

Fitzwilliam College
Annual Report and
Financial Statements

For the Year ended 31st July 2022
Registered Charity No. 1137496

2022

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INTRODUCTION AND SUMMARY FINANCIAL PERFORMANCE

Introduction

Fitzwilliam College is a modern, open-minded, inclusive academic community with a unique history. It is one of 31 colleges in the University of Cambridge. The College's identity is built upon our founding ethos to offer opportunity to those left outside of the traditional structures of the Collegiate Cambridge system. Access to education is in our DNA. We remain passionately proud and committed to this founding purpose. Coupled with this, is the College's commitment to providing an environment for academic excellence to flourish so that our wider impact is felt in the life-changing higher education and ground-breaking research that happens at 'Fitz'.

The College has around 1,000 members including students, Fellows, Bye-Fellows and staff members and occupies a seven-acre site between Huntingdon Road and Storey's Way. The site comprises new buildings built between the 1960s and 2000s, incorporating the regency house 'The Grove' and extensive landscaped gardens. The residential buildings include 385 rooms for students together with residential sets and offices for Fellows and Bye-Fellows. Other buildings house a library, a chapel, an auditorium, a dining hall, seminar rooms, teaching rooms, common rooms, a gym, squash courts and other shared spaces. In addition, the College owns 28 External Properties, the majority located close to the College, offering accommodation for a further 242 students.

The College is a Registered Charity, regulated by the Charity Commission and is registered with the Fundraising Regulator. The accounts follow Financial Reporting Standard (FRS) 102 and are presented in the format of the Recommended Cambridge College Accounts (RCCA), which comply with the Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

Summary Financial Performance

The financial statements consolidate the activities of the College and the College's trading subsidiary.

The financial performance for the year ended 31st July 2022, highlights that whilst the College returned to a normal operating environment with the impact of the pandemic diminishing (except for the College's commercial conference activity) this has been replaced with an uncertain economic environment and intense inflationary pressure. For the year, the College recorded income from Total Activity of £14.42 million, expenditure from Total Activity of £14.52 million and a deficit of £0.10 million (2020-21: deficit of £2.14 million), before gain/loss on investments.

Unrestricted Activity, which is a more accurate reflection of the College's performance, showed a deficit for the year of £0.60 million (2020-21: deficit of £1.81 million). This figure includes income relating to the Colleges' Fund grant and the CJRS. The College's operating performance for the year, if adjusted for these items, was an operating deficit of £1.34 million (2020-21: deficit of £3.23 million). The operating deficit highlights the scarring that the pandemic has left on the College's financial position and the on-going financial challenges we face.

The College's total net assets at year-end stood at £153.19 million. Our Investments consist of a Discretionary Investment Portfolio and the External Properties. At year-end the value of Investments was £95.10 million. During the year, the College adopted a new responsible investment policy that ensured our investments are managed not just based on their financial performance and value for money, but also requiring that they embody the College's social purpose and the example we set as a community to others. The value of the College's Endowment Reserve at year-end was £77.57 million and the value of the Restricted Reserve was £6.44 million. As a result, the College's 'free' reserves stood at £11.09 million (the difference between the value of Investments and the Endowment and Restricted reserves). In January 2022, the College significantly improved its capital structure by issuing a £20.00 million, unsecured, 50-year, 1.54% fixed rate Private Placement.

The uncertain economic environment and intense inflation together with the legacy of the pandemic will continue to put strain on the College's financial position over the next 12 to 18 months. The College is confident it has sufficient financial resources in the form of liquidity and reserves to meet these financial challenges.

Further details on the College's financial performance are set out on pages 12 to 17 of this report.

Fitzwilliam College
Storey's Way
Cambridge
CB3 0DG

Website: www.fitz.cam.ac.uk
Charity Registration number: 1137496

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Trustees (Members of the Governing Body). Members of the Governing Body receive no remuneration for acting in that capacity. However, remuneration is paid to those members holding positions as officers of the College.

Members of the Governing Body during the year were as follows:

Officers of the College

Master: Baroness Morgan of Huyton*
 Bursar: Mr R G Cantrill*
 Senior Tutor: Dr P A Chirico*

Dr J M Cullen*
 Mr R J A Hooley (retired 30/09/2021)
 Professor D J Cole
 Professor D A Cardwell
 Dr J D Leigh
 Dr H A Chalmers*
 Professor B Vira*
 Professor R S Langley (retired 30/09/21)
 Professor E Mastorakos
 Professor D A Coomes
 Professor M J Millett
 Dr R D Camina
 Dr A G Kovalev
 Professor S Mukherji
 Dr D R E Abayasekara*
 Professor J A Elliott*
 Professor A E H Wheatley
 Professor K Saeb-Parsy
 Dr S S Owen*
 Professor P J Rentfrow
 Professor S J Gathercole*
 Professor M B Wingate
 Mr F Knights
 Professor J K Aitken*
 Dr A M Watson
 Professor A P Jardine
 Professor K J Boddy
 Dr S J Sawiak
 Professor E Lees (on secondment from 01/09/21)
 Dr G N Glickman

Dr J Guarneri
 Dr N K Jones*
 Professor I M Tsimpli*
 Professor C Genakos
 Professor R C Powell
 Professor M H Kenny
 Dr B Wiedemann*
 Dr C Mostajeran
 Dr A A J D'Sa
 Dr J W Rogers
 Dr P Mendes Loureiro
 Dr C N Abadie
 Dr J-M Johnston
 Dr S S Martin
 Dr C Vidal
 Dr C Chassonnery-Zaïgouche
 Dr O Pevny
 Professor S Keshav
 Professor G E D Oldroyd
 Dr R J Hill
 Dr E Galliano
 Dr G E M Wilson
 Mr P O'Connor
 Dr I Fanlo (appointed 01/08/2021)
 Dr C Harvey (appointed 01/10/2021)
 Dr E A Lees (appointed 01/10/2021)
 Dr T L Williams (appointed 01/10/2021)
 Dr D Luca (appointed 01/10/2021)

*Also served on College Committee

Principal advisers

Auditors

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

Property Managers

Bidwells
 Trumpington Road
 Cambridge
 CB2 9LD

Bankers

Barclays Bank plc
 9-11 St Andrews Street
 Cambridge
 CB2 3AA

Investment Managers

J.P. Morgan International Bank Limited
 25 Bank Street
 Canary Wharf
 London
 E14 5JP

Legal Advisers

Hewitsons LLP
 Shakespeare House
 42 Newmarket Road
 Cambridge
 CB5 8EP

ANNUAL REPORT OF THE GOVERNING BODY

Aims and objectives of the College

The principle charitable objectives of the College, set out in the College's Charter and application for charity registration, are:

- To advance education, religion, learning and research in the University; and
- To provide a College wherein members of the University may work for Degrees in the University or may carry out postgraduate or other special studies at Cambridge.

The College's new strategic plan (the 'College Plan'), that it started to implement during the year, seeks to ensure that the charitable objectives of the College are applied in a current context.

Our Values

- Community as our foundation;
- Supporting Excellence; and
- Concerned with our purpose.

Community as our foundation

The founding ethos of the College was to offer opportunity to those left 'outside' the traditional structures of Collegiate Cambridge and we are passionately proud and committed to this founding purpose. We are a College in the University of Cambridge, but we retain and confidently assert our own identity. Our work to nurture and develop a representative community will constantly evolve to identify and address those barriers present today, not just in terms of student access but also throughout the Fellowship and non-academic staff body.

From this foundation of community comes shared benefits and collective responsibilities: a guarantee of inclusion and space to be oneself; principles of fairness and mutual respect; and investment in academic excellence and achievement, personal and professional development, and physical and mental wellbeing.

Supporting excellence

The College's core activity is to provide a world-class educational environment for our students and to be a meaningful space for open-minded academic discussion and collaboration.

We work hard to identify those undergraduate and postgraduate students with the highest academic potential, and to support them through their application, their time at the College and into professional life thereafter. The College is a unique space for the sharing of ideas between students, academic staff, non-academic staff, alumni and the wider community. We create opportunities to promote imaginative collaborations, share research and develop public engagement skills. We continue to play an active and engaged role in the governance and academic life of the University.

We are motivated to achieve the highest standards in the operation of the College and in the investment into our infrastructure and estate – from the technology we use in our work, to the gardens we enjoy at our leisure. All academic and non-academic staff members of the College will be supported by fair salaries and benefits and opportunities to participate in the intellectual life of the College.

Concerned with our purpose

We recognise that the social purpose of a university extends beyond the world of academia. This means that we are concerned with the wider impacts of the College's work and the example we set as a community.

We know that prioritising sustainable choices – whether investment portfolio divestment, or food choices in the Buttery - raises conflicts and tensions, but we will not shy away from the debate. We are profoundly aware of our responsibility to manage our resources to ensure the College not just survives but thrives into the future and, in doing so, minimise the size of our footprint on the environment. We will take difficult decisions in an open, transparent, and constructive way drawing on the skills and experience of members of our community.

We will extend our outreach work beyond an admissions function and play a more active role in terms of social mobility in the local area. We want to play a more visible and consistent role in the local communities of which we are a part, whether in sharing our resources, providing access to our spaces, or applying our knowledge and skills to the good of others.

ANNUAL REPORT OF THE GOVERNING BODY

The following sections detail the College's progress in meeting these objectives and developing the resources that it has available to support them.

Public Benefit

In its decision making during the year, the Governing Body had due regard to the Public Benefit guidance issued by the Charity Commission. It has been concerned to ensure that the benefits of the education provided by the College are, and are understood to be, open to talented applicants from every background. It has pursued this aim by investing in an active 'outreach' programme designed to increase awareness of the educational opportunities provided, and by working closely with the University and with supporters of the College to ensure that financial support is available to those who meet the entry criteria, with the intention that no student should be prevented by their financial background from benefitting from the education offered. The tables below set out the student statistics for the academic year 2021-2022:

<i>By gender</i>	<i>Undergraduate</i>		<i>Postgraduate (full time)</i>		<i>Postgraduate (part time)</i>	
<i>Female</i>	223	46%	130	38%	59	49%
<i>Male</i>	257	53%	207	61%	62	51%
<i>Non-binary</i>	5	1%	3	1%	0	0%
Total Students	485		340		121	

<i>By fee status</i>	<i>Undergraduate</i>		<i>Postgraduate (full time)</i>		<i>Postgraduate (part time)</i>	
<i>Home</i>	387	80%	150	44%	73	60%
<i>EU</i>	16	3%	42	12%	20	17%
<i>Overseas</i>	82	17%	148	44%	28	23%
Total students	485		340		121	
<i>of whom writing up / under exam</i>			81		5	

All figures are stated as of January 2022

Widening Participation

"To attract a diverse body of high calibre undergraduate and postgraduate students"

This year marked the return of in person outreach events for the first time since early 2020. The College has been pleased to open our doors again to a variety of schools and prospective students through our school visits, residential visits, subject taster days, essay competitions, Q&As and women in STEM programme. Our students have been particularly good at participating in these events and have continued to be our best ambassadors.

Our widening participation strategy this year has focussed on repeat engagement with state school students from widening participation backgrounds, including those from ethnicities underrepresented at Cambridge. We have also prioritised work in courses with fewer applications and lower application rates of state school students and other marginalised groups (e.g., women in STEM). The College is also developing a strategy to ensure that we increase applications from areas of the country outside London and the Southeast.

Our essay competitions have been very successful at drawing high calibre applicants from the state sector. We have also implemented more online events, followed up with a physical visit to the College, often involving a residential stay. The College was able to participate in the University Open Days and welcomed nearly 900 prospective students (over 2,500 visitors in all) to the College over four days in July and September 2022.

The admissions round saw an increase in applicant numbers, some 10% higher than 2020-21, with 80% of applicants being interviewed, again as in 2020, remotely on-line. The table below sets out the admissions statistics for the year, together with prior year comparisons.

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	2021-22	2020-21	2019-20
<i>Applications</i>	873	792	766
<i>Interviewed</i>	703	658	612
<i>Offers</i>	169	168	184
Admitted	144	146	154

The Admissions Tutors, Directors of Studies, and a large team of interviewers sought to identify those with the strongest academic potential from a large and diverse field of candidates. 169 offers were made for 2022 entry, 17 of which were offers made to candidates who had selected other colleges, through the intercollegiate 'pool' in August. This included six students for the Foundation Year. The Foundation Year is a one-year course, aimed at an entirely new stream of applicants who can succeed at Cambridge, but whose circumstances have so far prevented them from reaching their full potential.

The results period this year was less complex than it was for the past few years, and we were prepared that a higher proportion of candidates would achieve their offer levels than would have been the case pre-Covid. Upon confirmation 83% (2021: 70%, 2020: 77.6%) of those regulated by the Office for Students had been educated in the state-maintained sector. 47% had at least one of the 'widening participation' flags we use; 10% (2021: 15%, 2020: 14.4%) were from areas in POLAR4 quintiles 1 and 2 (where a relatively low proportion of 18-year-olds enter higher education); 29.1% (2021: 22.1%, 2020: 20.8%) were from areas in quintiles 1 and 2 of the Index of Multiple Deprivation (IMD); and 20.5% (2021: 25.7%, 2020: 20%) had Output Area Classification (OAC) flags. The College's commitment to widening participation continues our founding mission and has brought to the University many students from diverse backgrounds who have enjoyed conspicuous success.

Financial support

The total value of financial awards to students in the financial year was £1.44 million (2020-21 £1.17 million) and the College's share was 29% of all fee income received.

The main source of funding for undergraduates of limited financial means is the Cambridge Bursary Scheme, operated and funded jointly by the University and the colleges. 139 Fitzwilliam students (34% of our undergraduates with regulated (Home/EU) fees) benefitted from these awards, 84 of which were at the maximum level, totalling £424,053. In addition, 51 2nd year, 47 3rd year, and 16 4th year undergraduates received Top-up Bursaries, jointly funded by Trinity College, totalling £76,817. 92 undergraduates received Fitzwilliam College Maintenance Bursaries, totalling £52,310; and 23 received Goldman Sachs Bursaries, totalling £27,000.

The efforts of the Development Office and the generosity of our donors have allowed the College, independently and in conjunction with several University funding initiatives, to offer an increasing number of part-cost and fully funded postgraduate scholarships. Postgraduate student support awards in 2021-22 totalled £558,362: four full-cost Masters Studentships, four full-cost PhD Studentships, four part-cost PhD Studentships, 23 further part-cost postgraduate scholarships, and 58 Senior Scholarships were awarded. In addition, 28 postgraduate students received Maintenance Bursaries totalling £18,700, ten received PhD Extension Funding totalling £31,900, and 73 received Research Awards totalling £29,316.

The College provides an additional range of awards and grants, from multiple funds, to enable all students, regardless of financial means, to take advantage of opportunities to enrich their educational experience. For example:

- 89 Travel Awards were made to undergraduates, totalling £25,629 (of which 58 were directly related to the student's course of study);
- 315 Prizes and Scholarships were awarded to undergraduates and graduates with distinguished academic records, totalling £43,165;
- 252 additional awards, totalling £50,929, were made from the Student Opportunities Fund, including Vacation Project Accommodation Allowances, awards for successful participation in the Cambridge University Language Programme, support for costs resulting from disabilities (including Disability Rent Rebates), bursaries for laptop/IT support, additional support for Architecture students, Book Awards and Formal Hall Allowance for undergraduates in receipt of a Cambridge Bursary award, and a contribution to the Undergraduate and Postgraduate Rent Allowance Scheme;
- 38 awards were made from subject-specific funds, totalling £16,550;
- 28 students received music awards, totalling £20,096. 98 received sports awards, totalling £20,724; and
- A further 12 awards were made from the Fitzwilliam Society Trust Fund (in addition to those listed in the relevant sections above), totalling £2,945.

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Academic Review

“To deliver a world-class undergraduate education”

For the academic year 2021-2022 the student body comprised 485 undergraduates (51.3%) and 461 postgraduate students (48.7% - including 86 writing up dissertations, and 121 part-time). Pastoral support and general academic and personal guidance were offered to all students by the College's dedicated team of Tutors supported by others including the Wellbeing Co-ordinator, Chaplain, Student Health Advisor, Counsellor, Porters and elected student representatives and welfare teams.

Teaching

Small-group teaching is a distinctive feature of undergraduate education at Cambridge, alongside lectures, seminars and practical work. Directors of Studies in every subject area organised academic supervision by 982 specialists for Fitzwilliam undergraduates. In the academic year the College employed five College Teaching Officers and one Teaching Associate, each of whom took a major teaching role and a leading responsibility for the academic development of undergraduates in their subject.

Examination results

128 Fitzwilliam College students were awarded First Class results (including 17 results equivalent to a First) in 2021-2022.

Postgraduate Admissions

“To develop a stimulating environment for postgraduate education”

The College made a total of 277 offers for postgraduate admission in academic year 2022-23 (193 for Masters courses, 70 for PhD/MRES and 14 for clinical medicine/veterinary studies), of whom 136 took up their place (93 for Masters courses, 29 for PhDs, and 14 for clinical medicine/veterinary studies).

Postgraduate applications to Cambridge are made to Departments and Faculties, with the option of naming one or two preferred colleges. Of the 254 applicants who moved forward with offers of new graduate places at Fitzwilliam in 2022, 67 (50 Masters and 16 PhDs – 26%) named the College first choice and 31 (23 Masters and 8 PhDs – 12%) second choice.

We also took on 21 new part-time MSt students (six in English Language Assessment in Lent 2022 and 15 in Applied Criminology and Police Management in Easter Term 2022).

Achievements

During the year 33 doctoral dissertations by Fitzwilliam students were approved for the award of PhD degrees. 49 College Senior Scholarships were awarded to PhD students, and 18 prizes were awarded to Masters Students achieving Distinction for exams held in 2021-2022.

College support for Postgraduate students

In addition to the pastoral support and guidance offered by the tutorial system, and the extra-curricular activities mentioned at the head of this section, the College devotes substantial resources to the practical support of research students, practical guidance and informal mentorship by Tutors and other senior members. The Tutors organise a series of formal conferences at which research students present their work in progress to audiences of junior and senior College members. Postgraduate students also participate in subject societies whose activities include social events, research-based seminars and eminent visiting speakers. The MCR (the College's postgraduate student union) and the Postgraduate Tutorial team organise an extensive programme of social and academic events throughout the year.

“To advance research by Fellows and postgraduates”

Five new Fellows and 14 new Bye-Fellows joined the College in 2021-2022, taking the total numbers to 59 and 47 respectively. Many of the Bye-Fellows are postdoctoral researchers within the University, who in teaching undergraduates were particularly well placed to explain the early-career research environment. We appointed 20

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Research Associates for the year who with the Bye-Fellows and Research Fellows made up our Postdoc Society which continued to provide a framework for social and academic interactions.

Two new early-career researchers took up Research Fellowships at the College. With the impact of Covid, two Research Fellowships were extended until December 2021 so in total the College funded three stipendiary Research Fellows in 2021-2022, and another was awarded funds from the Isaac Newton Trust. The College provided additional resources for four Research Fellows whose principal funding came from a different source, each pursuing significant research at an early stage in their academic careers.

College Teaching Officers ('CTO') are employed by the College to meet essential teaching needs which the College has not been able to secure from established University Lecturers. Alongside their teaching responsibilities, they are engaged in developing their own academic research, supported through a research fund and an entitlement to sabbatical leave. During this year we employed a total of five CTOs.

During the year, Professor Bhaskar Vira was elected a Fellow of the Academy of Social Sciences and appointed Pro-Vice-Chancellor for Education (from October 2022). Dr Cléo Chassonnery-Zaïgouche was awarded the European Society for the History of Economic Thought's Young Researcher Award and Mr Dinesh Dhamija was elected a 1869 Fellow Benefactor following his gift for the creation of three College Fellowships.

Academic visitors, including Visiting Fellows, who come to the College for periods between one term and a year or more, play an important role in the life of the College, enriching academic discussion and bringing new connections. We had three Visiting Fellows for the year 2021-22: Professor Graeme Earl (Archaeology); Professor Matt Matravers (Law) and Dr Igor Teslenko (MML).

"To nurture and sustain a lively and welcoming community of scholarship and learning"

A central purpose of the College is to encourage the exchange and flow of ideas between members at all stages of their academic career. This is achieved by formal academic exchanges, such as the opportunity for postgraduate students to teach undergraduates, an extensive network of subject-based societies, which serve to bring together Fellows, postgraduates and undergraduates with common interests, and a stimulating programme of lectures, discussions, conferences, and cultural events most of which are open to the public.

College facilities and operations

Our buildings and gardens

People are at the heart of Fitzwilliam and the spaces in which we live, work and relax play a vital role in the shaping of our activities and relationships. The College estate, comprising of the main site between Storey's Way and Huntingdon Road and some 28 external properties ('External Properties') provides the physical environment for the College community. The College is in the fortunate position of being able to accommodate all its undergraduates in College-owned accommodation.

Several years ago, the College commenced a refurbishment programme of the original Lasdun buildings constructed in the early 1960s, the Old College buildings. The current phase of this programme was completed at the end of August 2021, with the £5 million multi-year refurbishment of staircases D, E and F. Following the work, 110 undergraduates are now accommodated in refurbished rooms on the main site. However, a large part of the original College fabric still needs refurbishment to offer modern accommodation for students and other members of the College community.

During the year, the College completed the renovation work on The Grove, including the re-roofing of the building.

As part of the College's on-going sustainability efforts coupled with our focus on reducing the cost of utilities, in the summer of 2022, the College installed new boilers supplying the old College buildings (improving efficiency by 20%) and completed the installation of double-glazed windows on the Huntingdon Road façade.

A key component of the College Plan relates to the College estate. An assessment of the estate was undertaken during the year with a goal to establish the community's long-term needs. The College's strategic goal in this area is to create a 21st century environment to ensure that all members of the community can thrive in their studies, their

ANNUAL REPORT OF THE GOVERNING BODY

workplace and for some their place of residence. This has formed the foundation of a new estate master plan ('Estate Master Plan') the College will consider during the academic year 2022-23.

Expenditure on maintenance of buildings was £0.14 million during the year (2020-21: £0.29 million). Capital expenditure on improvements (including External Properties) was a further £4.91 million (2020-21: £0.26 million), the bulk of this related to the refurbishment of staircases D, E and F.

This year again, New Court was planted with an array of vegetables that were supplied to the College community. It is an illustration of the work the gardens team undertakes to make sure that the rich green environment in which the College's buildings are set is maintained and enhanced.

The Environment

The College has a long-standing commitment to minimising our environmental impact. We signed the Cambridge Climate Change Charter in November 2008 and have in place an Environmental Action Plan covering energy efficiency, carbon emissions, water consumption, waste management and minimisation, purchasing, transport, chemical pollutants and new developments and construction, as well as an Environmental Policy statement. The College has also adopted a Sustainable Food Policy covering sourcing, purchasing, consumption and waste-reduction. In addition, the College operates a programme to offset the carbon emissions stemming from all Fitzwilliam-supported travel.

Whether in-relation to our use of energy sources where the College purchases 100% of our electricity from renewable sources to our choices when purchasing appliances or our support of community recycling, every decision in the College is considered through this lens.

During the year, the College approved a new investment policy that took a material step on the path of the College investing on a responsible basis. Going forward, the College will not invest its discretionary investment portfolio ('Discretionary Investment Portfolio' or 'DIP'), valued at approximately £55.40 million as at 31st July 2022, either directly or indirectly in the fossil fuels (where 10% or more of the revenue is exposed to the activities), tobacco or defence sectors and will measure its investments against the 'leader' ESG rating ('AAA' or 'AA'). The approach was applied to all investment classes during the year except for private equity that will be incorporated into the policy in the medium term. The new policy ensures that the College's investments are managed, not just based on their financial performance and value for money, but also in terms of whether they embody the College's social purpose and the example we set as a community to others.

The College sees the new Estate Master Plan as a key area where our sustainable values will be applied for the long-term benefit of the community as the new plan is implemented in the near term.

Our people

The College's academic mission is delivered by a dedicated group of academic and non-academic staff members. The academic staff comprises the Fellows, supported by Bye-Fellows, and very many subject supervisors from across Cambridge. In addition to the 102 permanent non-academic staff members, our casual staff also play a vital role in the running of the College. It is the aim of the College to involve students in the affairs of the College where possible and consistent with their academic work.

As the impact of the pandemic diminished, the College returned gradually over the year to a normal physical operating environment. The College community has continued to benefit from many of the lessons learnt during the lockdowns of the previous two years. An illustration of this is the agile working policy that was introduced in September 2021, allowing staff members to work from home several days a week where it is operationally possible.

The College continues to work to ensure that its employment package remains competitive and attractive to potential staff members.

All permanent staff were paid at or above a minimum per hour rate of £10.03, above the 2021-22 Real Living wage of £9.90. In recognition of the challenging external circumstances staff members continue to face, the College approved a £1,000 exceptional discretionary payment in June, to assist staff members with the cost-of-living crisis. Following the financial year end in October 2022, the College announced further assistance, with a one-off 2% exceptional discretionary payment, based on an individual's salary.

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Other benefits the College has introduced during the year have included: life assurance for staff members who participate in the Aviva defined contribution pension scheme, increased maternity, paternity and adoption leave and free flu vaccinations.

The College welcomed 25 new non-academic staff members during the year including Hannah Fox, the new Director of Operations succeeding Alan Fuller (who had held the role under the title of Domestic Bursar), following Alan becoming the Head Porter.

Several staff members received long service awards especially Michael Page who reached 40 years' service with the College during the year.

The future availability of sufficient and reliable pensions for staff in retirement continues to be an important issue. The College has continued to respond as an employer to the consultations being undertaken by the Universities Superannuation Scheme (USS), aligning itself to the University of Cambridge's position, in the firm belief that its own future is inextricably aligned with the University.

At the year-end the College had 65 members of USS on the payroll. The Fitzwilliam College Assistant Staff Superannuation Fund (FCASSF), a defined benefit scheme which was closed to new members in 2004, had 83 members at year-end.

Our operations

The College's operational aims are:

- To deploy its resources effectively to deliver the College Mission;
- To comply with legal and regulatory obligations wherever it operates;
- To meet consistently and wherever possible, exceed, the standards of service, support and operational performance that are expected; and
- To promote the College and the University values by celebrating the academic and non-academic successes of students, Fellows, alumnae/i and staff members of the College.

Regular surveys are undertaken to gauge the level of satisfaction of the College's students with their educational and accommodation experiences. These include the National Student Survey, University-wide surveys initiated by the University and by the Cambridge Student Union, and College surveys, which test experience of specific groups and support our commitments under Accreditation Network UK (ANUK), the College's regulator for student accommodation. Audits have taken place during the year for Health and Safety, and for ANUK compliance.

During the year, the College was involved in a dispute with a potential customer of its commercial conference activities. An element of the dispute is still on-going.

ANNUAL REPORT OF THE GOVERNING BODY

Review of Financial Performance

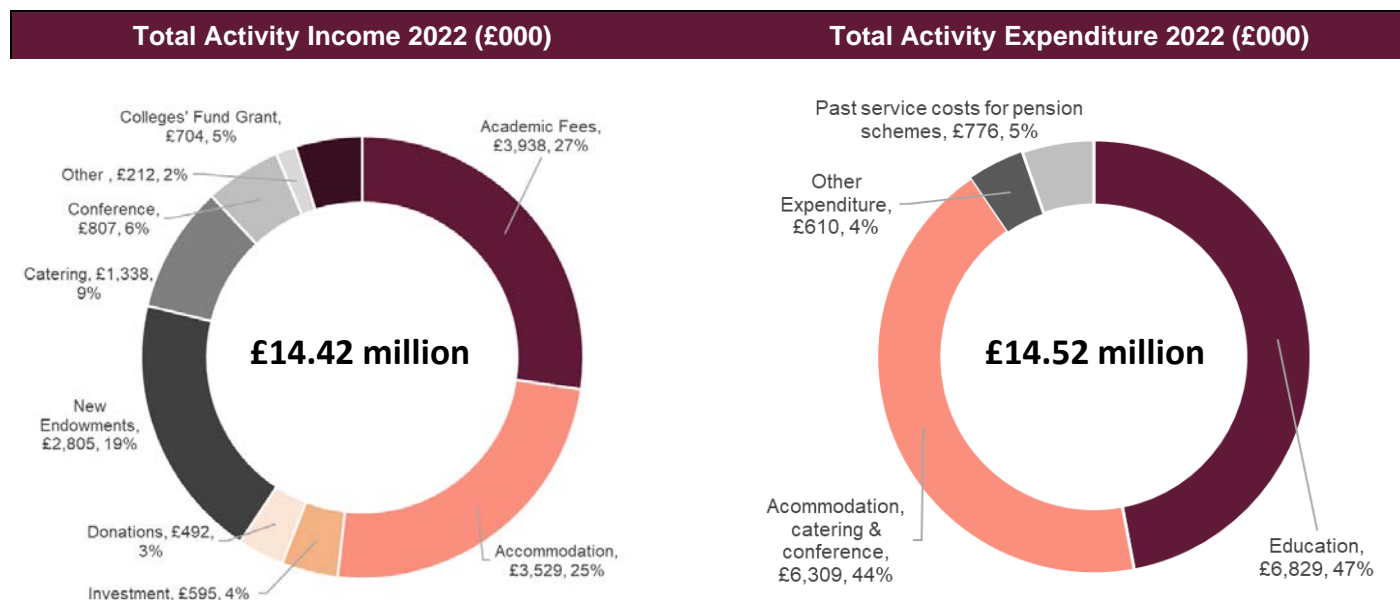
Introduction

The College has prepared its consolidated accounts on a RCCA basis. The financial statements represent the activities of the College and its wholly owned operating subsidiary, Fitzwilliam College Services Limited. The analysis of the College's financial performance is broken down between 'Unrestricted Activity' that represents the operational activity of the College and 'Restricted Activity' relating to funds that arise from expendable donations for specific purposes, and the income from any 'endowed funds' which were given to support specific projects.

Summary

The College community was able to return to a normal physical environment gradually over the course of the year as the effect of the pandemic diminished. The College's financial position reflected this, with the exception being the College's commercial conference activity, that remained some 56% below pre pandemic levels. As the year progressed, the uncertain economic environment and accelerating inflation had an impact on the College's finances. The College continues to balance a prudent approach to expenditure with investing to ensure the sustained growth of its educational mission.

Income from Total Activity increased by 48% to £14.42 million (2020-21: £9.74 million) with expenditure from Total Activity increasing by 22% to £14.52 million (2020-21: £11.88 million) giving a deficit of £0.10 million (2020-21: deficit of £2.14 million). If the gain on investments of £8.00 million (2020-21: £10.95 million) is considered, the 'Total surplus/(deficit) for the year' showed a surplus of £7.90 million (2020-21: £8.81 million). The charts below provide a breakdown of Total Activity by income and expenditure.



As discussed in an earlier section, during the year the College adopted a new responsible investment policy that ensured our investments are managed not just based on their financial performance and value for money, but also so that they embody the College's social purpose and the example we set as a community to others. In January 2022, the College significantly improved its capital structure by borrowing £20 million on an unsecured fixed rate basis of 1.54% per annum, repayable in a single payment in January 2072, from an institution investor (the 'Private Placement'). Following the repayment of a near-term loan facility of £5 million, the net £15m will be used to invest in the College estate, to improve the level of amenity for the community as part of our advancement of our educational mission and to enhance the College's income in the medium term.

The uncertain economic environment coupled with the legacy of the pandemic will continue to put strain on the College's financial position over the next 12 to 18 months. The College is confident it has sufficient financial resources in the form of liquidity and reserves to meet these financial challenges.

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Unrestricted Activity

Unrestricted Activity is a more accurate reflection of the College's financial performance. Income from Unrestricted Activity increased by 28% to £11.84 million (2020-21: £9.24 million) with expenditure from Unrestricted Activity increasing by 13% to £12.44 million (2020-21: £11.05 million) giving a deficit of £0.6 million (2020-21: deficit of £1.81 million).

Unrestricted Activity by category 2022 compared to 2021 (£000)						
Income	2022		2021		Variance	% change 2021 to 2022
Academic Fees	3,938	33%	3,616	39%	322	9%
Accommodation, catering and conferences	5,674	48%	3,016	33%	2,658	88%
Investment income	220	2%	79	1%	141	178%
Endowment return transfer	607	5%	569	6%	38	7%
Other income	203	2%	713	8%	-510	-72%
Donations	492	4%	468	5%	24	5%
Grant from Colleges' Fund	704	6%	782	8%	-78	-10%
	11,838		9,243			
Expenditure	2022		2021		Variance	% change 2021 to 2022
Education	4,744	40%	3,965	43%	779	20%
Accommodation, catering and conferences	6,309	53%	5,183	56%	1,126	22%
Other Expenditure	610	5%	400	4%	210	53%
Past service costs for pension schemes	776	7%	1,500	16%	-724	-48%
	12,439		11,048			
Surplus/(deficit) before other gains and losses	(601)		(1,805)			

Academic fees grew marginally due to overall student mix. The cap on student tuition fees since 2012, has meant that the real value of the portion of the tuition fee the College receives has reduced dramatically and will continue to do so until 2024. Accommodation and catering activity both returned to normal levels as the College community gradually returned to a physical operating environment. Although the Conference activity improved materially to £0.8 million due to new customers such as the NHS (2020-21: £0.18 million), it was still some 56% below the pre-pandemic level. International summer schools, historically a significant element the conference activity are yet to return in a meaningful way, especially those from China.

Investment income increased by 150% to £0.20 million (2020-21: £0.08 million), as in addition to commercial property income, the College received interest income of £0.13 million for part of the year on the £15 million net proceeds from the Private Placement.

Other income returned to historical levels of £0.20 million (2020-21: £0.71 million) as the benefit of the Coronavirus Job Retention Scheme ('CJRS') came to an end in September 2021. The grant received from the Colleges' Fund reduced by 10% to £0.71 million (2020-21: £0.78 million). The condition that the grant be taken to Endowment Activity was again waived because of the pandemic, allowing the College to apply it to Unrestricted Activity.

The Endowment and Investment return transfer at £1.33 million, was some £0.23 million higher (2020-21: £1.10 million) under the College's Total Return Accounting policy. The policy looks at the return on a medium-term basis coupled with the drawdown rate the College applies, which was 3.37% for the year. £0.6 million of the sum was transferred to Unrestricted Activity. Unrestricted donations added a further £0.49 million (2020-21: £0.47 million).

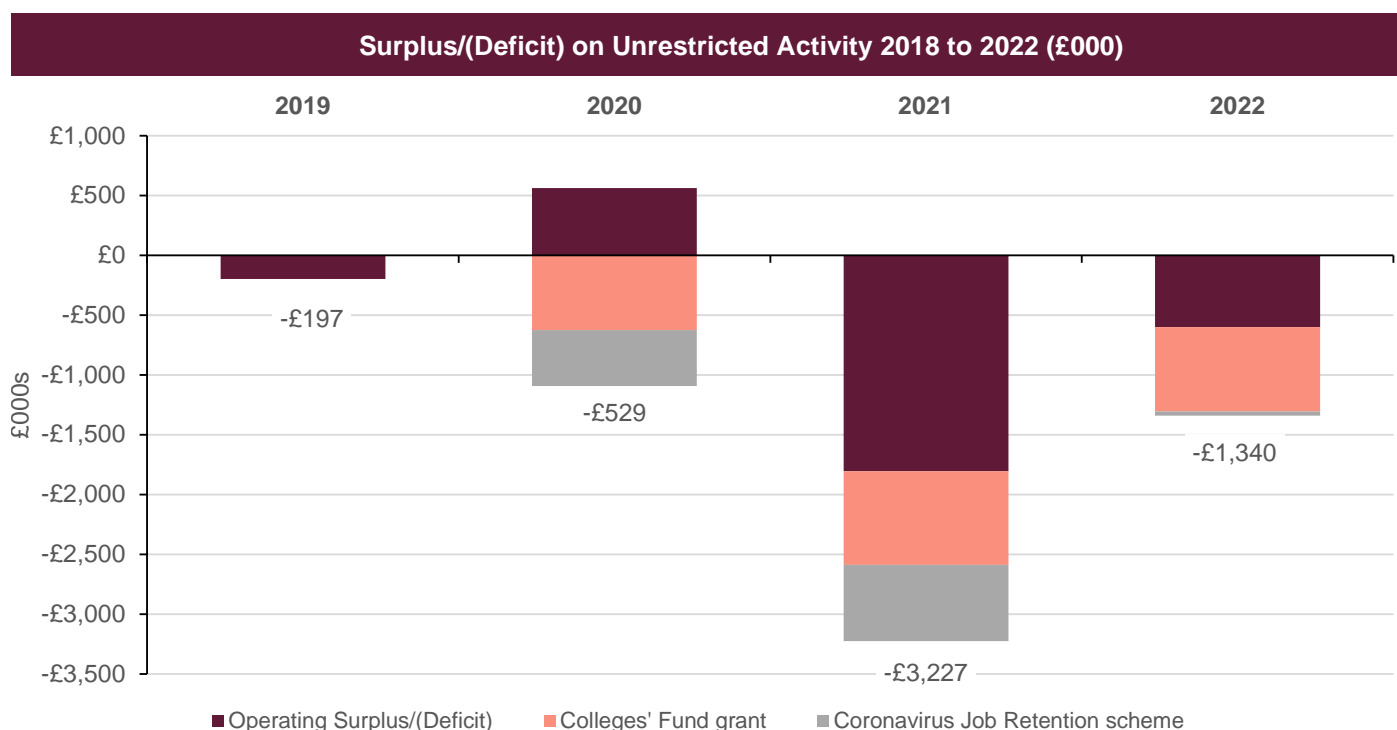
The College continued to focus on expenditure control to ensure that it 'lives within its means' and continued to benefit from certain efficiencies introduced during the pandemic. However, several expenditure categories, such as catering, were exposed to increased inflation. The College's decision to make a one off discretionary 'cost-of-living' payment to

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staff members, totalling £0.15 million is also reflected. In addition, expenditure included a charge of £0.19 million for library books, because of a change in accounting policy.

The Unrestricted Activity in the Education account had a deficit of £0.81 million (2020-21: -£0.35 million). Income from academic fees amounted to £3.94 million (2020-21: £3.62 million) and academic expenditure increased to £4.74 million (2020-21: £3.97 million). The sum for 2021-22 was distorted to a certain degree due to the adjustment made relating to the USS pension provision.

The Unrestricted Activity operating deficit for the year was £0.60 million (2020-21: deficit of £1.81 million). The deficit was a significant improvement on the previous year as the College's operational position normalised and charges relating to pensions fell. However, if the Colleges' Fund grant and the CJRS are ignored, the adjusted deficit was £1.34 million, highlighting the continued financial challenges the College faces.



Restricted Activity

Restricted income (excluding that related to building funds) during the year was £1.83 million (2020-21: £0.86 million) reflecting a marked increase in donations to the College. The College decided to recognise both cash donations and also future pledges and legacies received as donations. Associated educational expenditure was £2.09 million (2020-21: £0.83 million), with the significant increase reflecting the increased support the College provided to students and the decision by the College to record the total value of a multi-year student award in the year that the award was given (representing £0.98 million).

Capital grants are funds given to support capital projects, such as buildings. The matching expenditure is not shown in the income and expenditure statement, as it takes the form of capital investment. £0.01 million was received during the year towards the refurbishment programme.

Endowment income

The Endowment comprises restricted funds, the income from which may only be used for purposes specified by the donors, and unrestricted funds, from which the College can use the income (but not the capital) for general expenditure.

Under the College's Total Return Accounting policy, the College draws, as income, an amount based on a five-year rolling average of the financial year-end values of the discretionary investment portfolio. To provide budget certainty and an opportunity to react to unanticipated changes in market conditions, the rolling average is lagged by one year.

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Income within the Endowment arises from new donations and from investment returns. This year the Endowment grew by £8.04 million, some 11.57% during the year (after considering -£0.20 million of other transfers) to £77.57 million. New endowments increased by 375% to £1.69 million (2020-21: £0.36 million) and the Endowment again did not benefit from the Colleges' Fund grant as this was applied as 'Income' (as discussed earlier). The significant increase reflected a major gift of £0.88 million from a single donor and the College's decision to recognise not only cash gifts but also future pledges and legacies received. In addition, the value of the College's investments allocated to the Endowment Reserve grew during the year by £7.51 million (2020-21: gain £10.19 million). This reflects the continued strong performance of the College's investment portfolio during the year, despite volatile markets (see discussion below).

Reserves and Financing

The College includes within its Endowment the External Properties, which are used to accommodate students apart from one commercial unit. It considers that this policy is consistent with accounting and Charity Commission guidance, since the properties have the characteristics of investments, being relatively easily convertible to liquid assets and not considered essential to the fulfilment of the College's charitable objects. Taking this into account, Fitzwilliam continues to have one of the smallest endowments among the Cambridge undergraduate colleges and needs to continue to grow its reserves to provide assurance that it has sufficient resources to be able to sustain its academic mission in the long term.

Reserves which are available to meet general expenditure needs can be measured as the difference between the value of Investments and the Endowment and Restricted reserves. On this basis, 'free' reserves have improved to £11.09 million (2020-21: £10.54million). A key factor in the level of free reserves being sustained was the continued strong performance of the College's investment portfolio during the year. This level of free reserves is still considered low in the context of the financing requirements of the College estate and pension fund deficits.

In December 2021, the College took advantage of highly favourable debt capital market conditions to improve its capital structure. It borrowed £20 million by way of a Private Placement, on an unsecured basis, with a fixed interest rate of 1.54% per annum, repayable in a bullet payment in January 2072, from an institutional investor, The Pension Insurance Corporation. £5 million of the sum was used to repay near-term, variable interest rate, borrowings of £5 million. The net £15 million will be used to invest in the College estate, to improve the level of amenity for the community as part of the advancement of the College's educational mission and to enhance the College's income streams in the medium term.

As a result, as at 31st July 2022, the College had total long-term borrowings of £30 million, that comprised of the £20 million Private Placement and a £10 million long-term loan the College took out in 2008. Gearing (a measure of Gross Indebtedness to Net Assets) as at 31st July 2022, stood at 19.6% (2020-21: 9.8%). The College has given certain general and financial covenants in connection with the Private Placement and the long-term loan, which have been met at all relevant times during the year.

Investment portfolio

The College's investment portfolio consists of the DIP, which is managed by the College's discretionary investment manager and the External Properties. At year-end the value of the portfolio had increased materially by £9.00 million to £95.10 million, some 10.5% (2020-21: £86.07 million).

DIP

The value of the DIP at the year-end was £55.33 million (2020-21: £51.00 million), representing 58% of all investments. This comprised £33.41 million of public market investments, £19.69 million in private equity investments and £2.23 million in cash.

In October 2021, the College adopted a new responsible investment policy as part of the implementation of the new College Plan. The new policy enacts the College's commitment to environmentalism and social responsibility. As a result, the College committed not to invest its discretionary investment portfolio (excluding private equity), either directly or indirectly, in the fossil fuels (applying a meaningful test of excluding companies where 10% or more of a company's revenue is exposed to the activities), tobacco or defence sectors and will measure its investments against the 'leader' ESG rating. The policy ensures that the College's investments are managed, not just based on their financial performance and value for money, but also embodying the College's social purpose and the example it sets as a community to others. The new policy was fully implemented in June 2022. As at 31st July 2022, the College achieved a 'AAA' score against the ESG rating.

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The DIP (excluding private equity) achieved a total return of -4.3% (2020-21: 16.5%). This compares to CPI for the 12 months to July 2022 of 6.4% and a target investment return of 10.9% (CPI +4.5%). In July 2022, the College reviewed its target investment return and set it based on CPI +4.5%, on the basis that this was a more accurate reflection of the underlying inflation. As part of the review the College adjusted its policy regarding the annual Endowment transfer from the portfolio, reducing it from 4% to 3.5%.

Since the current investment manager began managing the portfolio in September 2016, the total return has been 5.4% annualised (excluding private equity), compared to the target investment return of 7.1% annualised. It should be noted that these returns do not yet reflect significant contributions from the allocation to private equity. If private equity is included, the return over the period would be 7.4%. The nature of private equity is such that investments are made over a longer-term timeframe as suitable opportunities arise.

The performance of the DIP was again strong against a backdrop of volatile financial markets due to the war in Ukraine and accelerating inflation. The key driver of performance was private equity, where its illiquid nature leads to valuations that lag public market comparable companies. Significant near-term downside risk is present, impacting the ability of the DIP to retain its year-end level of value.

External Properties

At the year-end, External Properties totalled £39.10 million (2020-21: £35.00 million) in value (based on the Land Registry – Cambridge Local Authority area) and made up 41% of all investments. Rental income from the External Properties normalised at £1.60 million (2020-21: £1.18 million), as students were present for the full academic year. The net income yield stood at 3.7% (2020-21: 2.9%) from the student element of the portfolio, reflecting the capital growth. The Cambridge residential property market experienced strong growth over the year, although significant downside risk is present in the market in the near to medium-term due to the weak UK economic environment.

Fundraising

The College's fundraising efforts are primarily directed at raising monies through major gifts as well as by regular giving. During the year, the College rebuilt its development activities including the appointment of a new Development Director. Total donations for period were £3.30 million (2020-21: £1.15 million), comprising new cash gifts of £2.20 million, and new pledges and legacies received of £1.10 million. The amount includes £1.50 million given from two donors.

The College is immensely grateful to its alumni and supporters, especially during these challenging economic times. During the year, 1,416 alumni donated to the College representing 15% of the contactable alumni on our records.

Pensions

The College's share of the deficit in USS and the deficit in the FCASSF was £2.68 million as at year end (2020-21: £3.92 million).

The most significant element of this sum was the College's share of the deficit in USS of £1.48 million, that included an additional charge of £0.78 million made during the year. The sum reflects a new level of service contribution and a new deficit recovery plan that was agreed and implemented between the USS scheme manager and employers in April 2022.

The deficit in the FCASSF, reduced to £1.20 million at year end, reflecting a change in the assumptions used to undertake the calculation. In October 2022, the College agreed, in principle, with the FCASSF trustees a revised deficit recovery programme, based on the formal triennial valuation as at 31st July 2021. The programme is ten years in length, based on an annual sum of £207,100 inflated at a rate of 10% from 2023, and includes the College providing a contingent asset as security.

Further details of the College's pension arrangements are set out in note 27.

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Looking ahead

In contrast to the complex logistical challenges of the previous academic year, 2021-22 saw a welcome return to relatively normal term-time operations at Fitzwilliam. While travel restrictions remained in place for some – and indeed, strict COVID protocols for a section of our overseas students remain a challenge – the high level of vaccination in the UK, coupled with a reduction in legislation around COVID meant a near-normal academic year for students and colleagues alike, and most were able to participate fully in in-person teaching and study.

Many lessons were learned during the lockdowns of the previous two years, and we continue to reap the benefit of enhanced facilities and skills. Hybrid occasions - whether supervisions or admissions interviews, or larger-scale talks and lectures are now regular events, and we will continue to make use of virtual options where necessary or helpful. Non-academic staff members benefit from a more agile approach to working from home, and in many subjects, students can access their faculty-based teaching online, in addition to in-person lectures.

The social life of the College has returned largely to normal. While we maintained the key social milestones throughout the pandemic as best as we could, 2021-22 saw a return to large-scale, in person events for students, academics, staff members and alumni. In the second half of the year, we were able to operate graduations at full capacity, and alumni reunions returned. We were able to undertake a good range of College events including Professor Linda Colley from Princeton University delivering the Foundation Lecture, and Roger Madelin, developer of Canada Water giving the Wilson Lecture. College music, sport and other societies flourished including holding a Spring Ball.

All that being said, the challenges we face are significant. Despite the easing restrictions, our commercial conference activity was still restricted in 2021-22. Most overseas summer schools did not take place this year, and this has had an obvious impact on the level of income in this area. As we look to the coming year's commercial activity, we will need to think creatively about how we create a sustainable income stream and balance this with the College's educational activities. We have, however, seen some positive return of business and welcomed some new customers including the NHS. We need to build on this.

Over this last year we have continued to develop and implement our College Plan. We have made significant progress on responsible investment and there was a detailed review of our mental health and wellbeing support. Both activities have led to concrete changes in our approach and provision. We have also created a student hub to bring together several previously separate student-facing roles in a much more cohesive way. As a College that believes proudly in giving opportunities to bright students from all backgrounds, we continue to work hard to encourage those with potential to apply. We must continue to avoid the pressure to 'tick boxes' and seek to undertake a more comprehensive approach.

We have navigated the pandemic with resilience; now we face a period of considerable instability both domestically and globally. Students and staff members alike face increasing bills, and as a community we need to make efficiencies where we can. The war in Ukraine continues and we must maintain our support to colleagues who are personally affected. The impact of Brexit on both student applications and academic research grants is now, unhappily, clearer. Questions around freedom of speech, tolerance and the role a university should play in creating space for challenging conversations are live and will be prominent in the media. Against that backdrop it is essential for Cambridge to forge a positive and confident future; it remains a world leading university but needs to harness the evident entrepreneurial spirit and creative energy to its decision-making.

Whether at work or at home, there will be challenges this year, some known and some yet hidden, but there will also be opportunities. Fitzwilliam is a confident College with clear values, and we will continue to make progress in putting those values into action.



R G Cantrill
Bursar
Date: 30th November 2022



Baroness Morgan of Huyton
Master
Date: 30th November 2022

ORGANISATION AND GOVERNANCE

Members of, and academic visitors to, the College, both students and Fellows, are the prime beneficiaries of the Charity. The College is constituted by Royal Charter as a self-governing body of scholars. This means that the Fellows who are members of the Governing Body are also Trustees of the Charity. This places a special fiduciary duty on the Governing Body to ensure that the private benefit accruing to the Master and Fellows through stipends and related benefits is objectively reasonable, measured against academic stipends generally; the Governing Body is satisfied that this is the case, noting particularly that annual pay increases normally follow national settlements applying to the university sector.

Any employment and/or remuneration of the Master and Fellows is undertaken with the intention of furthering the College's charitable purposes. The main officers of the College such as the Master, Bursar, Development Director, Senior Tutor, Director for Communications and Engagement, College Lecturers, Tutors, Directors of Studies, and Dean receive stipends. Fellows of the College may also receive remuneration for undertaking teaching. No remuneration is paid for undertaking the role of Trustee. Remuneration received by Fellows for teaching and the performance of other College Offices in the year 2021-22 was £1.11 million (2020-21: £0.94 million). Office facilities are also provided for all Fellows.

As beneficiaries of the Charity the Fellows receive certain allowances and privileges to support them in their teaching and research activities. These include a research allowance, dining rights and the use of College guest rooms for academic visitors.

Subject to availability and need, the College Statutes also require the Governing Body to make available residential accommodation in the College free of any rental charge. Resident Fellows pay a charge to cover the costs of servicing this accommodation. During the year ended 2021-22 there were 12 Fellows resident in the College. Research Fellows who choose not to live in the College are paid a living out allowance.

The College operates a housing loan scheme to support new Fellows acquiring their first property in the Cambridge area. The purpose is to enable the College to attract new Fellows and thereby to strengthen the teaching and research undertaken within the College. The loans are made at a rate of interest which is not less than the Official Rate of interest, as determined by HM Revenue & Customs from time to time, which should be applied to beneficial loans made by employers to employees. At the end of the financial year 2021-22 there were two housing loans outstanding with a balance of £0.29 million.

Stipends and Remuneration

Stipends and other aspects of trustee benefits are determined by the Governing Body, acting under advice from the Stipends and Remuneration Committee. The membership of the Committee comprises three external members and two internal members (who do not draw stipends from the College) plus the Master. The Chair of the Committee is an external member. For any matters concerning the remuneration of the Master, the Master withdraws, and the President becomes a member.

The Committee meets three times a year unless circumstances require an additional meeting. Individual stipends are reviewed on a three yearly cycle, except for the Master whose stipend is reviewed five years from appointment. The Committee oversees and reviews all individual salaries, stipends and allowances paid to academic staff, including trustees, and the annual process of making individual salary increments and special bonus awards to non-academic staff. In determining a level of remuneration which is objectively reasonable and fair, the Committee has regard to comparative data available for similar roles across Cambridge Colleges and for other stipendiary roles within the College. Recommendations from the Stipends and Remuneration Committee must by Statute be approved by the Governing Body, which by convention only approves or rejects the recommendations; it does not amend them.

Principal Policies

Employment

The College consults with its non-academic staff members through staff team meetings, Head of Department meetings and staff townhalls held by the Bursar and the Director of Operations. Training needs are identified on an individual basis through regular appraisals and are addressed through both external and internal provision. The College is committed to the principle and practice of equal opportunities and seeks to apply these in all its employment related activities. After the closure of the FCASSF scheme to new contributions in 2004, non-academic staff members were offered the opportunity to join Universities Superannuation Scheme (USS) upon completion of a satisfactory probationary period. This option closed on 31st October 2013, since when staff who are not already a member of the

ORGANISATION AND GOVERNANCE

above schemes have been offered membership of the Cambridge Colleges Group Personal Pension scheme, a defined contribution scheme operated by Aviva Life and Pensions UK Ltd. There remains a significant number of current and former staff who have accrued benefits in FCASSF and in USS.

Fundraising

In line with other activities, the College has created a risk template relating to Donations. This template is reviewed annually by the Development Committee. The College has not used professional fundraisers during the year and has not received any complaints about its fundraising practices. During the year, the College managed its own telephone fundraising campaign in-house. Fitzwilliam has voluntarily registered with the Fundraising Regulator and as such has agreed to follow and uphold the criteria set out by the Code of Fundraising Practice and the Fundraising Promise, as these relate to our institution.

Investment

The primary investment objective for Fitzwilliam College is to protect the real value of the capital base and the income generated from it.

The College investment portfolio is divided between directly held External Properties and a DIP managed by professional investment managers. The External Properties, in normal market conditions, is expected to generate a higher yield and lower volatility than the DIP.

DIP

The College has chosen to adopt the Total Return accounting practice for the DIP, to allow its fund managers greater flexibility in the range of investments utilised. An “income rule”, determined by College Ordinance, is used to determine the prudent amount to take as income from investments; the maximum that can be taken as income in any one year has been set at up to 3.5% of the average the last five years’ valuations, lagged by one year. The planned drawdown for the year is reviewed in advance by the Investment Advisory Committee to ensure that the actual amount taken is prudent and sustainable.

The College is a long-term investor, and recognises that, over this time period, investment risks are necessary to achieve its long-term investment objectives. These risks may include both price volatility and illiquidity. The Governing Body considers that this is consistent with a willingness to accept, in normal market conditions, a one in 20-year risk of a loss in value of 15% or more in one year.

Responsible investment policy

The College adheres to Charity Commission guidance on responsible investments. A full statement of the College’s Investment Policy may be found on the College website. The policy was updated and implemented in October 2021, reflecting a new responsible investment approach. The new policy enacts the College’s commitment to environmentalism and social responsibility, and highlights that everyone needs to continue to assess how they can effectively contribute towards halting the climate crisis. Going forward, the College will not invest the DIP (excluding private equity), either directly or indirectly in the fossil fuels (where a company’s revenue is more than 10%), tobacco or defence (companies manufacturing weapons) sectors and will measure its investments against the ‘leader’ ESG rating; and will ensure that the College’s investments are managed, not just based on their financial performance and value for money, but also embodying the College’s social purpose and the example it sets as a community to others.

Risk Management

The Governing Body has adopted a “top-down” approach to the management of risk. 17 strategic risks, grouped thematically, have been identified by the Governing Body on the basis that they would directly impact the achievement of the College’s strategic goals. Responsibility for their management, including the identification and management of sub-risks, passed to nominated risk owners under the oversight of the appropriate College committee. The Audit Committee reports annually to the Governing Body on the management of risks.

The risk management process involves the assessment of the College’s ‘Risk Appetite’ for each risk. The components of the risk are then identified as ‘sub-risks’ and the risk is scored for severity, based upon an assessment of its likelihood and maximum potential impact before the application of controls. Controls are identified which bring the risk to within the appetite. The score after the application of controls determines whether additional actions are required to manage the risk, and the ratio between the scores before and after controls is a measure of ‘control effectiveness’. Each risk is reviewed by its oversight committee at least once a year. For 2021-22, meetings were held with the relevant risk owners to agree any changes to the scoring.

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The biggest risks after mitigation relate to external factors which, by definition, are outside the direct control of the College. These include the impact of a pandemic, the impact of Brexit, Government policy on student finance, the interventions of the Office for Students, the impact of pension deficits, reputational risk relating to disputes with third parties and general economic conditions affecting students. Control activities are focussed on improving the College's ability to anticipate and plan for these eventualities by working closely with other colleges and the University to ensure that the impacts of such changes are fully understood by decision makers.

Investment risk scores highly on the College's risk management system, but because the College is a long-term investor, this is within the risk appetite set by the Governing Body.

The internal risks that score most highly are those relating to loss or impairment of physical assets, failure to attract, retain and deploy competent assistant staff, failure to maintain a safe environment for the College members, visitors and staff and failure of information systems, security breach or critical loss of data. The Governing Body believes that established control systems are fit for purpose in managing these risks.

The College has a strong system of financial and management controls. The financial cycle begins with the approval by the Governing Body of the annual budget as part of this process the Governing Body also reviews three-year projections. Monthly management accounts, incorporating budget comparisons and forecasts are prepared and are scrutinised by the College Committee. Budget responsibility is devolved from the Bursar to Heads of Departments, and the Bursar undertakes regular reviews of performance at this level.

Safeguarding

The College aims to adopt the highest standards and take all reasonable steps in relation to the safety and welfare of children and adults at risk. The Safeguarding policy is published on the College website. The College safeguarding officer is the Bursar who reports annually to the Governing Body on safeguarding matters. Through the Senior Tutors' Committee and relevant welfare committees, the College works closely with other colleges and with the University to ensure consistency and fairness across collegiate Cambridge.

STATEMENT OF INTERNAL CONTROL

The Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. This process was in place for the year ended 31 July 2022, and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

STATEMENT OF RESPONSIBILITIES OF THE 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 (United Kingdom Generally Accepted Accounting Practice).

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body to prepare financial statements 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 then 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 accounting records which disclose with reasonable accuracy at any time the financial position of the College and to enable it to ensure that the financial statements comply with the Statutes of the University of Cambridge. It is 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.

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of Fitzwilliam College (the 'College') for the year ended 31 July 2022 which comprise the consolidated statement of comprehensive income and expenditure, the consolidated statement of changes in reserves, the consolidated balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees 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.

INDEPENDENT AUDITORS' REPORT

Opinion on other matters prescribed by the Statutes of the University of Cambridge

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Operating and Financial Review.

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 Trustees

As explained more fully in the responsibilities of the Governing Body statement set out on page 22, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation

INDEPENDENT AUDITORS' REPORT

legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;

- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's and the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the College's Trustees 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 Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITORS' REPORT

PETERS ELWORTHY & MOORE

Peters Elworthy & Moore

Chartered Accountants and Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 9 December 2022

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

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. The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertaking, Fitzwilliam College Services Limited. The company is a wholly owned subsidiary of the College. Details of the subsidiary undertaking are given in note 28.

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; and
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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Recognition of income (continued)

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 adopts a total return policy with regard to its endowment assets (excluding property). Spendable income up to a maximum of 3.5% of the average relevant endowment based on a five-year rolling average and lagged by one year is included as endowment income as agreed by the Governing Body each year. The agreed spendable income percentage for the year ended 31 July 2022 was 3.37%.

Other income

Income is received from a range of activities including accommodation, catering, conferences and other services rendered and recognised in the period it becomes receivable.

Funds received and disbursed as paying agent

Funds the College receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the College as it is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Cambridge bursary scheme

In 2021-22, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment. The net payment of £0.17 million is included within the Consolidated Statement of Comprehensive Income and Expenditure as part of education expenditure shown in note 4.

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 contracts, at contract rates. The resulting exchange differences are dealt with in the determination of the income and expenditure for the financial year.

Fixed assets

Land and buildings

Fixed assets are stated at depreciated replacement cost less accumulated depreciation and accumulated impairment losses. 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Fixed assets (continued)

Land and buildings (continued)

The costs of freehold buildings are split between their different major components and depreciated on a straight-line basis over their expected useful economical lives as follows:

Structure – between 50 and 95 years

Fit-out, plant and machinery – 25 years

The College incurs substantial costs in maintaining its properties to expected high standards with the effect of increasing the expected future benefits and that is taken in consideration when making estimates of economic useful lives. 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.

The cost of additions to operational property shown in the balance sheet includes the cost of land.

Furniture, fittings, general equipment, library books and motor vehicles

Furniture, fittings equipment and motor vehicles are capitalised at cost. The cost of library books is not capitalised and charged in full to the Income and expenditure account in the year of purchase. Depreciation is provided on a straight-line basis over the expected useful life of the assets as follows:

Furniture, fittings and general equipment	10 years
Catering and conference equipment	5 years
Motor vehicles	5 years
Computer equipment	4 years

Heritage assets

The College does not hold any material heritage assets and as such no further disclosures are considered required in these financial statements.

Leases

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.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation.

Current assets

Current asset investments are held at fair value with movements recognised in the consolidated statement of Comprehensive Income and Expenditure.

Stocks

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 benefit 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.

Financial instruments

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party to the contractual provision of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all the risks and rewards of ownership are transferred to another party.

Financial Liabilities

Basic financial liabilities include trade and other payables, bank loans and intergroup loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the College enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The College does not apply any hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies. Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

Taxation

The College is a registered charity (number 1137496) 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.

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.

Accounting for retirement benefits

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the College's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the College. The College should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the College is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the College pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The College pays contributions to two defined benefit pension schemes and one defined contribution pension scheme as follows:

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the statement of comprehensive income and expenditure 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 statement of comprehensive income and expenditure.

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) and the resulting expense in the statement of comprehensive income and expenditure in accordance with section 28 of FRS 102. The trustees 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.

Fitzwilliam College Assistant Staff Superannuation Fund

The College also contributes to the Fitzwilliam College Assistant Staff Superannuation Fund, which is a similar defined benefit pension scheme. Pension costs are recognised on a systematic basis so that the costs of providing retirement benefits to employees are matched evenly, so far as possible, to the service lives of the employees concerned.

Cambridge Colleges AVIVA Group Personal Pension Scheme

The College contributes to a defined contribution pension scheme in order to meet the auto enrolment obligations. The scheme is administered by AVIVA and its' assets are held separately from those of the College. The College contributions will vary between 5% and 9% of basic salary depending on the level of each employee's personal contribution. Contributions are charged to the statement of comprehensive income and expenditure in the period to which they relate.

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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Critical Accounting Estimates and Judgements

The preparation of the College's accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management considers the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities.

Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice, and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

Investment property – Properties are professionally revalued every 5 years to their fair value at the reporting date. Interim valuations are carried out annually using the Nationwide property price index to arrive at the year-end values.

Retirement benefit obligations – The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in notes 15 and 26.

Management is 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 funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in notes 16 and 27.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

		2022				2021			
Income	Note	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Academic fees and charges	1	3,938	0	0	3,938	3,616	0	0	3,616
Accommodation, catering and conferences	2	5,674	0	0	5,674	3,016	0	0	3,016
Investment income	3	220	0	375	595	79	0	356	435
Endowment return transferred	3	607	722	(1,329)	0	569	531	(1,100)	0
Other income		203	0	0	203	713	0	0	713
Total income before donations and endowments		10,642	722	(954)	10,410	7,993	531	(744)	7,780
Donations		492	0	0	492	468	0	0	468
New endowments		0	1,117	1,688	2,805	0	324	355	679
Grant from Colleges Fund		704	0	0	704	782	0	0	782
Other capital grants for assets		0	9	0	9	0	29	0	29
Total income		11,838	1,848	734	14,420	9,243	884	(389)	9,738
Expenditure									
Education	4	4,744	2,085	0	6,829	3,965	827	0	4,792
Accommodation, catering and conferences	5	6,309	0	0	6,309	5,183	0	0	5,183
Other expenditure		610	0	0	610	400	0	0	400
Past service cost in respect of pension schemes	27	776			776	1,500			1,500
Contribution under Statute GII		0	0	0	0	0	0	0	0
Total expenditure		12,439	2,085	0	14,524	11,048	827	0	11,875
Surplus/(deficit) before other gains and losses		(601)	(237)	734	(104)	(1,805)	57	(389)	(2,137)
Gain/(loss) on investments	9	21	480	7,506	8,007	33	726	10,187	10,946
Surplus/(deficit) for the year		(580)	243	8,240	7,903	(1,772)	783	9,798	8,809
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	27	1,858	0	0	1,858	456	0	0	456
Total comprehensive income for the year		1,278	243	8,240	9,761	(1,316)	783	9,798	9,265

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

CHANGES IN RESERVES 2022

	<i>Income and expenditure reserve</i>			<i>2022</i>
	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance as at 1 August 2021	67,898	6,007	69,527	143,432
Surplus from income and expenditure statement	(580)	243	8,240	7,903
Other comprehensive income	1,858	0	0	1,858
Release of restricted capital funds spent in the year	9	(9)	0	0
Other transfers	(3)	200	(197)	0
Balance as at 31 July 2022	69,182	6,441	77,570	153,193

CHANGES IN RESERVES 2021

	<i>Income and expenditure reserve</i>			<i>2021</i>
	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance as at 1 August 2020	69,187	5,311	59,669	134,167
Surplus from income and expenditure statement	(1,772)	783	9,798	8,809
Other comprehensive income	456	0	0	456
Release of restricted capital funds spent in the year	30	(30)	0	0
Other transfers	(3)	(57)	60	0
Balance as at 31 July 2021	67,898	6,007	69,527	143,432

The notes on pages 38 to 53 form part of these accounts

CONSOLIDATED BALANCE SHEET

		2022	2021
	Note	£000	£000
Non-current assets			
Fixed assets	8	74,532	75,426
Investments	9	95,098	86,072
Total non-current assets		169,630	161,498
Current assets			
Stocks	10	60	57
Trade and other receivables	11	2,611	1,235
Investments	12	16,500	0
Cash and cash equivalents	13	8	7
Total current assets		19,179	1,299
Creditors: amounts falling due within one year	14	(2,515)	(1,450)
Net current assets		16,664	(151)
Total assets less current liabilities		186,294	161,347
Creditors: amounts falling due after more than one year	15	(30,419)	(14,000)
Provisions			
Pension provisions	16	(2,682)	(3,915)
Total net assets		153,193	143,432
Restricted reserves			
Income and expenditure reserve – endowment reserve	17	77,570	69,527
Income and expenditure reserve – restricted reserve	18	6,441	6,007
		84,011	75,534
Unrestricted reserves			
Income and expenditure reserve – unrestricted		69,182	67,898
Total reserves		153,193	143,432

The financial statements were approved by the Governing Body on 30th November 2022 and signed on its behalf by:

R G Cantrill
Bursar



Baroness Morgan of Huyton
Master



The notes on pages 38 to 53 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT

		2022	2021
	Note	£000	£000
<i>Net cash inflow from operating activities</i>	20	699	425
<i>Cash flows from investing activities</i>	21	(16,118)	(3,021)
<i>Cash flows from financing activities</i>	22	15,304	3,507
<i>Increase/(decrease) in cash and cash equivalents in the year</i>		<u>(115)</u>	<u>911</u>
<i>Cash and cash equivalents at beginning of the year</i>		<u>(30)</u>	<u>(941)</u>
<i>Cash and cash equivalents at end of the year</i>	23	<u>(145)</u>	<u>(30)</u>

The notes on pages 38 to 53 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

1. ACADEMIC FEES AND CHARGES

	2022	2021
	£000	£000
Colleges fees:		
Fee income received at regulated undergraduate rate	1,946	1,955
Fee income received at unregulated undergraduate rate	890	686
Fee income received at the graduate rate	1,102	975
	<u>3,938</u>	<u>3,616</u>
	<u><u>3,938</u></u>	<u><u>3,616</u></u>

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

	2022	2021
	£000	£000
Accommodation:		
College members	3,529	2,284
Conferences	454	125
Catering:		
College members	1,338	550
Conferences	353	57
	<u>5,674</u>	<u>3,016</u>
	<u><u>5,674</u></u>	<u><u>3,016</u></u>

3. ENDOWMENT RETURN AND INVESTMENT INCOME

	2022	2021
	£000	£000
3a. Analysis of Investment Income:		
Income drawdown from endowment (note 3b)	1,329	1,100
Other investment income	220	79
	<u>1,549</u>	<u>1,179</u>
	<u><u>1,549</u></u>	<u><u>1,179</u></u>

NOTES TO THE FINANCIAL STATEMENTS

3b. Summary of Total Return

	2022	2021
	£000	£000
<u>Income from:</u>		
Quoted securities and cash	375	356
	<hr/>	<hr/>
<u>Gains/(Losses) on endowment assets:</u>		
Quoted securities and cash	4,042	7,938
	<hr/>	<hr/>
Total return for the year	4,417	8,294
Transfer to income and expenditure reserve (note 3a)	(1,329)	(1,100)
	<hr/>	<hr/>
Unapplied total return for the year included within the Statement of Comprehensive Income and Expenditure (note 18)	3,088	7,194
	<hr/> <hr/>	<hr/> <hr/>

The investment income recorded in note 3a for 2022 related to income receivable from land and buildings, quoted securities and cash investments.

4. EDUCATION EXPENDITURE

	2022	2021
	£000	£000
Teaching	3,017	2,468
Tutorial	866	783
Admissions	275	217
Research	391	295
Scholarships and awards	2,100	810
Other educational facilities	180	219
	<hr/>	<hr/>
	6,829	4,792
	<hr/> <hr/>	<hr/> <hr/>

5. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

	2022	2021
	£000	£000
Accommodation:		
College members	3,646	2,975
Conferences	747	671
Catering:		
College members	1,565	1,382
Conferences	351	155
	<hr/>	<hr/>
	6,309	5,183
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

6a. ANALYSIS OF 2021/22 EXPENDITURE BY ACTIVITY

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education	2,915	3,335	579	6,829
Accommodation, catering and conferences	2,629	2,360	1,320	6,309
Other	166	441	3	610
	<u>5,710</u>	<u>6,136</u>	<u>1,902</u>	<u>13,748</u>

The above expenditure includes fundraising costs of £289,901 (2021: £171,528).
 This expenditure includes the costs of alumni relations.

6b. ANALYSIS OF 2020/21 EXPENDITURE BY ACTIVITY

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education	1,954	2,257	581	4,792
Accommodation, catering and conferences	2,516	1,530	1,137	5,183
Other	138	260	2	400
	<u>4,608</u>	<u>4,047</u>	<u>1,720</u>	<u>10,375</u>

6c. AUDITORS' REMUNERATION

	2022 £000	2021 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	27	26
Other fees payable to the College's external auditors	2	0

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS

	Academic £000	Non- academic £000	2022 Total £000	2021 Total £000
<i>Staff costs:</i>				
Salaries	759	3,304	4,063	3,792
National Insurance	171	200	371	273
Pension costs	178	322	500	485
USS deficit contribution	776	0	776	58
	<u>1,884</u>	<u>3,826</u>	<u>5,710</u>	<u>4,608</u>
	<u><u>1,884</u></u>	<u><u>3,826</u></u>	<u><u>5,710</u></u>	<u><u>4,608</u></u>
	No	No	No	No
<i>Average staff numbers:</i>				
Academic	49	0	49	47
Non-academic	0	102	102	108
	<u>49</u>	<u>102</u>	<u>151</u>	<u>155</u>
	<u><u>49</u></u>	<u><u>102</u></u>	<u><u>151</u></u>	<u><u>155</u></u>

The Governing Body comprised 59 Fellows of which the 49 declared above were stipendiary.

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College.

During the year, emoluments paid to Trustees including key management personnel in their capacity as College Officers were:

	2022 £000	2021 £000
Aggregate Emoluments	1,108	944
	<u>1,108</u>	<u>944</u>

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

NOTES TO THE FINANCIAL STATEMENTS

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Assets under construction £000	Furniture, fittings and equipment £000	Motor vehicles £000	2022 Total £000	2021 Total £000
Cost						
At beginning of year	78,575	4,224	7,312	18	90,129	86,236
Additions	558	198	441	1	1,198	3,895
Transfers	4,224	(4,224)	0	0	0	0
Disposals	(4)	0	(310)	0	(314)	(2)
At end of year	83,353	198	7,443	19	91,013	90,129
Depreciation						
At beginning of year	8,579	0	6,120	4	14,703	12,983
Charge for the year	1,557	0	342	4	1,903	1,720
Eliminated on disposals	0	0	(125)	0	(125)	0
At end of year	10,136	0	6,337	8	16,481	14,703
Net book value						
At end of year	73,217	198	1,106	11	74,532	75,426
At beginning of year	69,996	4,224	1,192	14	75,426	73,253

The insured replacement cost of freehold land and buildings as at 31 July 2022 was £88,662,392.

9. INVESTMENTS

	2022 £000	2021 £000
Balance at beginning of year	86,072	74,671
Additions	40,109	17,715
Disposals	(42,320)	(16,657)
Gain/(Loss)	8,007	10,946
Increase/(decrease) in cash balances held at fund managers	3,230	(603)
Balance at end of year	95,098	86,072
Represented by:		
Investment properties	39,100	35,001
Quoted securities - equities	53,102	51,405
Cash held at investment managers	2,232	(403)
Bank balances	664	69
	95,098	86,072

NOTES TO THE FINANCIAL STATEMENTS

10. STOCKS

	2022	2021
	£000	£000
Goods for resale	60	57
	<u> </u>	<u> </u>

11. TRADE AND OTHER RECEIVABLES

Due within one year

	2022	2021
	£000	£000
Members of the College	227	163
Other debtors	2,384	1,072
	<u> </u>	<u> </u>
	2,611	1,235
	<u> </u>	<u> </u>

12. CURRENT INVESTMENTS

	2022	2021
	£000	£000
Deposits maturing:		
In one year or less	6,500	0
Between one and two years	10,000	0
	<u> </u>	<u> </u>
	16,500	0
	<u> </u>	<u> </u>

Deposits are held with banks operating in the UK and licensed by the Financial Services Authority on three months or more maturity terms. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. The fair value of these deposits was not materially different from the book value.

13. CASH AND CASH EQUIVALENTS

	2022	2021
	£000	£000
Current accounts	5	5
Cash in hand	3	2
	<u> </u>	<u> </u>
	8	7
	<u> </u>	<u> </u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£000	£000
Bank overdraft	153	37
Members of the College	1,228	261
Other creditors	1,134	1,152
	<u> </u>	<u> </u>
	2,515	1,450
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £000	2021 £000
Bank loans	10,000	14,000
Private placement	20,000	0
Committed Scholarships	419	0
	<u>30,419</u>	<u>14,000</u>

The £10m bank loan is unsecured and repayable in full by 30 July 2058 at a fixed rate of 4.93% per annum. The £20m private placement was issued during the year with a fixed interest rate of 1.54% and repayable in full by 31 January 2072.

16. PENSION PROVISIONS

	To fund deficit on USS pension £000	Defined benefit obligation (note 24) £000	2022 Total £000	2021 Total £000
Balance at beginning of year	696	3,219	3,915	2,982
Movement in year:				
Contributions	776	(207)	569	(149)
Other expenditure	6	50	56	38
Past service cost in respect of pension schemes	0	0	0	1,500
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	0	(1,858)	(1,858)	(456)
Balance at end of year	<u>1,478</u>	<u>1,204</u>	<u>2,682</u>	<u>3,915</u>

USS Provision

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

The major assumptions used to calculate the obligation are set out below:

	2022	2021
Discount rate	3.31%	0.87%
Salary growth	3.50%	3.00%

NOTES TO THE FINANCIAL STATEMENTS

17. ENDOWMENT FUNDS

Restricted net assets relating to endowments
are as follows:

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2022 Total £000	2021 Total £000
Balance at beginning of year:				
Capital	18,106	51,421	69,527	59,669
New donations and endowments	1,688	0	1,688	355
Other transfers	(277)	0	(277)	0
Increase/(decrease) in market value of investments	1,622	5,010	6,632	9,503
	<u>21,139</u>	<u>56,431</u>	<u>77,570</u>	<u>69,527</u>
Balance at end of year	<u>21,139</u>	<u>56,431</u>	<u>77,570</u>	<u>69,527</u>

Analysis by type of purpose:

Fellowship and Research Funds	7,464	0	7,464	6,031
Scholarship and Prize Funds	3,496	213	3,709	2,823
Chapel Funds	508	0	508	457
Travel Grant Funds	519	0	519	470
Hardship Funds	5,716	0	5,716	5,111
Other Funds	3,436	0	3,436	3,408
General endowments	0	56,218	56,218	51,227
	<u>21,139</u>	<u>56,431</u>	<u>77,570</u>	<u>69,527</u>
	<u>21,139</u>	<u>56,431</u>	<u>77,570</u>	<u>69,527</u>

Analysis by asset:

Property	0	38,014	38,014	33,977
Investments	21,139	18,417	39,556	35,550
Cash	0	0	0	0
	<u>21,139</u>	<u>56,431</u>	<u>77,570</u>	<u>69,527</u>
	<u>21,139</u>	<u>56,431</u>	<u>77,570</u>	<u>69,527</u>

NOTES TO THE FINANCIAL STATEMENTS

18. RESTRICTED RESERVES

Reserves with restrictions are as follows:

Consolidated	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2022 Total £000	2021 Total £000
Balance at beginning of year					
Capital	0	0	4,392	4,392	3,753
Accumulated income	0	1,465	150	1,615	1,558
	<u>0</u>	<u>1,465</u>	<u>4,542</u>	<u>6,007</u>	<u>5,311</u>
New capital grants	9	0	0	9	29
New donations	0	0	1,117	1,117	324
	<u>0</u>	<u>46</u>	<u>231</u>	<u>277</u>	<u>(57)</u>
Other transfers	0	579	143	722	531
Endowment return transferred	0	0	403	403	726
Increase/(decrease) in market value of investments	0	0	403	403	726
	<u>0</u>	<u>(398)</u>	<u>(1,687)</u>	<u>(2,085)</u>	<u>(827)</u>
Expenditure	0	0	0	(9)	(30)
Capital grants utilised	(9)	0	0	(9)	(30)
	<u>0</u>	<u>1,692</u>	<u>4,749</u>	<u>6,441</u>	<u>6,007</u>
Balance at end of year	<u>0</u>	<u>1,692</u>	<u>4,749</u>	<u>6,441</u>	<u>6,007</u>
Comprising:					
Capital	0	0	4,568	4,568	4,392
Accumulated income	0	1,692	181	1,873	1,615
	<u>0</u>	<u>1,692</u>	<u>4,749</u>	<u>6,441</u>	<u>6,007</u>
	<u>0</u>	<u>1,692</u>	<u>4,749</u>	<u>6,441</u>	<u>6,007</u>
Analysis of other restricted funds/donations by type of purpose:					
Fellowship and Research Funds	0	588	99	687	637
Scholarship and Prize Funds	0	146	222	368	126
Chapel Funds	0	155	388	543	518
Travel Grant Funds	0	58	2	60	50
Hardship Funds	0	410	1,683	2,093	2,362
Building Funds	0	0	1,189	1,189	1,068
Other Funds	0	335	1,166	1,501	1,246
	<u>0</u>	<u>1,692</u>	<u>4,749</u>	<u>6,441</u>	<u>6,007</u>
	<u>0</u>	<u>1,692</u>	<u>4,749</u>	<u>6,441</u>	<u>6,007</u>

NOTES TO THE FINANCIAL STATEMENTS

19. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Within reserves the following amounts represent the unapplied Total Return of the College:

	2022	2021
	£000	£000
Initial unapplied Total Return	30,390	23,196
Unapplied Total Return for the year (note 3b)	3,088	7,194
	<u>33,478</u>	<u>30,390</u>
Unapplied Total Return at end of year	<u>33,478</u>	<u>30,390</u>

20. RECONCILIATION OF CONSOLIDATED SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2022	2021
	£000	£000
Surplus for the year	7,903	8,809
Adjustment for non-cash items		
Depreciation	1,902	1,720
Increase in stocks	(3)	7
Increase in trade and other receivables	(305)	(113)
Increase in creditors	1,338	162
Pension costs less contributions payable	(249)	(64)
Past service cost of pension schemes	776	1,500
Gains on endowments, donations and investment properties	(8,007)	(10,946)
Adjustment for investing or financing activities		
Investment income	(538)	(435)
Interest payable	696	493
New endowments	(2,805)	(679)
Capital grant from colleges fund	0	0
Other capital grants for assets	(9)	(29)
	<u>699</u>	<u>425</u>
Net cash inflow from operating activities	<u>699</u>	<u>425</u>

NOTES TO THE FINANCIAL STATEMENTS

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2022	2021
	£000	£000
Proceeds from sales of endowment assets	42,328	16,659
New endowment funds received	1,934	880
Other capital grants for assets	9	29
Investment income	359	416
Endowment funds invested	(40,109)	(17,715)
Placed deposits	(19,730)	603
Payments made to acquire non-current fixed assets	(992)	(3,949)
Fitzwilliam Society loan movement	6	6
Loan repayments by Fellows	77	50
Total cash flows from investing activities	(16,118)	(3,021)

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2022	2021
	£000	£000
Interest paid	(696)	(493)
Private placement	20,000	0
Bank loan repaid	(4,000)	4,000
Total cash flows from financing activities	15,304	3,507

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Note	At beginning of year	Cash flows	At end of year
		£000	£000	£000
Cash at bank and on deposit	13	7	1	8
Bank overdraft	14	(37)	(116)	(153)
		<u>(30)</u>	<u>(115)</u>	<u>(145)</u>

24. CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT

	Note	At beginning of year	Cash flows	At end of year
		£000	£000	£000
Cash and cash equivalents	13	7	1	8
Borrowings: amounts falling due within one year				
Bank overdraft	14	(37)	(116)	(153)
Borrowings: amounts falling due after more than one year				
Unsecured loans	15	(14,000)	(16,000)	(30,000)
		<u>(14,030)</u>	<u>(16,115)</u>	<u>(30,145)</u>

NOTES TO THE FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS

	2022 £000	2021 £000
Financial assets		
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	8	7
Current asset investments	16,500	0
Other debtors	2,611	1,235
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft	153	37
Loans	30,000	14,000
Other creditors	2,781	1,413

26. CAPITAL COMMITMENTS

	2022 £000	2021 £000
Capital commitments at 31 July 2022 are as follows:		
Authorised and contracted	424	253
Authorised but not yet contracted for	0	0

27. PENSION SCHEMES

Universities Superannuation Scheme

The total cost charged to the statement of comprehensive income and expenditure was as follows:

	2022 £000	2021 £000
Total employer contributions during the year	374	364
Add: contributions credit relating to past service (note 16)	776	58
Amount charged to the statement of comprehensive income and expenditure	1,150	422

The latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2020 (the valuation date), which 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 adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £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%.

NOTES TO THE FINANCIAL STATEMENTS

27. PENSION SCHEMES (continued)

Universities Superannuation Scheme (continued)

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 increases (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 assumption used relates 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:

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% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

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

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

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	3.50%	3.00%

NOTES TO THE FINANCIAL STATEMENTS

27. PENSION SCHEMES (continued)

Fitzwilliam College Assistant Staff Superannuation Fund (FCASSF)

The College also operates an insured pension fund for non-academic employees providing defined benefits to those employees based on their final pensionable salary. The assets of the fund are invested in a Defined Benefit Solution Policy provided by AVIVA which offers flexibility in asset allocation and is tailored to reflect the Trustees attitude to risk.

Contributions to the fund are based on the recommendation of professional advisors and with the agreement of the fund's actuary. The total employer contributions paid during the year were £207,100 (2021: £207,100), all relating to past service as shown in note 15.

An FRS 102 actuarial valuation of the scheme was carried out as at 31 July 2021 by a qualified independent actuary. It indicated an employee benefit obligations deficit of £1,204,000, based on the total fair value of net assets of £4,229,000 against the present value of funded obligations of £5,433,000. Information about the scheme is set out below in a format consistent with FRS102.

Changes in the present value of the defined benefit obligations and in the fair value of scheme assets:

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Opening balance	(7,475)	(6,078)	4,256	3,729	(3,219)	(2,349)
Interest(expense)/ income	(118)	(88)	68	55	(50)	(33)
Actuarial gain	1,983	112	0	0	1,983	112
Benefits paid	177	79	(177)	(79)	0	0
Return on scheme assets	0	0	(125)	344	(125)	344
Employer contributions	0	0	207	207	207	207
Administration fees	0	0	0	0	0	0
Past service cost	0	(1,500)	0	0	0	(1,500)
Closing balance	<u>(5,433)</u>	<u>(7,475)</u>	<u>4,229</u>	<u>4,256</u>	<u>(1,204)</u>	<u>(3,219)</u>

The amounts recognised in the income and expenditure account are as follows:

	2022 £000	2021 £000
<i>In other expenditure:</i>		
Interest expense (net)	<u>50</u>	<u>33</u>
In past service cost in respect of pension schemes	<u>0</u>	<u>1,500</u>

NOTES TO THE FINANCIAL STATEMENTS

27. PENSION SCHEMES (continued)

Fitzwilliam College Assistant Staff Superannuation Fund (continued)

The amounts taken to other comprehensive income are as follows:

Actuarial gain/(loss):	2022 £000	2021 £000
Return on pension scheme assets	(125)	344
Changes in assumptions underlying the present value of scheme liabilities	1,983	112
Net gain/(loss)	1,858	456

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2022 %	2021 %
Equities	39%	0%
Bonds	58%	0%
Property	5%	5%
Cash	2%	97%
Current liabilities	-4%	-2%

Principal actuarial assumptions as at the balance sheet date (expressed as weighted averages):

a) Key assumptions

	2022	2021
Discount rate	3.30% pa	1.60% pa
RPI inflation	3.10% pa	3.15% pa
Future salary increases	3.90% pa	3.90% pa
Pension increases in payment:		
- RPI - minimum 3%, maximum 5%	3.55% pa	3.60% pa
Mortality – Life expectancy (male aged 65)	87.0	87.3
Cash commutation allowance	Members take 25% of their pension as tax free cash	Members take 25% of their pension as tax free cash
Assumed commutation factor at 65:		
Fixed 3% increasing pension	20.7	15
RPI min 3% max 5% increasing pension	21.4	15

Cambridge Colleges AVIVA Group Personal Pension Scheme

The College joined this defined contribution pension scheme during the current year in order to meet the auto enrolment obligations. The scheme is administered by AVIVA and its' assets are held separately from those of the College.

The College contributions will vary between 5% and 9% of basic salary depending on the level of each employee's personal contribution. Contributions charged to the income and expenditure account during the year were £98K (2021 - £106K).

NOTES TO THE FINANCIAL STATEMENTS

28. SUBSIDIARY UNDERTAKING

The subsidiary company (which is registered in England & Wales), wholly owned by the College, is as follows:

Company	Principal Activity	Status
Fitzwilliam College Services Limited	Provision of conference management services	100% owned

29. 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 may have 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 the College Committee.

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

From	To	2022 Number	2021 Number
£0	£10,000	28	31
£10,001	£20,000	5	1
£20,001	£30,000	6	7
£30,001	£40,000	2	1
£40,001	£50,000	2	3
£50,001	£60,000	2	1
£60,001	£70,000	1	1
£70,001	£80,000	2	1
£80,001	£90,000	1	1
£90,001	£100,000	0	0
	Total	<u>49</u>	<u>47</u>

The total Trustee salaries were £930K for the year (2021: £782K)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £180K for the year (2021: £175K)

The College also operates a fellows housing loan scheme and at the end of the year the total amount included in debtors amounted to £288K (2021 - £375K). These loans are offered to fellows who meet the criteria on commercial terms.

The College has a subsidiary undertaking, Fitzwilliam College Services Ltd which is consolidated into these accounts. The subsidiary is 100% owned by the College and is 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.

