,055	191,768
Additions at cost	2,844	406	41	3,291
Disposals	—	—	—	—
Revaluation	—	—	—	—
As at 30 June 2023	181,595	12,368	1,096	195,059
Depreciation				
As at 1 July 2022	1,762	8,928	564	11,254
Charge for the year	1,715	657	34	2,406
Disposals	—	—	—	—
Revaluation	—	—	—	—
As at 30 June 2023	3,477	9,585	598	13,660
Net Book value				
As at 30 June 2023	178,118	2,783	498	181,399
As at 1 July 2022	176,989	3,034	491	180,514

The insured value of freehold land and buildings as at 30 June 2023 was £151,601,478 (2022 - £156,193,568).

The value of the land, included in College Buildings and Site, as at 30 June 2023 was £58,166,000 (2022 - £56,866,000).

## NOTES TO THE ACCOUNTS CONTINUED

### 9. Investments

	2023 £000	2022 £000
<b>Consolidated and College</b>		
As at 1 July	78,302	79,763
Additions	13,762	16,401
Disposals	(12,275)	(20,231)
Gains	(1,030)	5,174
Increase / (decrease) in cash balances held at fund managers	498	(2,805)
As at 30 June	79,257	78,302

#### Represented by:

Property	16,961	15,213
Securities	52,134	53,112
Cash with agents	2,853	2,356
Works of art	6,142	6,131
Over distribution of market value of funds	707	1,030
Investment in Cambridge Colleges Funding Plc	5	5
Investment in Cambridge Colleges Funding II Plc	5	5
Land	450	450
	79,257	78,302

### Subsidiary Company

At 30 June 2023 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 2023 £000	College 2023 £000	Consolidated 2022 £000	College 2022 £000
Members of the College	187	187	220	220
Amounts due from group companies	—	942	—	1,127
Other receivables	435	225	710	413
Prepayments	421	421	615	615
	1,043	1,775	1,545	2,361

### 11. Cash and cash equivalents

	Consolidated 2023 £000	College 2023 £000	Consolidated 2022 £000	College 2022 £000
Bank deposits	612	612	462	462
Current accounts	1,332	114	856	166
Cash in hand	1	1	1	1
	1,945	727	1,319	629

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

	Consolidated 2023 £000	College 2023 £000	Consolidated 2022 £000	College 2022 £000
Trade creditors	918	866	1,099	985
Members of the College	322	322	318	318
Amounts due to group companies	—	8	—	120
University fees	12	12	5	5
Other creditors	2,488	2,163	1,608	1,260
Obligations under finance leases	72	72	69	69
	3,812	3,443	3,099	2,757

## NOTES TO THE ACCOUNTS CONTINUED

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

	Consolidated 2023 £000	College 2023 £000	Consolidated 2022 £000	College 2022 £000
Long term bank loan	5,479	5,479	5,478	5,478
Other loans	28,593	28,593	24,606	24,606
Obligations under finance leases	133	133	204	204
	34,205	34,205	30,288	30,288

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

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

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

During 2022-23, the College borrowed £4m from the bank. The loan is unsecured and repayable in 2028 at a floating rate of base rate plus 1%.

### 14. Pension provisions

Group and College	CCFPS £000	USS £000	2023 £000	2022 £000
Balance at beginning of year	791	1,150	1,941	1,813
<b>Movement in year:</b>				
Current service cost	15	(672)	(657)	15
Contributions	(54)	(26)	(80)	(80)
Change in expected contribution	—	650	650	650
Other finance cost	30	38	68	28
Actuarial (gain) / loss	(125)	—	(125)	(485)
Balance at end of year	657	1,140	1,797	1,941

## NOTES TO THE ACCOUNTS CONTINUED

### 15. Endowment funds

Restricted net assets relating to endowments are as follows:

<b>Consolidated and College</b>	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2023 Total £000	2022 Total £000
<b>Balance at beginning of year</b>				
Capital	32,258	11,854	44,112	43,049
New donations and endowments	818	15	833	1,289
(decrease/increase in market value of investments)	(851)	(278)	(1,129)	(214)
Transfers between reserves	57	—	57	(12)
<b>Balance at end of year</b>	<b>32,282</b>	<b>11,591</b>	<b>43,873</b>	<b>44,112</b>
<b>Analysis by type of purpose:</b>				
Fellowship Funds	9,917	—	9,917	10,161
Scholarship Funds	7,773	600	8,373	8,588
Prize Funds	508	26	534	547
Hardship Funds	5,030	—	5,030	4,754
Bursary Funds	50	—	50	51
Grant Funds	5,871	11	5,882	6,025
Other Funds	3,133	1,786	4,919	4,621
General Funds	—	9,168	9,168	9,365
	<b>32,282</b>	<b>11,591</b>	<b>43,873</b>	<b>44,112</b>
<b>Analysis by asset</b>				
Property	8,006	2,874	10,880	9,910
Investments	22,889	8,219	31,108	32,614
Cash	1,387	498	1,885	1,588
	<b>32,282</b>	<b>11,591</b>	<b>43,873</b>	<b>44,112</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	2023 Total £000	2022 Total £000
<b>Balance at beginning of year</b>					
Capital	—	3,562	—	3,562	3,081
Accumulated income	—	—	1,726	1,726	1,730
	—	3,562	1,726	5,288	4,811
New grants	9	—	—	9	59
New donations	—	1,157	24	1,181	1,528
Investment income	—	1,405	75	1,480	1,277
Decrease in market value of investments	—	—	(46)	(46)	(9)
Expenditure	—	(3,363)	(91)	(3,454)	(2,331)
Capital grants utilised	(9)	—	—	(9)	(59)
Transfer to/(from) reserves	—	(51)	(6)	(57)	12
<b>Balance at end of year</b>	—	2,710	1,682	4,392	5,288
Comprising Capital	—	2,710	—	2,710	3,562
Accumulated income	—	—	1,682	1,682	1,726
	—	2,710	1,682	4,392	5,288
<b>Analysis of other restricted funds/donations by type of purpose</b>					
Fellowship Funds	—	302	—	302	281
Scholarship Funds	—	135	212	347	361
Prize Funds	—	27	—	27	26
Hardship Funds	—	150	—	150	22
Grant Funds	—	1,579	1,028	2,607	3,677
Other Funds	—	517	442	959	921
	—	2,710	1,682	4,392	5,288

## NOTES TO THE ACCOUNTS CONTINUED

### 17. Memorandum of Unapplied Total Return

	2023 £000	2022 £000
Unapplied total return at beginning of year	24,445	24,779
Unapplied total return for the year	(1,740)	(334)
Unapplied total return at end of year	22,705	24,445

### 18. Reconciliation and analysis of net debt

	At 1 July 2022 £000	Cash Flows £000	New finance leases £000	Other non- cash changes £000	At 30 June 2023 £000
Cash and cash equivalents	1,319	626	—	—	1,945
<b>Borrowings:</b>					
Amount falling due within one year:					
Obligations under finance leases	(69)	77	—	(80)	(72)
Amount falling due after more than one year:					
Obligations under finance leases	(204)	—	—	71	(133)
Unsecured loans	(30,084)	(4,000)	—	12	(34,072)
<b>Total net debt</b>	<b>(29,038)</b>	<b>(4,309)</b>	<b>—</b>	<b>3</b>	<b>(32,332)</b>

### 19. Financial instruments

	2023 £000	2022 £000
<b>Financial assets at fair value through Statement of Comprehensive income</b>		
Listed equity investments (note 9)	52,134	53,112
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Cash and cash equivalents (note 9 and 11)	4,799	3,675
Other equity investments (note 9)	10	10
Other debtors (note 10)	629	1,126
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Loans (note 13)	34,633	30,500
Trade creditors (note 12)	902	1,099
Other creditors (note 12)	2,563	1,677

## NOTES TO THE ACCOUNTS CONTINUED

### 20. Capital commitments

	2023 £000	2022 £000
<b>Capital commitments at 30 June 2023 are as follows -</b>		
Authorised and contracted	14	670
Authorised but not yet contracted for	1,979	202

### 21. Financial Commitments

	2023 £000	2022 £000
At 30 June 2023, the College had annual commitments under non-cancellable operating leases as follows:		
<b>Land and buildings:</b>		
Expiring within one year	153	153
Expiring between two and five years	205	349
Expiring in over 5 years	223	232
<b>Other:</b>		
Expiring within one year	1	3
Expiring between two and five years	5	5

### 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 2023 was as follows:

	2023 £000	2022 £000
USS: Contributions	295	274
CCFPS: Charged to income and expenditure account	53	54
Other pension schemes: Contributions	216	196
	<b>564</b>	<b>524</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:

	<b>2020 valuation</b>
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:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A 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 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	5.00%	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 2023, 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:

	2023 % p.a.	2022 % p.a.
Discount rate	5.20	3.80
Increase in salaries	n/a	3.25
Retail Price Index (RPI) assumption	3.40*	3.45*
Consumer Price Index (CPI) assumption	2.80*	2.75*
Pension increases in payment (RPI max 5% p.a.)	3.30*	3.30*
Pension increases in payment (CPI max 2.5%)	2.05*	2.05*

\*For 1 year only, we have assumed that RPI 9% and CPI will be 7%. 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\_2022 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\_2021 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 21.4 years (previously 21.9 years)
- Female age 65 now has a life expectancy of 23.9 years (previously 24.3 years)
- Male age 45 now and retiring in 20 years has a life expectancy of 22.6 years (previously 23.2 years)
- Female age 45 now and retiring in 20 years would have a life expectancy of 25.3 years (previously 25.7 years)

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

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

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

## NOTES TO THE ACCOUNTS CONTINUED

### 22. Pension Schemes continued

#### Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2023 (with comparative figures as at 30 June 2022) are as follows:

	2023 £000	2022 £000
Market value of scheme assets	4,075	4,873
Present value of scheme liabilities	(4,732)	(5,664)
<b>Net defined benefit (liability)</b>	<b>(657)</b>	<b>(791)</b>

The amounts recognised in the income and expenditure account for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023 £000	2022 £000
Current service cost	14	15
Interest on net defined benefit liability	30	23
<b>Total charge</b>	<b>44</b>	<b>38</b>

Changes in the present value of the scheme liabilities for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023 £000	2022 £000
Present value of scheme liabilities at beginning of period	5,664	7,173
Current service cost (including employee contributions)	—	2
Benefits paid	(196)	(244)
Interest on scheme liabilities	212	127
Actuarial (gains) / losses	(948)	(1,394)
<b>Present value of Scheme liabilities at end of period</b>	<b>4,732</b>	<b>5,664</b>

## NOTES TO THE ACCOUNTS CONTINUED

### 22. Pension Schemes continued

Changes in the fair value of scheme assets for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023 £000	2022 £000
Market value of scheme assets at beginning of period	4,873	5,881
Contributions paid by the College	53	54
Benefits paid	(196)	(244)
Administration expenses paid	(17)	(16)
Interest on scheme assets	181	104
Return on assets, less interest included in profit and loss	(819)	(906)
<b>Market value of Scheme assets at end of period</b>	<b>4,075</b>	<b>4,873</b>
Actual return on scheme assets	(638)	(802)

The major categories of scheme assets as a percentage of total Scheme assets at 30 June 2023 (with comparative figures at 30 June 2022) are as follows:

	2023	2022
Equities	49%	52%
Bonds & Cash	38%	34%
Properties	13%	14%
<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 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023 £000	2022 £000
Actuarial return less expected return on scheme assets	(819)	(906)
Experience gains and losses arising on scheme liabilities	(4)	(535)
Changes in assumptions underlying the present value of scheme liabilities	948	1,926
<b>Actuarial gain / (loss) recognised in OCI</b>	<b>125</b>	<b>485</b>

## NOTES TO THE ACCOUNTS CONTINUED

### 22. Pension Schemes continued

Movement in net defined benefit liability during the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023 £000	2022 £000
Deficit in scheme at beginning of year	(791)	(1,292)
Recognised in Profit and Loss	(44)	(38)
Contributions paid by the College	53	54
Actuarial gain recognised in SOCIE	125	485
<b>Deficit in scheme at the end of the year</b>	<b>(657)</b>	<b>(791)</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 2021 and are as follows:

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

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

#### *Defined Contribution Pension Schemes*

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £215,820 (2022 - £195,565) of which £nil (2022 - £30,864) 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	2022-23 Number	2021-22 Number
0	10,000	28	28
10,001	20,000	7	7
20,001	30,000	6	6
30,001	40,000	3	1
40,001	50,000	4	4
50,001	60,000	2	2
60,001	70,000	—	—
70,001	80,000	1	—
80,001	90,000	—	1
90,001	100,000	1	1
100,001	110,000	1	—
Total		53	50

## NOTES TO THE ACCOUNTS CONTINUED

### 24. Related Party Transactions continued

The total Trustee salaries were £1,019,150 for the year (2021/22 - £817,327).

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £280,510 for the year (2021/22 - £239,194).

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 2022	8,149	296
Income	214	13
Expenditure	—	(13)
Change in Market Value of Investments	(130)	(8)
Closing Balance at 30 June 2023	8,233	288

## 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	—	12
Angharad John Fellowship	5	391
Alwyn W Heong Fund	—	329
Barry Moore Economics Prize Fund	—	18
Bathey Fund	—	12
Beinan Lu Fund	—	4
Bill Willetts Fund	—	—
B J Everitt Prize Fund	—	20
Blankenship Book Fund	—	16
Blankenship Law Fund	—	32
Bookbinder Travel Awards	10	10
Bradbrook Fund	—	15
Brammer Fellowship in Geography	—	1,136
Buchanan Fund	—	319
Charles Campbell Book Fund	—	5
S M and H Haniff Prize	—	43
Cockerell Fund	—	30
Collins Fund	—	253
Darley Fund	—	392
Darley Sands Postgraduate Studentship	—	168
Downing Association Fund	10	60
Edward Collins Fund	—	148
Ernest William Denham Fund	—	35
Everitt Fund	—	2
Everitt Butterfield Fund	2	1,414
Fahrenwaldt Fund	—	17
Ferreras Willetts Fund	—	360
Florence & David Jacobs Memorial Prize	—	10
Fritsch Fund	—	598
Carried forward	27	5,849

## 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	27	5,849
Formoso—Papalios	—	49
Fu Fund	—	7
Gamlingay Fund	—	100
Geoffrey Grimmett Prize	—	8
Gelber Bequest	—	13
Graystone Fund	—	226
Gulbenkian Fund	—	3
Hall Fund	—	14
Harold Hargreaves Prize	—	7
Harris Fund	—	573
Harrison Fund	—	—
Harrison Prize Fund	—	4
Hopkins Parry Fund	—	1,380
John Hopkins Fund	399	858
John Hopkins Supervision Fund	2	308
John Miller Scholarships	8	2,019
Hugh Brammer Fund	—	96
Ivor Evans Fund	—	26
Jan Hruska Fund	—	330
Jean Ruhman Fund	—	12
John Hawkins Mays Wild Fund	—	11
John Maples America Fund	—	195
Johnston Fund	—	2
Joseph Tcheng Prize	—	16
Judy Petty Book Prize & Scholarship	—	28
Kim and Julianna Silverman Research Fellowship	—	1,096
Percy Lander Research Fund	—	349
Lander Fund	—	13
Carried forward	436	13,592



## 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	436	13,592
Landrum & Brown Scholarship Fund	—	17
Lord Butterfield Fund	—	233
Mays Wild Fund	—	784
Matthews/McKinley Travel Fund	2	20
Alfred Monk Fund	—	308
John H Morrison Prize in Law	—	33
Moullin Fund	—	3
Oon Khye Beng Ch'hia Tsio Memorial Fund	—	571
Oon Khye Beng Ch'hia Tsio Memorial Prize Fund	—	164
Professor Gabriel Oon Prize	—	7
Osler Fund	—	129
Owens Fund	—	485
Pask Prize	—	—
Perry Fund	—	—
Peter Mathias Economics Prize Fund	—	2
Pilley Fund	—	459
Platt Fund	—	39
Poulton Fund	—	629
Professor Audus Botanical Fund	—	21
Purcell Fund	—	—
Richards Fund	—	67
Robertson Research Fellowship Fund	—	925
Robson Physics Prize	—	9
Robson Postgraduate Fund	—	381
Saint Fund	—	54
Saunders Fund	—	55
Savile Fund	—	170
Carried forward	438	19,157

## 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	438	19,157
Schreiner Fund	—	82
Seton Fund	—	96
Seton Cavendish Fund	—	2,674
Shallard Fund	—	—
Sir Arthur Watts Choral Awards	—	16
Stephen Peel Fellowship Fund	—	386
Stevens Fund	—	5
Susan & Geoffrey Eggington Scholarship	—	20
Sutcliffe Legacy	—	751
TG Jones Fund	—	941
Thomas Fund	—	24
Thrower Fund	5	91
Timothy Walton Remembrance Fund	—	78
Treherne Fund	—	141
Unwin Fund	—	75
Verjee Fellowship Fund	—	348
Verney Fund	—	2
Michael Waring Fund	—	106
Warner—Lambert Fund	—	263
Whitby Memorial Fund	—	509
White Fund	—	9
Whitelegg Fund	—	72
Whitworth Fund	12	2,661
Wicks Travel Fund	—	18
Williams Downing Fellowship	17	520
Wilsey & Lerch Scholarship in Economics	—	79
Wyatt Fund	—	2
Carried forward	472	29,126

## 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	472	29,126
Postgraduate Studentship Fund	1	7
Student Hardship Endowment	53	493
Student Support Endowment	135	1,194
1970's Grant Fund	—	94
Alumni Sport Fund	—	68
Fundraising - Teaching	10	223
Fundraising - Access	2	803
Catalysis - Teaching & Learning	4	217
Catalysis - Research & Discovery	—	18
Catalysis - Heritage & Environment	3	61
Catalysis - Support & Services	—	293
Catalysis - Culture & Community	—	13
Other	136	311
	816	32,921
<i>Restricted expendable</i>		
Bartram Fund	-	162
Colin Hill Fund	-	2
Lt. Colonel Anderson Trust Fund	-	131
Goodey Fund	-	212
Richens Fund	-	746
Treherne Prize Fund	-	14
Student Hardship (Spend Down)	159	158
The Great Tradition	1	117
Segreants Fund	22	120
Catalysis Conference Fund	-	-
Catalysis Research Fund	-	196
Downing Enterprise	13	95
1717 Fund	151	112
Voellm-Hruska Studentship	-	66
Tazaki Studentship	-	932
Fundraising - Buildings	-	61
Other	845	629
	1,191	3,753
<b>Total Restricted Funds</b>	<b>2,007</b>	<b>36,674</b>

## 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	—	42
Goodey Fund	—	—
Jarvis Fund	—	52
Library Endowment Fund	—	1,427
Richmond Fund	—	267
Stenning Fund	—	72
Stevenson Fund	—	2
Whalley-Tooker Fund	—	21
Yates Fund	—	11
Young Fund	—	239
Singer Fund (Pension Trust)	—	288
Smyth Bequest	—	642
Fleet Bequest	—	68
Deryk Prosser Fund	—	551
Corporate Capital Fund	—	1,179
General Capital	—	6,727
	—	11,591
<b>Total Restricted Reserves</b>	<b>2,007</b>	<b>48,265</b>
<i>Unrestricted</i>		
Designated Buildings	—	130,775
Corporate Capital Fund	—	22,956
Singer Fund (Will Trust)	—	8,233
General Capital and Other	457	(37,126)
Revaluation Reserves	—	52,653
Pension Reserves	—	(1,797)
	457	175,694
<b>Total Unrestricted Funds</b>	<b>457</b>	<b>175,694</b>
<b>Total Reserves</b>	<b>2,464</b>	<b>223,959</b>



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