

HOMERTON COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2023

Registered address

Hills Road
Cambridge
CB2 8PH

Charity registration number: 1137497

Members of Council (Trustees)

Ex officio Members

Principal

Lord Woolley of Woodford

Vice Principal

Dr Francesca Moore (from 01 October 2022)

Louise Joy (resigned 30 September 2022)

Senior Tutor

Dr Penelope Barton

Bursar

Dr Simon Brockington (from 01 October 2022)

Deborah Griffin (resigned 30 September 2022)

Elected Fellows (for 3-year terms to 30 September)

Mathew Moss (resigned 30 September 2023)

Juliana Cavalcanti (2023)

Paul Warwick (2023)

Timos Kipouros (2023)

Miles Stopher (Resigned 30 September 2023)

Fernanda Gallo (2024)

Will Fawcett (2024)

Alison Wood (2025)

David Belin (2025)

Katherine Boyle (2026)

Josie O'Donoughue (2026)

Olivier Tonneau (2026)

Co-opted Fellows

Georgie Horrell (2023)

Melanie Keene (2023)

Joel Chalfen (2024)

Student Members (not Trustees)

JCR President

Robin Webber

MCR President

Mollik Shamimuzzaman / Lucy Cole

Senior Officers

Head of House

Lord Woolley of Woodford

Vice Principal

Dr Francesca Moore

Senior Tutor

Dr Penelope Barton

Bursar

Dr Simon Brockington

Admissions Tutors

Dr Paul Elliott

Dr Georgie Horrell

Postgraduate Tutor

Dr Melanie Keene

Secretary to the Governing Body and Council

Dr Simon Wadsley

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2023

Auditors

Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers

Lloyds Bank plc
Endeavour House
Chivers Way
Histon
Cambridge
CB24 9ZR

Solicitors

Taylor Vinters LLP
Merlin Place
Milton Road
Cambridge
CB4 0DP

Property advisers

Carter Jonas
6-8 Hills Road
Cambridge
CB2 1NH

Bidwells
Bidwell House
Trumpington Road
Cambridge
CB2 9LD

Investment managers

Rothschild & Co
New Court
St Swithin's Lane
London
EC4N 8AL

Report of the College Council for year ending 30 June 2023

SCOPE OF THE FINANCIAL STATEMENTS

The trustees of Homerton College ('the College') present their report incorporating the operating and financial review, together with the audited financial statements for the year ended 30 June 2023. These cover the consolidated operations of Homerton College and its subsidiaries. The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 32 and comply with applicable laws, the requirements of the Recommended Cambridge College Accounts (RCCA), the Statement of Recommended Practice: Accounting for Further and Higher Education (2015), and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Status

Homerton College was founded in 1768 and gained its Royal Charter and membership of the University of Cambridge in 2010. With over 1,400 students covering all undergraduate and most postgraduate courses, we are one of the largest, youngest, diverse, and most dynamic colleges in the University.

We pride ourselves on our values led approach and especially on the importance of fairness, openness, and excellence. We believe that education is more than just a qualification and that the skills to use and apply learning are just as important as the degree itself.

The College is constituted through its Royal Charter, and it is also a registered charity. This report and the accompanying accounts consolidate the operations of Homerton College and its subsidiaries which are:

- Colophon Limited undertakes commercial conferences and also operates the College bar and May Ball.
- Colokate LLP, which was incorporated during 2013/14 to facilitate the residential developments which are part of Homerton Gardens adjacent to the main college site. The development works are complete, and partnership now exists to hold the freeholds.
- Ward Griffin LLP is a partnership between Homerton College and St Mary's School. It developed and now manages the sports fields owned by St Mary's School, which were leased to the partnership in 2020 for 66 years.

Purpose, Charitable Objectives and Public Benefit

The purpose of the College is to nurture a talented, diverse, open-minded, and principled scholarly community, and thereby to further the University's mission of contributing to society through the pursuit of education and research at the highest levels.

The College's culture and values emphasise inclusivity: both in reaching out to potential students from the widest range of backgrounds, and in ensuring that students from every background feel a sense of belonging at Homerton and that they are welcome and supported. The College believes that equality, diversity, and equity lead to excellence, and works to remove any barriers to full participation in Cambridge life that students may experience. Homerton's culture is one of friendliness and lack of hierarchy.

The objects of the College, as set out in its Royal Charter, are:

1. For the public benefit to advance education, religion, learning and research within the University of Cambridge.
2. For the public benefit to provide for persons, who shall be members of the University, a College wherein they may work for degrees of the University of Cambridge.

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

Vision and Values

During the year, the College has refined its Values, Vision and Mission and is now working on a comprehensive strategy update. We expect to publish these documents in the 2023/24 academic year.

Equality, Diversity and Inclusion

The College has an active, energetic and dynamic approach to EDI which informs all aspects of college life including admissions, outreach and our commitment to improving and enhancing student experience for all students. This year, we are especially pleased to have appointed several research fellows whose research interests will further Homerton's ambitions in EDI. We have also held two high profile College events, one celebrating Black History Month and the other to welcome Reverend Al Sharpton to the College.

Black History Month dinner

Lord Simon Woolley hosted an exceptional gala dinner at the College, on 26th October 2022, inviting students of Afro-Caribbean descent from across Cambridge to join him and distinguished guests to celebrate Black History Month. Students described the evening as one of 'Black joy' – a landmark, inspirational occasion.

Reverend Al Sharpton visit

Homerton was honoured to receive a visit from Reverend Al Sharpton, US Civil Rights leader on 6 February 2023, who delivered a powerful inspirational address to a full Great Hall. Students were encouraged to find meaning, purpose and service in their lives.

Educational achievements

Admissions and Outreach

The Admissions Team have offered a dynamic programme of events and services. In 2022/2023, our Schools Liaison Officer, working in close collaboration with our Admission's Manager, organised and delivered wide-ranging 107 (2022: 73) outreach events, both online and in-person. Of the 591 (2022: 389) schools and 9,151 (2022: 3810) participants who attended these events, significant numbers came from areas where few progress to higher education.

Admissions Tutors participated in various activities. For example, our Science Admissions Tutor developed a portable educational "escape" game with funding from the Newton Trust. The escape room tests the analytical and synthetic thinking skills that we look for in our applicants, making it a novel way to inspire students to apply to top universities and to prepare them for interviews and the university transition. It involves 80 scientific thinking skills puzzles and has been delivered to over 400 potential applicants to date, with plans for a country-wide expansion over the coming year.

We also collaborated with Trinity College to deliver an intensive 4-day Biological Sciences Summer school for 70 A-level students. Other events included Open Days, Outreach buses (bringing groups of students from across our 'link areas' into College, for busy, aspiration-raising days), a visit to schools in Scotland, online access courses and guided tours of the College. We also hosted 32 (2022: 40) students on residential element of the university STEM-SMART scientific preparation programme, making us one of its biggest supporters.

Our flagship admissions event is our Sustainability Student Conference in late August. The Conference is the culmination of an essay writing and design competition (with online sessions for inspiration and guidance) and is a 3-day residential for 100 state school students. The central day of the Conference is an Open Day for up to 300 attendees with various activities, discussions and talks with priority given to students who have participated in the College's programmes.

Admissions and Outreach (cont'd)

The Conference also engages our current students (postgraduates and undergraduates) in creative ways and is a clear example of the College developing the practice of 'Students as Partners' (<https://www.cctl.cam.ac.uk/files/students-as-partners-guidance.pdf>). One among many positive reviews stated, 'It felt amazing to congregate in a space filled with so many kind and intelligent sixth formers who all cared so much about our environment...Homerton Staff were all so welcoming and truly encouraged the voices of young people to be heard in such pertinent discussions.'

Our Admissions strategy is fundamentally informed by our core values of EDI and widening participation. A small but effective team (3 part time Admissions Tutors, ably supported by our Admissions Administrator and Manager), working with Directors of Study and the Admissions Advisory Group led by the Senior Tutor, considered another impressively strong set of applications. This year total applications to Homerton numbered 1,019 (2022: 875). We conducted 1,294 (2022: 1076) admissions interviews, made offers to 214 (2022: 227) students and confirmed 182 (2022: 180) students for Matriculation in October 2023. We are rightly pleased with our widening participation statistics (see Table 1), which generally exceed university averages and the 2024/25 targets outlined in the University Access and Participation Plan. We celebrate another radically diverse intake of students.

	Acceptances	% Acceptances	University access Target (for 2024/25)
Home	147	81%	-
State	110	75%	69%
POLAR 1	5	3%	7%
POLAR 1+2	27	18%	17%
OAC	38	26%	21%
IMD	35	24%	-
FSM	20	14%	-

Table One. Undergraduate admissions acceptances for Homerton College in 2022. Note that all Widening Participation metrics (see below) are calculated as a percentage of Home students.

POLAR: a measure produced by HEFCE which ranks areas based on the rate at which young people have historically progressed to higher education. These ranks are then used to divide areas into quintiles. Students from POLAR 1 areas are those that have a home postcode that falls into the bottom 20% of areas ranked by this measure, while POLAR 1+2 fall into the bottom 40%.

OAC: Output Area Classification, a classification of areas produced by the Office of National Statistics using data from the 2011 census. Since 2014, the Cambridge Admissions Office has conducted research into how these classifications interact with underrepresentation at Cambridge and other indicators of socio-economic and educational disadvantage including household income and parental occupation. This research allows us to flag applicants whose home postcodes indicate they are resident in areas with less advantaged socio-economic characteristics: and/or low progression to the University of Cambridge.

IMD: Indices of Multiple Deprivation, measures produced by regional governments within the UK that identify relative deprivation. Areas within each region are assessed according to a series of indicators – such as income, crime, and healthcare – and then ranked against each other and placed into deciles. Students are given a flag if their home postcode indicates they live in an area that is ranked in the bottom 40% of their region by these measures.

FSM: Student has been provided with Free School Meals in their prior education.

Foundation Year

Homerton College is one of 10 Cambridge Colleges to embrace the University's Foundation Year initiative with enthusiasm and energy. The first cohort began their course in late September 2022 and all five Homerton Foundation Year students will be proceeding to Tripos in 2023.

Feedback from our students has been clearly positive – both for the Course but also for the College, referencing the exceptional level of support received from their Tutor and their Director of Studies, as well as other support and services offered by the College. We are particularly pleased by the way the College community has welcomed students from this new course and enabled a sense of belonging. We will welcome a further five foundation year students in late September 2023 and look forward to developing our collaboration with this excellent initiative.

Student numbers 2022/2023

Total student numbers have increased gradually over the last three years, rising from 1,389 in 2020-21 to 1,485 in 2022-23. Undergraduate numbers have remained stable over the period while postgraduate numbers have increased, despite a small reduction in PGCE numbers.

	2020/21	2021/22	2022/23
Undergraduate	631	618	628
Post Graduate Certificate of Education	190	165	176
Postgraduate	568	674	681
Master of Education	87	68	67
Master of Studies	135	143	163
Other Postgraduate	346	463	451
Grand Total	1389	1457	1485

Table Two. Homerton student numbers 2020/21 to 2022/23

Undergraduate achievements

Homerton undergraduates have participated in another year of vibrant and varied activities, both curricular (mainly supervisions, which are organised and facilitated by Directors of Study) and co-curricular. We offer the full range of subjects taught by the University – from Anglo Saxon, Norse and Celtic to Veterinary Medicine. Each subject has a Director of Studies appointed to advise, support students and, in some subjects, to appoint supervisors. Some of these are Homerton Fellows and College Teaching Officers and others are 'external' Directors of Studies.

This year many of our students, like others across the University and universities across the UK, were affected by the Marking and Assessment Boycott. Despite industrial action, our students engaged productively with examinations. However, patchy results across many subjects have created difficulty for many, particularly those who need to apply for visas for Postgraduate degrees or indeed for those with potential employment which requires the publication of their results. The College has provided active support in a variety of ways but looks forward to these matters being resolved.

At the time of writing, we are still waiting for final exam results for many subjects, but already know that we have an impressive six first class results in fourth year Physics and Astrophysics, and a further six in Engineering. A further 9 finalists have already been awarded Firsts, and we expect more as the results are confirmed, including at least six in the Education Tripos. The achievements of our finalists this year are particularly impressive against the backdrop of studies disrupted in so many ways by the pandemic: we know that they are a resilient group and wish them well as they go on to make a great impact in the world beyond university.

Homerton Union for Students

Homerton funds a full time President of Homerton's Union of Students, who is a new graduate, elected in their final term. The HUS plans and oversees a range of events and activities beginning each year with the Freshers Week (including professionally led Consent Workshops, EDI Workshops and some orientation games and entertainments), and running Welfare activities throughout the year.

Postgraduate support

The 2022-23 academic year proved to be another busy and rewarding time for Homerton's postgraduate community.

We added one more member to our Tutor team, further expanding and diversifying the available support for Homerton postgraduate students. Tutors assisted students with a range of issues including intermissions and extensions; family and personal matters; examination allowances and appeals; problems with supervisors and departments; finances and funding; and physical and mental health. Students continue to deal with the impact of the cost-of-living crisis, ongoing consequences of the COVID-19 pandemic, global conflict and war, and industrial action including the UCU marking and assessment boycott.

Expanding the Wellbeing and counselling provision has been well-received by postgraduate students, and we will continue to review and enhance the support available on an ongoing basis. Our MCR Presidents organised well-received Freshers' weeks in September and October, as well as actively representing postgraduate student voices to the College throughout the year.

Postgraduate achievements

Postgraduate students continue to contribute across a wide range of College activities, notably with the Changemakers programme, as well as with admissions and outreach initiatives, and with student societies in sports and across the performing arts and music.

Dedicated postgraduate events such as the Friday Postgraduate Formal Halls have once again been popular and lively events, including some themed nights (Casino and Enchanted Forest) organised by the MCR; we also specifically organised a Formal Hall for the MSt Residentials. Matriculations and graduations provided opportunities to celebrate our postgraduate student cohorts; and invitations to subject dinners gave a chance for Masters' and PhD students to meet undergraduates and Fellows in their disciplines.

The Research Suppers continued in a hybrid format to offer maximum flexibility for participants and this year all presentations were of an exceptionally high quality. We were delighted to return to Oxford for our annual Research Day in late May. Topics students presented on over the year (which give an insight into current research) included:

- Teacher wellbeing in the context of supporting student mental health needs
- Empathy on the peace lines: autism and belonging in a socially divided city
- Recognition as resilience: how unrecognized Indigenous nations employ global visibility as a pathway towards restorative justice
- Small non-coding RNA dysregulation in germ cell tumours
- Are there inequalities in behavioural interventions for obesity?
- Behavioural aspects of technology transfer: evidence from smallholder farmers and the agri-food sector

Postgraduate Oversight and Strategy

The Postgraduate Tutor oversaw the College's work with our postgraduate students, working closely with colleagues and with the MCR Presidents. In the University, she continued as a member of the Postgraduate Committee for a second term (and will co-Chair from Lent 2024); and was the Postgraduate Tutors' Committee representative on the Childcare Committee and (joining in 2022-23) MSt Committee.

Work is well underway on the 2023-2027 Postgraduate Student Strategy (which will lead on from the previous 2017-2022 document), and which will be devised in line with the College's Values, Vision, and Mission, and wider strategic planning. The key focus will be postgraduate widening participation throughout the student journey, with an emphasis therefore on inclusion and integration, as well as fundraising and targeted and holistic support.

Changemakers

Changemakers is Homerton's pioneering co-curricular programme developing students' awareness of self; their gritty real-world skills to be effective in society; and their practical ability for making a positive impact in the world. Established in 2019 it's part of Homerton's long term commitment to intelligent education combined with vision and practical hard graft: the conditions for creating a more just, sustainable, inclusive world.

Changemakers is available to all Homerton students, free of charge, and offers residentials, workshops, a mentoring scheme, programmes with partner organisations, a catalyst fund, online resources, and access to leading changemakers. Students can engage as little, or as much, as they wish, concomitant with their interests, timetables and existing skills.

Over the last four years Changemaker has taught 19,300 student hours in 3,050 student encounters; built a network of 200 champions who have gifted more than 4000 hours of their time teaching and supporting students; hosted 110 events; supported 50 student ambassadors; helped enable 14 start-ups; and generated over £500K in in-kind and financial support.

In 2022-2023 there were 942 (2022: 535) student encounters and 7,300 (2022: 2329) student hours; 6 start-ups supported and 280 (2022: 156) event hours. 95% (2022: 95%) of students rated their experience 'outstanding'.

Anecdotal evidence indicates the desirability and effectiveness of Changemakers: for prospective students listing Homerton as a college of choice; for current students, both personally and in their academic work; for colleagues who contribute; and for the reputation of Homerton as a progressive, action-orientated and values-led organisation.

Student Support

Academic Support

All undergraduates have a Director of Studies who meets with and monitors students' academic development. One to one support is available for any student who requires assistance with writing skills, maths support or time management and personal organisation. Subject dinners continued throughout the year, and these bring together undergraduates, postgraduates, fellows and staff, and in some cases alumni, for further discussion of respective subjects.

Financial Support

Through a scheme operated in common with the University and other Cambridge colleges, the College provides bursary support to undergraduate students of limited financial means. The Cambridge Bursary Scheme is approved by the Office of Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. During the year, 187 (2022: 170) Homerton students benefited from the scheme to the value of £611,585 (2022: £517,906). Although this was the second year of the enhanced Bursary scheme, College continued to offer students, in years three and four, participation in the Pilot Top-Up Bursary Scheme which benefited 79 (2022: 131) Homerton students to the value of £37,774 (2022: £53,015). This was in part funded by Trinity College.

The College also operates its own Hardship Fund, and awards several other grants, as well as prizes for academic achievement. The total cost of such financial support was £258,982 (2022: £242,047). The College's Finance Tutor seeks to support students in need, not only from College resources, but also a range of University and other Funds.

Wellbeing and Welfare Support

In the academic year 2022/2023, recognising the ongoing crisis in Mental Health and Wellbeing for young people, Homerton enhanced and strengthened our wellbeing provision. We appointed a Wellbeing Coordinator (November 2022), Wellbeing Assistant (August 2023) and Deputy Senior Tutor (Wellbeing) (to start Oct 2023) – together with the College Health Advisor, thus establishing a robust and experienced team. We have offered a range of wellbeing activities for staff and students (for example, breathing workshops, drop ins and massage opportunities). Our Poet in Residence has offered writing workshops, readings and poetry walks.

We have done substantial work on a review of Safeguarding procedures. In acknowledgement of the persistent crisis in sexual violence and harassment experienced by students across the UK, we have refreshed our Gender Based Violence Working Group and started plans for a conference, collaborating with students and other Colleges and other, local universities. We are one of a small number of Colleges working with the University Harassment and Sexual Violence Advisors to develop collaborative 'Consent workshops'. The College will run a series of Power and Culture talks and seminars in 2023/2024.

Fellowship and Research

The Homerton Fellowship continues to grow and at the year-end numbered 73 (2022: 66) Governing Body Fellows. Several disciplines have grown across the academic year with the addition of new Fellows in subjects including Geography, Medicine, and Engineering. The College has also appointed Honorary Fellows this year. These are often people of public interest, and they are public champions of the work the college does as an educational charity. The College's newest Honorary Fellow is Baroness Louise Casey.

Throughout the year the College has added several Bye-Fellows to the community as well. Bye-Fellows serve a three-year term and provide highly valued teaching for the college. In many cases, Bye-Fellows also take on additional roles such as Director of Studies and Tutor. Homerton is lucky to have a large community of Bye Fellows and is very grateful for their support for our students.

This last academic year has been a particularly exciting year for the college as it develops its expertise and strength in Biomedicine. We have added several new medical Fellows including in the specialties of Neurosurgery, and Ear, Nose and Throat this year. They join an already thriving group of highly qualified medical and scientific professionals. The college is exploring opportunities to work more closely with academics and biotechnology firms on the biomedical campus.

In Summer 2023, Homerton appointed its first ever Research in Practice Junior Research Fellows. This is a groundbreaking new form of research fellowship and may be the first of its kind in Cambridge. Our new Fellows have been recruited to a four-year Fellowship to produce research that brings direct social benefit to communities and the wider public. Crucially, some of that research will also be co-produced with research participants and community organisations including advocacy groups and museums. This new work ensures that Homerton's values, vision, and mission are embedded in the research that we fund. Our first Research in Practice scholars are working on Black African history and the history of prevention science in drug regulation and mental health. They begin their work in October 2023.

Homerton is very proud to have hosted a vibrant schedule of Research Suppers where Fellows and members of our research community, including postgraduate students, come together to hear the very latest research work going in the college. The events take place in hybrid format using the college's state-of-the-art North Wing auditorium. This year featured a very wide range of topics including talks on autism and belonging in the city, an unsolved mystery in protein research, and the public memory of World War II.

Estates

Homerton's architecturally significant New Dining Hall opened in April 2022 to strong commendation. In November 2022, the Hall was the gold award winner for the UK's best new timber building in the annual Wood Awards. In March 2023, the Hall also won the prize for 'best new building' in the Cambridge Design and Construction awards. The judges remarked *'This stunning addition to Cambridge's now largest college provides a benchmark for what can be done through an ambitious multi-dimensional brief, a sympathetic and visionary architect, a deeply engaged client and a highly skilled construction and delivery team'*.

With work on the New Dining Hall completed, attention turned to refurbishment to Alison Shrubsole and Paston Brown rooms in the Ibberson Building. The renovations address the requirements to increase sustainability and so reduce energy consumption by adding internal layers of insulation. They have also improved lighting, enhanced the interior design, improved the audio-visual technology, and introduced air conditioning. The renovated rooms are hugely popular with conference guests and have contributed to the recovery in our conference business.

Maintaining the focus on energy efficiency, in early Autumn 2022 we installed around 400 Wi-Fi connected EcoSync radiator valves into the Cavendish building. The valves monitor room temperature in each room and automatically adjust the flow of heat while simultaneously reporting energy usage across the entire building. Results are outstanding: in the initial three-month period from 1 September to 3 December 2022 the College saved 20% on heating related energy usage. This is the equivalent of saving, just under 19 MWh of energy, or the release of 3.5 tonnes of carbon to the atmosphere.

During the summer of 2023 the College renovated all 40 bedrooms in East House, continuing the commitment to refresh all campus bedrooms on a rolling, ten-year cycle. The East House rooms are all en-suite, and the renovations included re-decoration, new carpets and refitted bathrooms.

Future estates projects will examine opportunities to reconstruct the K-block area of the Cavendish building to provide an entrance foyer to the original Great Hall. We will also examine opportunities to expand graduate and postgraduate student accommodation on campus.

Financial Review

In the year to June 2023, Homerton's income comprised: academic fees and charges 34% (2022: 36%); residences, catering and conferences 35% (2022: 30%); investment income from property and quoted securities 20% (2022: 26%); and other income comprising recharges to University of Cambridge and interest on pension scheme assets 11% (2022: 8%). This income amounts to £17.6m (2022: £16.3m), with the increase due mainly to post covid recovery of residence, catering and conference income.

Within this overall total, academic fee income was £6.0m (2022: £5.8m), reflecting a small rise in total student numbers and a minor increase in the postgraduate tuition fee. Conference income recovered to around 60% of pre-pandemic levels, at £1.0m (2022: £0.4m) and we expect to see further recovery in year ending June 2024.

Homerton's operational expenditure was £19.9m (2022: £19.0m). This total comprised staff costs 44% (2022: 46%), operating expenses 41% (2022: 40%) and depreciation 15% (2022: 14%). Staff costs of £8.0m were down on previous year (2022: £8.3m) due to reduced current service costs in the pension scheme, but operating expenses of £8.9m (2022: 7.6m) showed a large increase as the College continued to recover from the effects of the pandemic. An increase in the depreciation charge of £329k compared to previous year recognises the costs of the new dining hall which came into use in April 2022.

The result for the year was a deficit before other gains and losses of £2.0m (2022: £2.6m). The deficit from the education account (i.e. the difference between income from academic fees, less expenditure on education) was £2.5m (2022: £1.6m). The increase is because of rising costs of teaching, tutorial and admissions, and the college relies on other forms of income, including from its property and quoted securities investments, as well as from its conference business to fill the deficit. This year, the College withdrew £2m of cash from fixed asset investments in quoted securities to support its cash flow position.

Investments

Homerton's investment portfolio totalled at £131.1m on 30 June 2023 (£131.8m on 30 June 2022). This figure comprises commercial property assets at Homerton Gardens and investment land on the College's own campus. It also includes equity and bond investments managed on the College's behalf by Rothschild and Co.

The commercial property at Homerton Business Centre (part of Homerton Gardens) was valued at £40.1m on 30 June 2023, being a reduction of £5.4m on the 2022 valuation of: £45.5m. The decrease is due to the step-change in interest rates and borrowing costs over the past year, which have not been kind to the commercial property sector. By virtue of their location, sector, and partially indexed-linked rents, the College's properties have fared better than many others. The main buildings are purpose built sixth form teaching and accommodation blocks which were let during the year to Alpha Plus Group trading as Abbey College. The 25 year lease, to Abbey College, commenced in September 2016. Homerton Gardens also includes the Rattee & Kett building which was let during the year to the Cambridge Cookery School Ltd and to Accelerator Advisory Ltd.

Investment land on the western side of the College's campus near to the boundary with the railway line was valued at £5.9m (2022: £6.6m). The land has planning permission, approved on appeal in 2009 as part of an earlier set of developments, for 24 houses in five blocks.

The College's equity and bond investments, plus cash held for investment, were valued at £79.0m on 30 June 2023 (2022: £73.8m). This is a gain of £6.5m and reflects a recovery in stock market values during the year following the correction experienced in 2021/22. The valuation also includes a transfer of £2m from investment assets to cash at bank to support cash flow requirements during the year.

The investment funds fulfil the role of the College endowment. The funds were built up over many years through the development of land and buildings, the lease of land and buildings to the University, the operation of Homerton's conference business, a decade of NHS contracts for nurse education and training, and the subsequent sale of that business, and the return from investments.

Rothschild and Co. have managed the investment portfolio on Homerton's behalf since 2015. The overall investment objective is to maintain or slightly grow the real value of invested funds. The total return target is RPI +4% per annum after fees and costs. The College has set a moderate risk tolerance with the average annual standard deviation of returns capped at 12%. The College also takes a long-term investment horizon with performance measured over 5-7 years. Given these targets the College believes that it is sustainable to use this portfolio to fund a deficit on its charitable activities of 3% of the total value of the portfolio calculated as a three-year trailing average.

The annualised return for Homerton's investment portfolio since 2015 has been +7.6%, compared to inflation over the same period of +4.8%. This means that portfolio performance of 7.6% is slightly below the target.

Environmental, Social and Governance issues are of great importance to the College. Homerton's renewed its Responsible Investment Policy in January 2022 and it is available on the College's website. Look through analysis of the College's portfolio shows a total exposure to alcohol, armaments, fossil fuels, gambling, pornography and tobacco of 0.1% for directly held equities, 0.7% for equity funds (with 0.4% of this figure attributable to alcohol), and 0.0% for fixed income securities.

Donations and fundraising

Fundraising income for the year to 30 June 2023 was £345,000 (2022: £102,000). Fundraising is focussed on Homerton alumni, supporters and grant giving bodies. We are grateful for all donations received and they are used to support our students and their education.

We are aware of many individuals and groups who wish to support the College and its mission. In the past year we have reviewed our fundraising and development department and recruited a new Director of Fundraising who took up post in September 2023. We anticipate that this will increase the College's ability to generate funds from philanthropic sources.

Contribution to the College's fund

This year, Homerton contributed £27k (2022: £42k) to the College's fund under University of Cambridge statute G II. The amount is determined by the College's Fund Committee and is calculated according to the value of a college's endowment and its number of students. Funds donated are received by less wealthy colleges.

Staff costs and numbers

Total payroll costs, including employer's pension and national insurance contributions, was £8.0m (2022: 8.8m). A breakdown of costs is provided at note 10.

All salaries are overseen by either the Staff or Fellows Remuneration Committees. Each salary is benchmarked against other colleges and, where applicable, local businesses. They are increased each year in line with the pay increase negotiated at a national level by the Universities and Colleges Employers Association (UCEA).

All permanent and temporary employees receive at least the real living wage, adjusted each year according to the level set by the Resolution Foundation. Casual employees receive the National Minimum Wage for age 23 and over, regardless of their actual age. In addition, all staff receive a meal while on duty.

Pensions

The College participates in two pension schemes, being the USS and LGPS schemes. The USS (Universities Superannuation Scheme) is for the College's academic staff and the LGPS (Cambridgeshire County Council Local Government Pension Scheme) is for non-teaching staff. Details of these schemes and their funding positions are given at Note 21 of the financial statements.

Reserves Policy

The unrestricted group funds totalled £223.8m on 30 June 2023 (£220.9m on 30 June 2022).

The College's free reserves are largely represented by the College's investment portfolio which is under management by Rothschild & Co, and cash held, totalling £79.0m at 30 June 2023 (30 June 2022: £73.8m). Each year, the Investment Committee considers the College's cash flow projections for the next five years, including:

- The capital expenditure planned under the Estates Strategy;
- Re-payment of bonds issues in 2013 and 2015 due from 2040 onwards;
- The age and condition of the existing buildings used for teaching, catering, offices and accommodation;
- The operating income and cash flows.

The college intends to pursue its activities into perpetuity. Those activities require income support from Homerton's conference business and rental from the College's property investment portfolio. Recently, however, inflationary increases to the College's cost base coupled with regulated fixed income for academic fees means that the College has moved into a deficit position. Consequently, the trustees anticipate starting to use the investment portfolio to provide annual income support from July 2024 onwards.

As well as sustaining the College's operations, the free reserves also provide support in the event of unforeseen events or downturn in the College's operations. The reserves will also be required to permit the repayment of bonds, originally issued in 2013 and 2015, when they start to become due from 2040 onwards.

Plans for Future Periods and Post Balance Sheet Events

The Principal and College Officers intend to publish an updated version of Homerton's strategy. The new strategy will recognise Homerton's strengths in widening participation and express the importance of nurturing character amongst the College's students, staff, and fellowship. It will also prioritise wellbeing and set out a vision for the size and shape of the College given the growing interest from overseas and post-graduate students.

A key part of the revised strategy will be to bring the College back into a position where there is a balance between income and expenditure, as opposed to the deficit which has existed since the start of the Covid period. Council anticipates undertaking a complete review of the College's fundraising approach during 23/24, supported by the appointment of a new Director of Fundraising.

Council will also examine options for using a sustainable income from the College's investment portfolio to help defray some of the annual running costs.

Principal Risks and Uncertainties

The College's Council and the directors of the College's subsidiaries continued with their policy of formal risk assessment. All College Committees review and update the risk assessment appropriate to their purpose at least annually. These are consolidated and reviewed by the Audit and Risk Committee, the Council and Governing Body.

The principal risks for year ending June 2023 were as follows:

- The effects of the Covid pandemic were a major concern for the College in recent years. This year operations have largely returned to normal, and the College's routine academic operations are fully recovered. Conference income remains depressed for the year ending June 2023 because July 2022 was an important month in the conference calendar, where activity was not recovered from the effects of Covid. The College was delighted to experience a full recovery in conference revenue to pre-covid levels for July 2023, which will be reported in next year's financial statements.
- The college remains deeply aware of the need to support student welfare and mental health. In the year ending June 2023, we have created a new post of Wellbeing Co-ordinator and established a Deputy Senior Tutor role which will have an incumbent in post from 1 October 2023, consistent with the start of the Michaelmas Term. The Council have strengthened their oversight of the College's safeguarding procedures which include measures to support welfare, and a new Safeguarding Committee was established in June 2023.
- The Council have taken several measures to reduce the continuing deficit on the income and expenditure account. These include increasing the College's ability to fundraise by recruiting a new Director of Fundraising who will commence in post in September 2023. The Council are also examining ways to use the College's investment funds to support operational expenditure each year. Council anticipates that these two initiatives, in combination with a tight control on expenditure, will return the income and expenditure account to a balanced position for the 24/25 financial year. Nonetheless, Council remains concerned about the risk of inflation continuing to drive up costs while regulated academic income streams remain fixed.

Auditor

In so far as the trustees are aware:

- There is no relevant audit information of which the College and group's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Governing Body on (27 November 2023) and signed on its behalf by:

Dr Simon Brockington
Bursar and Fellow

A handwritten signature in blue ink, appearing to be 'S. Brockington', written over a horizontal line.

College Governance

Homerton College is a self-governing, autonomous College of the University of Cambridge. The College is incorporated under its Royal Charter and governed through its Statutes and Ordinances, all of which are available on the College's website.

The College is a registered charity (registration number 1137497) and subject to regulation by the Charity Commission for England and Wales. The members of the College Council are the charity trustees and are responsible for ensuring compliance with charity law. The Council's membership is set out on page two.

The College Council is advised in carrying out its duties by the following principal committees:

Committees with financial responsibilities:

- The Audit and Risk Committee
- Investment Committee
- Staff and Fellows Remuneration Committees
- Estates Committee
- Development Committee

Other principal committees:

- Safeguarding Committee
- Statutes and Ordinances Committee
- Sustainability Committee
- Health and Safety Committee
- Educational Policy Committee
- Fellowship Committee
- Arts Committee

The Audit and Risk Committee maintains a review of the effectiveness of the College's internal systems of financial control, advises Governing Body on the appointment of external auditors, monitors recommendations made by the external auditor and makes an annual report to Council and Governing Body.

The Investment Committee maintains oversight of the College's equity and property investment portfolio and monitors the College's cash flow requirements.

Declarations of interest are completed by all Members of Council and the senior administrative officers. These are made systematically at meetings.

The College Officers Group (COG) meets every two weeks to support and direct the routine management of the College. The College Officers are: the Principal, the Vice-Principal, the Senior Tutor, the Bursar, the Admissions Tutors, the Post Graduate Tutor, the Secretary to Council and the Dean.

Statement of Internal Control

The Council 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 it is responsible, in accordance with the College's statutes and ordinances.

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 30 June 2023 and continues to provide reasonable but not absolute assurance of effectiveness.

The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes are in place:

- The Audit and Risk Committee reviews an annual risk assessment report in the Easter Term; and
- The Audit and Risk Committee presents its annual report, which includes a statement on the adequacy of the internal controls and the preparation of the financial statements in the Michaelmas Term.

Statement of Council Responsibilities

The Council 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) and presenting it to Governing Body for approval.

The College's Statutes, as well as the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each year which give a true and fair view of the situation of the Group and the College and of the surplus or deficit of the Group for that year.

In preparing these statements, the Council is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the College will continue in operation.

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

The Council 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 to the Governing Body of Homerton College

Opinion

We have audited the financial statements of Homerton College (the 'College') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and College's affairs as at 30 June 2023, and of the group's incoming resources and application of resources, including its income and expenditure, 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; and
- the contribution due from the College to the University has been correctly 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.

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 group and College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent Auditors report to the Governing Body of Homerton College (continued)

Other Information

The other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

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:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees 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 trustees 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 trustees are responsible for assessing the group's and College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 auditor's 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:

We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed minutes of Finance, College Council and Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organization.
- We reviewed the risk management processes and procedures in place including reporting of risk management to the College Council.
- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including the valuation of investments

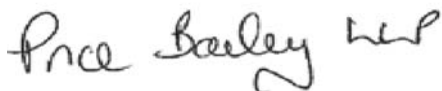
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Independent Auditors report to the Governing Body of Homerton College (continued)

Use of our report

This report is made solely to the Governing Body, in accordance with College's statutes, the Statutes of the University of Cambridge and part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College trustees those matters we are required to state to them in an auditor's 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.



Price Bailey LLP

Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 20 December 2023

Consolidated statement of comprehensive income and expenditure Year to 30 June 2023

	Note	2023 £'000	as restated 2022 £'000
Income			
Academic fees and charges	1	5,974	5,790
Residencies, catering and conferences	2	6,078	4,828
Investment income	3	3,522	4,239
Other income	5	2,006	1,409
Total income before donations		17,580	16,266
Donations	4	345	102
Total income		17,925	16,368
Expenditure			
Education	6	(8,492)	(7,437)
Residencies, catering and conferences	7	(7,659)	(5,937)
Investment management costs	3	(382)	(397)
Other expenditure	8	(3,338)	(5,184)
Contribution under Statue G, II		(27)	(42)
Total expenditure	9	(19,898)	(18,997)
(Deficit) before other gains and losses		(1,973)	(2,629)
College's share of loss on joint venture	13	(47)	(24)
Realised (loss)/gains on investments	13	1,229	(1,705)
Unrealised loss on investments	13	(758)	(10,727)
(Loss)/Surplus for the year		(1,549)	(15,085)
Other comprehensive income			
Actuarial gain/(loss) in respect of pension schemes	21	(1,305)	6,487
Changes in assumptions arising on teachers' pension obligations	19	(16)	289
Total Comprehensive income for the year		(2,870)	(8,309)

All items dealt with in arriving at the loss for the above two accounting years relate to continuing operations.

2022 Other comprehensive income has been restated for Actuarial gain, due to a minimum funding requirement being identified within LGPS, and a pension asset ceiling calculation being incorporated. This amounted to an increase in actuarial gain of £1,735. This also created a restatement on Consolidated statement of change in reserves (page 24), and Balance sheet (page 25).

Consolidated statement of changes in reserves Year to 30 June 2023

	Income and expenditure reserve		Revaluation reserve		
	Un-restricted £'000	Restricted £'000	Operational property £'000	Fixed asset investment £'000	Total £'000
Balance at 1 July 2022	119,240	-	55,049	43,990	218,279
Surplus/(deficit) from income and expenditure	(2,020)	-	-	471	(1,549)
Other comprehensive income/expenditure	(1,321)	-	-	-	(1,321)
Transfers between revaluation and income and expenditure reserve	2,219	-	(984)	(1,235)	-
Balance at 30 June 2023	118,118	-	54,065	43,226	215,409

	as restated Income and expenditure reserve		Revaluation reserve		
	Un-restricted £'000	Restricted £'000	Operational property £'000	Fixed asset investment £'000	Total £'000
<i>Balance at 1 July 2021</i>	115,840	-	56,033	54,715	226,588
<i>Surplus/(deficit) from income and expenditure</i>	(2,653)	-	-	(12,432)	(15,085)
<i>Other comprehensive expenditure</i>	6,776	-	-	-	6,776
<i>Transfers between revaluation and income and expenditure reserve</i>	(723)	-	(984)	1,707	-
<i>Balance at 30 June 2022</i>	119,240	-	55,049	43,990	218,279

The time between the operational property revaluation reserve and the income and expenditure reserve is made to compensate the income and expenditure reserve for the additional depreciation charged on the College's operational property as a result of its previous regulations.

The transfer between the fixed asset investment revaluation reserve and the income and expenditure reserve represents the realised investment gains during the year on a historical cost basis.

The notes on page 33 to 54 form part of these financial statements.

Balance sheets Year to 30 June 2023

	Notes	Consolidated		College	
		as restated		as restated	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Intangible assets	11	420	444	420	444
Tangible assets	12	116,612	117,373	116,609	117,368
Investments	13	131,096	131,845	131,136	131,885
		<u>248,128</u>	<u>249,662</u>	<u>248,165</u>	<u>249,697</u>
Current assets					
Stocks	14	31	25	22	14
Trade and other receivables	15	1,912	1,443	2,256	1,801
Cash at bank and in hand	16	3,056	2,882	2,267	2,652
		<u>4,999</u>	<u>4,350</u>	<u>4,545</u>	<u>4,467</u>
Current liabilities					
Creditors: amounts falling due within one year	17	(4,507)	(3,595)	(3,936)	(3,511)
Net current assets		<u>492</u>	<u>755</u>	<u>609</u>	<u>956</u>
Total assets less current liabilities		<u>248,620</u>	<u>250,417</u>	<u>248,774</u>	<u>250,653</u>
Creditors: amounts falling due after more than one year	18	(32,394)	(32,418)	(32,394)	(32,418)
Provisions for liabilities and charges	19	(129)	(158)	(129)	(158)
Pension scheme asset	21	(688)	438	(688)	438
Total net assets		<u>215,409</u>	<u>218,279</u>	<u>215,563</u>	<u>218,515</u>
The funds of the group/college: unrestricted reserves					
General reserves excluding pension reserve		118,806	118,802	118,925	119,008
Pension reserve		(688)	438	(688)	438
Operational property revaluation reserve		54,065	55,049	54,065	55,049
Fixed asset investment revaluation reserve		43,226	43,990	43,261	44,020
Total funds		<u>215,409</u>	<u>218,279</u>	<u>215,563</u>	<u>218,515</u>

27 November 2023

The financial statements were approved by the Governing Body on [.....] and were signed on behalf by:


Simon Brockington
Bursar

Simon Woolley
Principal



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Consolidated statements of cash flows Year to 30 June 2023

	Notes	2023 £'000	2022 £'000
Net cash provided by operating activities	23	(1,280)	(163)
Cash flows from investing activities	24	2,798	(1,651)
Cash flows from financing activities	25	(1,127)	(1,127)
Increase / (Decrease) in cash and cash equivalents in the year		391	(2,941)
Cash and cash equivalents at 1 July 2022		3,978	6,919
Cash and cash equivalents at 30 June 2023	26	4,369	3,978

Principal accounting policies 30 June 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, modified in respect of the treatment of investments and land and buildings which are included at valuation.

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in Note 9.

The College consists as a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Going concern

The Group has net current assets of £492,000 (2022: net current assets £755,000).

The College aims to break even at operational level which means that the cash flow is usually positive by a similar level to the amount of depreciation charged to the accounts. This has historically funded ongoing capital projects. To fund larger projects such as a new graduate accommodation and the new Dining Hall, the College has participated in a private placement or made use of an RCF. Cash flow plans shared with the Investment Committee and College Council forecast a need to draw down from the investment portfolio during the 2023 to 2025 period as projects under the Estates Strategy are continued.

The members of the Council (Trustees) have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. Furthermore, the Trustees are of the opinion that the College is able to meet its liabilities as they fall due and that there are significant free reserves held in readily accessible funds to both meet liabilities and allow the completion of ongoing capital projects.

Principal accounting policies 30 June 2023

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires Members of the Council to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- valuation of investment land and buildings;
- estimating the useful economic life of tangible and intangible fixed assets;
- pension scheme valuations; including deficit reduction payments due under the Universities Superannuation Scheme.
- the present value of the Local Government Pension Scheme defined benefit asset which has been restricted to the pension asset ceiling based on a minimum funding requirement being in existence of the pension scheme. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension asset/liability.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the group and charities activities, beneficiaries and the wider economy. Estimates used in the financial statements, particularly with respect to investment property valuations (see note 13), and the value of listed investments are subject to a greater degree of uncertainty and volatility.

Basis of consolidation

The consolidated financial statements consolidate the College and its subsidiaries (see note 13) for the year ended 30 June 2023. Intra-group balances are eliminated on consolidation.

Joint venture

The College's investment in Ward Griffin LLP was accounted for as a joint venture under the equity method of accounting.

Recognition of income

Academic fees

Academic fees are recognised in the year to which they relate and include all fees chargeable to students or their sponsors.

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 related to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Donations and benefactions

Non-exchange transactions without performance related conditions are donations and benefactions.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts. Restricted donations are recognised when the donor has specified that the donation must be used for a particular objective. Donations with no restrictions are recorded within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to income.

Other income

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

Investment income

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 fund.

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of 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 the denomination of comprehensive income and expenditure for the financial year.

Pension Schemes

USS

The College participates in the Universities Superannuation Scheme (NSS), a defined benefit scheme which is contracted out of the State Second Pension (SSP). The assets of the scheme are held in a separate trustee-administrative fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated 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 and therefore, as required by Section 28 of FRS 102 "Employee Benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

LGPS

The College also participates in the Cambridge County Council Pension Fund (CCCPF) which is a Local Government Pension Scheme (LGPS). The assets of the scheme are held and managed separately from those of the College. As the College is able to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, in accordance with the requirements of Section 28 of FRS 102 "Employee Benefits", the pension scheme asset or liability is recognised in full on the balance sheet.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the project unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension and finance costs. Actuarial gains and losses are recognised in 'other comprehensive income' in the statement of comprehensive income and expenditure.

The present value of the Local Government Pension Scheme defined benefit asset/ liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions asset at £430k 30 June 2023 (2022: asset £1,735k). Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset.

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 material unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Intangible fixed assets

Intangible assets comprise IT software and a purchased licence to occupy premises capitalised at cost and amortised through the statement of financial activities over their expected useful life as follows:

License to occupy	Over the length of the license
IT software	Over a period of 7 years

Tangible fixed assets

Land and buildings

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

New freehold buildings are depreciated on a straight-line basis over their expected useful economic life of 50 years. Freehold buildings held at 1 July 2014 were previously held at a valuation. As permitted by FRS 102, with effect from 1 July 2014 the College elected to deem the valuation of these properties as cost. The value has been calculated by a previous valuation being updated to 1 July 2014 by the Governing Body. The remaining useful economic lives of these buildings from the date the values were deemed to be cost is 40 years. Consequently, these buildings are now depreciated over a 40 year period.

Freehold land is not depreciated as it is considered to have an indefinite useful life. A review for impairment is carried out if events or changes in circumstances indicate that the carrying value of the fixed asset may not be recoverable.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to 30 June 2023. They are not depreciated until they are brought into use.

Furniture, fittings and equipment

Furniture, fittings and equipment costing more than £5,000 per individual item or if the aggregate value of related items exceed £100,000 are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10% per annum
Computers and general equipment	20% per annum

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 historical cost less any provision for impairment.

Increases in value arising on the revaluation of fixed asset investments are taken to a fixed asset investment revaluation reserve via the statement of comprehensive income and expenditure. Surplus or losses on sale of investments are taken to the statement of comprehensive income and expenditure.

Formal valuations for investment properties are usually carried out by a professional valuer and a formal valuation was last carried out by Bidwell's to provide a valuation for 30 June 2020. Valuation gains and losses are credited (or debited) to the statement of financial activities with the balance sheet reflecting the revalued amounts. No depreciation is charged on investment properties.

Stocks

Stocks are valued at the lower cost and net realisable value, after any necessary provision for slow-moving and obsolete items.

Creditors and provisions

Creditors and provisions are recognized, when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the College anticipates it will pay to settle the debt.

Debentures and bank loans are a form of financial instrument and are included in the balance sheet at cost. A market rate of interest is charged on these liabilities, which is taken to the statement of comprehensive income and expenditure.

Deferred rental income is released to the statement of comprehensive income and expenditure evenly over the lease period. It is not discounted by the present value of the income because it is not the financial instrument defined by sections 11 and 12 of FRS 102.

Contingent liabilities

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.

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

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.

Taxation

The College is a registered charity (number 1137497) and is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 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 Statue G, II

The College is liable to be accessed for a Contribution under the provisions of Statue G, II of the University of Cambridge. This contribution is used to fund grants to Colleges from the Colleges' Fund. The College may from time to time be eligible for such grants. The liability for the period is as advised to the College by the University based on an assessable amount deprived from the value of the College's assets as at the end of the previous financial year and an estimate of its conference income for the current year.

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 in 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.

1 Academic fees and charges income

	2023 £'000	2022 £'000
College fees		
Fee income paid on behalf of Undergraduates at the Publicly Funded Undergraduate rate Per capita fee: £4,625 (2020-21: £4,625/£4,500)	2,188	2,213
Privately-funded Undergraduate fee income Per capita fee: £9,390/£9,025/£8,205/£7,375 (2020-21: £9,390/£9,025/£8,205/£7,375, £6,990)	1,235	1,125
Fee income received at the Graduate fee rate (including PGCEs) Per capita fee: £4,475 (2020-21: £4,069)	2,165	2,111
Income from Cambridge Bursary Scheme	386	341
	5,974	5,790

2 Residences, catering and conferences income

	2023 £'000	2022 £'000
Accommodation		
College members	3,782	3,479
Conferences	294	182
Catering		
College members	1,175	861
Conferences	98	50
Colophon conferences		
Accommodation	347	89
Catering	288	82
International programme	-	-
College bar	94	85
	6,078	4,828

3 Investments

	2023 £'000	2022 £'000
Analysis of income		
Land and buildings	2,567	2,437
Quoted securities	913	1,801
Cash deposits	42	1
	3,522	4,239
	2023 £'000	2022 £'000
Analysis of expenditure		
Fees	382	397
	382	397

Notes to the financial statements Year to 30 June 2023

4 Donations

	2023 £'000	2022 £'000
Unrestricted donations	345	102
Unrestricted legacies	0	0
	345	102

5 Other Income

	2023 £'000	2022 £'000
Servicing and recharges to the University of Cambridge	607	542
Miscellaneous income	234	237
Furlough grants	-	-
Other trading income (Colokate LLP, Colophon)	170	152
Other finance income:		
Interest on pension scheme assets (note 21)	995	478
	2,006	1,409

6 Education Expenditure

	2023 £'000	2022 £'000
Teaching	3,643	3,230
Tutorial	1,589	1,378
Admissions	1,220	993
Research	355	409
Scholarships and bursaries awards	908	816
Other educational facilities	777	611
	8,492	7,437

7 Residences, catering and conferences expenditure

	2023 £'000	2022 £'000
Accommodation		
College members	4,180	3,619
Conferences	248	126
Catering		
College members	2,517	1,960
Conferences	50	26
Colophon conferences		
Accommodation	408	81
Catering	146	42
International programme		
College bar	110	83
	7,659	5,937

8 Other Expenditure

	2023 £'000	2022 £'000
College administration		
Pay expenditure:		
Directorate	18	17
Administrative staff	345	2,246
	363	2,263
Non-pay expenditure:		
Building repairs and maintenance	46	130
Fuel and light	94	108
Rates	28	19
Depreciation: buildings	414	549
Depreciation: furniture and equipment	25	65
Debenture interest payable	1,127	1,127
Other trading costs (Colokate LLP, Colophon)	141	120
Other expenses	333	250
Other pension scheme finance costs (Note 21)	767	553
	3,338	5,184

9 Analysis of expenditure by activity

	Staff costs (note 10) £'000	Other operating expenses £'000	Depreciation and amortisation £'000	Total £'000
2023				
Education (note 6)	4,462	3,524	506	8,492
Residencies, catering and conferences (note 7)	3,188	2,450	2,021	7,659
Investment management costs	-	382	-	382
Other (note 8)	363	2,536	439	3,338
Contribution under Statue G, II	-	27	-	27
	8,013	8,919	2,966	19,898

	Staff costs (note 10) £'000	Other operating expenses £'000	Depreciation and amortisation £'000	Total £'000
2022				
Education (note 6)	4,186	2,870	381	7,437
Residencies, catering and conferences (note 7)	2,337	1,957	1,643	5,937
Investment management costs	-	397	-	397
Other (note 8)	2,263	2,308	613	5,184
Contribution under Statue G, II	-	42	-	42
	8,786	7,574	2,637	18,997

9 Analysis of expenditure by activity (continued)

	2023 £'000	2022 £'000
Auditor's remuneration		
Other operating expenses include:		
Audit fees payable to the College's external auditor	30	26
Other fees payable to the College's external auditor	3	3
	33	29

10 Staff costs

	College Fellows & other academics £'000	Non- academics £'000	Total 2023 £'000
Emoluments	2,133	4,286	6,419
Social security costs	204	357	561
Other pension costs	345	688	1,033
2023 Total funds	2,682	5,331	8,013

	College Fellows & other academics £'000	Non- academics £'000	Total 2022 £'000
Emoluments	1,966	3,514	5,480
Social security costs	187	305	492
Other pension costs	323	2,491	2,814
2022 Total funds	2,476	6,310	8,786

At the balance Sheet date there were 73 members of the Governing Body. During the year the average number receiving remuneration was the 49 shown below.

	2023 staff number		2022 staff number	
	Number of fellows	Full-time equivalent	Number of fellows	Full-time equivalents
Academic	49	-	49	-
Non-academic	-	109	-	116
	49	109	49	116

10

Staff Costs (continued)

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

	2023 £'000	2022 £'000
£100,001 - £110,000	1	2
£110,001 - £120,000	-	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	-
	<u>2</u>	<u>3</u>

Remuneration includes salary, employer's national insurance contributions, employers pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are deemed to comprise the senior officers listed on page 2.

Aggregated emoluments (consisting of salary and taxable benefits, but excluding any employer's pension contribution) were as follows:

	2023 £'000	2022 £'000
Key management personnel	723	680
	<u>723</u>	<u>680</u>

11

Intangible fixed assets

	Boathouse license £'000	Computer software £'000	Total £'000
Consolidated and College			
Cost / valuation			
At beginning of year	330	235	565
Additions at cost	-	16	16
At end of year	<u>330</u>	<u>251</u>	<u>581</u>
Amortization			
At beginning of year	10	111	121
Charge for the year	3	37	40
At end of year	<u>13</u>	<u>148</u>	<u>161</u>
Carrying amount			
At 30 June 2023	<u>317</u>	<u>103</u>	<u>420</u>
At 30 June 2022	<u>320</u>	<u>124</u>	<u>444</u>

12 Tangible fixed assets

Consolidated	College buildings and site £'000	Assets under construction £'000	Furniture, fittings and equipment £'000	Total £'000
Cost				
At beginning of year	130,098	696	4,749	135,543
Additions at cost	891	144	1,134	2,169
Transfers	71	(71)	-	-
Disposals	-	-	(24)	(24)
At end of year	131,060	769	5,859	137,688
Depreciation				
At beginning of year	15,004	-	3,166	18,170
Charge for the year	2,466	-	464	2,930
Disposals	-	-	(24)	(24)
At end of year	17,470	-	3,606	21,076
Net book value				
At 30 June 2023	113,590	769	2,253	116,612
At 1 July 2022	115,094	696	1,583	117,373
College	College buildings and site £'000	Assets under construction £'000	Furniture, fittings and equipment £'000	Total £'000
Cost				
At beginning of year	130,098	696	4,641	135,435
Additions at cost	891	144	1,134	2,169
Transfers	71	(71)	-	-
Disposals	-	-	-	-
At end of year	131,060	769	5,775	137,604
Depreciation				
At beginning of year	15,004	-	3,063	18,067
Charge for the year	2,466	-	462	2,928
Disposals	-	-	-	-
At end of year	17,470	-	3,525	20,995
Net book value				
At 30 June 2023	113,590	769	2,250	116,609
At 1 July 2022	115,094	696	1,578	117,368

Additions include the costs for ABC second floor refurbishment to furniture, fixtures and equipment. Additions on buildings are for the New Dining Hall. Additions of assets under construction represent fees and costs on the new entrance building and Ibberson works.

12 Tangible fixed assets (continued)

Land and buildings

As permitted under FRS 102, the charity has elected to deem a valuation of land and buildings prior to the transition date as deemed cost. Land and buildings owned at 1 July 2014 are included in the financial statements at a valuation made at 31 July 2013, which was updated by the Governing Body to arrive at a valuation as at 1 July 2014. With effect from 1 July 2014 the values assigned to these properties are now deemed their cost.

Land was valued at 1 July 2014 at £14.9m and buildings were valued at £64.8m, giving an overall value of £79.7m. The buildings are being depreciated from 1 July 2014 over 40 years. The original professional valuation was prepared adopting the following bases:

- College houses – generally used for student and staff accommodation, were valued at open market value for existing use.
- College site – due to the specialized nature of the College's activities, the principal method of valuation of land and buildings was open market capital value for existing use on a depreciated replacement cost basis.

Land and buildings purchased on or after 1 July 2014 are included in the financial statements at cost, less accumulated depreciation over 50 years. Other tangible fixed assets are stated at cost.

Included within College buildings and site is freehold land as at 30 June 2023 of £22.9m (2022: £22.9m). The insured value of freehold buildings as at 30 June 2023 was £153.0m (2022: £122.6m) including limited cover for irrecoverable VAT and the costs of related professional fees. The insurers are going to revalue the whole site for insurance purposes within the next two years.

13 Investments

Consolidated	Investment land £'000	Homerton Business Centre £'000	Quoted securities £'000	Other invest- ments £'000	Total 2023 £'000
At beginning of year	6,600	45,500	73,770	5,975	131,845
Additions	—	—	21,847	39	21,886
Disposals	—	—	(23,323)	—	(23,323)
Gains / (Loss)	(700)	(5,350)	6,521	—	471
Change in cash balances and deposits held at fund managers	—	—	217	—	217
At end of year	5,900	40,150	79,032	6,014	131,096

Notes to the financial statements Year to 30 June 2023

13 Investments (continued)

College	Investment land £'000	Homerton Business Centre £'000	Quoted securities £'000	Other invest- ments £'000	Total 2023 £'000
At beginning of year	6,600	45,500	73,770	6,015	131,885
Additions	—	—	21,847	39	21,886
Disposals	—	—	(23,323)	—	(23,323)
Gains / (Loss)	(700)	(5,350)	6,521	—	471
Change in cash balances and deposits held at fund	—	—	217	—	217
At end of year	5,900	40,150	79,032	6,054	131,136

The market value of investments was represented by:

	Consolidated		College	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investment land	5,900	6,600	5,900	6,600
Homerton Gardens	40,150	45,500	40,150	45,500
Quoted securities – equities	72,051	66,704	72,051	66,704
Fixed interest securities	5,668	5,971	5,668	5,971
Cash held for reinvestment	1,313	1,096	1,313	1,096
Other investments	6,014	5,975	6,054	6,015
	131,096	131,846	131,136	131,886

The College's quoted securities period end market valuations are provided by the College's investment managers, Rothschild Wealth Management and UBS AG.

The investment land was revalued by Bidwell at £5.95m on 30 June 2023 (2022: £6.6m). The valuation is undertaken on the basis of open market value taking account of the College's estates strategy for the future use of this land.

The value of Homerton Gardens at £40.15m (2022: £45.5m) reflects the revaluation by Bidwell at 30 June 2023. This has been valued based on the rental yield to be achieved under the Scheme.

13 Investments (continued)

Other investments comprise:

	Investments in subsidiary undertakings £'000	Investment in joint venture £'000	Other investments £'000	Total £'000
At beginning of year	580	5,425	10	6,015
Investment in Ward Griffin LLP		39		39
At end of year	580	5,464	10	6,054

Investments in subsidiaries and joint venture undertakings comprise:

Colokate LLP is a limited liability partnership and hence has no share capital.

Name	Country	Class of shares	%	Activity
Colophon limited	England and Wales	Ordinary	100	Commercial conferencing and other trading
Colokate LLP	England and Wales	See below	See below	Property management
Ward Griffin LLP	England and Wales	See below	See below	Property management

The income and expenditure for Colophon Ltd for the year ended 30 June 2023 included in the consolidated financial statements is as follows:

	2023 £'000	2022 £'000
Turnover	879	384
Other interest receivable and similar income	4	-
Costs / Administrative expenses	(815)	(343)
	68	41

From 25 March 2019, the members of Colokate LLP comprise Homerton College and Colophon Limited.

The income and expenditure for Colokate LLP for the year ended 30 June 2023 included in the consolidated financial statements is as follows:

	2023 £'000	2022 £'000
Turnover	20	24
Costs / Administrative expenses	(45)	(35)
	(25)	(11)

13 Investments (continued)

Ward Griffin LLP is a limited liability partnership and hence has no share capital. The members comprise Homerton College and St. Mary's School.

Each member appoints two appointed representatives to the Management Board. Certain key decisions require the consent of both partners, so the LLP has been accounted for as a joint venture. The College's share of Ward Griffin LLP included in these financial statements is as follows:

	2023 £'000
Turnover	0
Costs / Administrative expenses	(47)
	<u>(47)</u>

14 Stocks

	Consolidated		College	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Goods for resale	31	25	22	14
	<u>31</u>	<u>25</u>	<u>22</u>	<u>14</u>

15 Trade and other receivables

	Consolidated	Restated	College	Restated
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	699	453	428	375
Amounts due from subsidiary undertakings	-	-	637	440
Prepayments and accrued income	1,213	990	1,191	986
	<u>1,912</u>	<u>1,443</u>	<u>2,256</u>	<u>1,801</u>

2022 Prepayments and accrued income, have been restated by minus £345k, this is due to consistency of treatment of the University of Cambridge Fees creditor, with a corresponding restatement of minus £345k in Creditors, the overall net effect being nil.

16 Cash

	Consolidated		College	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash at bank	3,055	2,880	2,266	2,650
Cash in hand	1	2	1	2
	3,056	2,882	2,267	2,652

17 Creditors: amounts falling due within one year

	Consolidated	Restated	College	Restated
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	979	874	946	855
Other taxation and social security	288	1,012	288	1,012
Contribution to Colleges' Fund (Statute G, II)	27	42	27	42
Other creditors and accruals	2,817	1,560	2,588	1,535
Deferred rental income (note 18)	32	32	32	32
Other deferred income	364	75	55	35
	4,507	3,595	3,936	3,511

2022 Other creditors and accruals, have been restated by minus £345k, this is due to consistency of treatment of the University of Cambridge Fees creditor, with a corresponding restatement of minus £345k in Trade and other receivables, the overall net effect being nil.

18 Creditors: amounts falling due after one year

	2023 £'000	2022 £'000
Consolidated and College		
Debentures	29,875	29,868
Deferred rental income	2,519	2,550
	32,394	32,418

During 2013-2014 the College participated in a bond issue jointly with a number of other Cambridge colleges which raised £10m (before deduction of fees) of long-term unsecured funding. In August 2015 the College participated in its own bond issue which raised £20m of long-term unsecured funding. The debentures are wholly repayable at the end of their respective terms and are structured as follows:

Creditors: amounts falling due after one year (continued)

Debentures	Term	Interest rate (fixed)	Amount £'000
Tranche 1a – CCF (October 2013)	30 years	4.40%	3,211
Tranche 1b – CCF (October 2013)	40 years	4.40%	2,569
Tranche 2 – CCF (January 2014)	30 years	4.45%	4,220
Private Placement – Hermit/Prudential (August 2015)	25 Years	3.38%	20,000
Fees deducted			(125)
			29,875

Deferred rental income represents the deferral of monies received from the University of Cambridge Education Faculty for the grant of a 99-year lease in 2005 over their new building that has been constructed on the College site. The receipt is being released to the statement of comprehensive income and expenditure in equal annual instalments over the lease term.

19

Provisions for liabilities and charges

Consolidated and College	2023 £'000	2022 £'000
At beginning of year	158	498
Benefits paid	(38)	(37)
Charge to income and expenditure account	(7)	(14)
Changes in actuarial assumptions	16	(289)
At end of year	129	158

The provision related to the College's liability to enhanced the pensions of teaching staff who retired early.

20

Contingent liabilities

There are £nil contingent liabilities as at 30 June 2023 (2022: £nil).

21

College pension schemes

	2023 £'000	2022 £'000
Consolidated and College		
Surplus under Cambridgeshire County Pension Fund	430	1,735
Liability for deficit reduction payment under Universities Superannuation Scheme	(1,118)	(1,297)
Surplus at end of year	(688)	438

The College participates in two pension schemes, the Universities Superannuation Scheme (USS) and Cambridgeshire County Council Pension Fund (CCCPF). The CCCPF is part of the Local Government Pension Scheme (LGPS). Both schemes are defined benefit schemes that are externally funded and contracted out of the State Second Pension. The assets of the schemes are held in separate trustee-administered funds. The College is unable to identify its share of the underlying assets and liabilities in respect of the USS scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

CCCPF has been able to apportion a percentage of its funds, assets and liabilities relating to the College and therefore the scheme has been treated as a defined benefit scheme in the financial statements. The disclosure requirements of FRS 102 in relation to these schemes are shown below.

The College is required to contribute a specified percentage of payroll costs to the pension schemes to fund the benefits payable to the company's employees. In 2023, the percentage was USS: 21.6% (2022: 21.6%) and CCCPF: 17.9% April 2023 (April 2022: 17.9%).

The CCPf (LGPS) scheme has a surplus and a minimum funding requirements exists, therefore a pension asset ceiling has been calculated by the actuaries as follows:

	2023 £'000	2022 £'000
Consolidated and College		
Surplus under Cambridgeshire County Pension Fund	9,231	6,057
Restriction to Pension Asset Ceiling	(8,801)	(4,322)
Surplus at end of year after asset ceiling	430	1,735

21 College pension schemes (continued)

The total pension cost for the College and its subsidiaries for the year to 30 June 2023 was:

	2023 £'000	2022 £'000
Service cost of USS	171	1,044
Current service cost of CCCPF (LGPS)	912	1,770
Total pension cost	1,083	2,814

The latest valuations of the schemes assets and liabilities for which results are available:

	USS	CCCPF (LGPS)
Date of valuation	31 March 2020	31 March 2022
Market valuation of assets	£66,500m	£4,305m
Past service liabilities	£80,600m	£3,446m
Deficit of assets	£ (14,100) m	£ 860m

USS

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of two and a maximum of four are co-opted directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

As at the 30 June 2023, 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 institution cannot identify its share of USS Retirement Income Builder 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%.

Under FRS 102, a liability has been recognised to reflect the cost of the Recovery Plan of the Scheme to the College. At 30 June 2023, this stood at £1,118,000 (2022: £1,297,000).

21 College pension schemes (continued)

USS (continued)

FRS 102 liability numbers have been produced for the scheme using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	2.70%	2.70%
Payroll base change	0%	0%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2023 accounting position, based on updated 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:

The current life expectancies on retirement at age 65 are:

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

	2023	2022
Existing benefits		
Scheme assets	£73.1bn	£80.6bn
FRS 102 liabilities	£65.7bn	£86.2bn
FRS 102 surplus/(deficit)	£7.4bn	(£5.6bn)
FRS 102 funding level	111%	94%

Cambridgeshire County Council Pension Fund (CCCPF (LGPS))

The CCCPF is a defined benefit scheme based on final pensionable salary.

Liabilities are valued on an actuarial basis using the projected unit method which accesses the future liabilities discounted to their present value.

21 College pension schemes (continued)

Cambridgeshire County Council Pension Fund (CCCPF (LGPS)) (continued)

The movement in the net surplus/(deficit) in the scheme was as follows:

Consolidated and College	2023 £'000	2022 £'000
(Deficit) surplus at beginning of year	1,735	(3,504)
Current service cost	(912)	(1,770)
Interest on assets	995	478
Contributions by employer	656	597
Other finance cost	(767)	(553)
Restriction to pension asset ceiling	(4,479)	(4,322)
Actuarial (loss)	3,202	10,809
(Deficit)/surplus at end of year	430	1,735

The main assumptions used for the purposes of FRS 102 are as follows:

	2023	2022
Discount rate	5.10%	3.85%
Rate of increase of salaries	3.50%	3.15%
Rate of increase of pension in payment	3.00%	2.65%

Assets are valued at a fair price, principally market value for investments, and comprise:

	2023 £'000	2022 £'000
Equities	19,393	18,003
Bonds	3,993	3,343
Property	4,278	4,115
Other	855	257
	28,519	25,718

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations in years on retirement age 65 are:

	30 June 2023	30 June 2022
Current pensioners		
Males	22.0	22.0
Females	24.3	24.2
Future pensioners		
Males	22.5	22.9
Females	26.0	26.0

21 College pension schemes (continued)

Cambridgeshire County Council Pension Fund (CCCPF (LGPS)) (continued)

	30 June 2023 £'000	30 June 2022 £'000	30 June 2021 £'000	30 June 2020 £'000
Present value of funded obligations	(19,288)	(19,661)	(29,222)	(25,645)
Restriction to pension ceiling asset	(8,801)	(4,322)		
Fair value of plan assets	28,519	25,718	25,718	21,751
	430	1,735	(3,504)	(3,894)
Present value of unfunded obligations	–	–	–	–
Net (liabilities) assets recorded in the balance sheet	430	1,735	(3,504)	(3,894)
Experience (loss) gain on assets	(21)	(727)	3,383	(175)
Experience loss (gain) on liabilities	(3,223)	(11,536)	2,004	2,688

Amounts charged to income and expenditure account	2023 £'000	2022 £'000
Current service cost	912	1,770
Interest on obligation	995	478
Interest on assets	(767)	(553)
	1,140	1,695

Analysis of amounts recognized in other comprehensive income	2023 £'000	2022 £'000
Return on assets excluding amounts included in net interest	(21)	(727)
Changes in financial assumption	3,223	11,536
Total actuarial gain recognized	3,202	10,809

Changes in the present value of the defined benefit obligation:	2023 £'000	2022 £'000
Opening defined benefit obligation	19,661	29,222
Current service cost	912	1,770
Interest cost	767	553
Contributions by members	235	211
Changes in financial assumption	(1,706)	(11,536)
Benefits paid	(581)	(559)
Closing defined benefit obligation	19,288	19,661

21 College pension schemes (continued)

Cambridgeshire County Council Pension Fund (CCCPF (LGPS)) (continued)

Changes in the fair value of plan assets:	2023 £'000	2022 £'000
Opening fair value of plan assets	25,718	25,718
Net interest	995	478
Contributions by members and other bodies	235	211
Contributions by employer	656	597
Return on assets excluding amounts include in net interest	(21)	(727)
Benefits Paid	(581)	(559)
Other experience	1,517	-
Closing fair value of plan assets	28,519	25,718

The College expects to contribute £701,000 to its defined benefit pension scheme in the year ending 30 June 2024 (2023: £617,000).

The management bases required by FRS 102 are likely to give rise to significant fluctuations in the reported amounts of the defined benefit pension scheme assets and liabilities from year to year; and do not necessarily give rise to a change in the contributions payable into the scheme, which are recommended by independent actuaries based on the expected long-term rate of return on the schemes assets.

22 Related party transactions

Owing to the nature, of the College's operations, and the composition of the Governing Body, it is inevitable that transactions will take place with organisations, in which a Governing Body member 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 fellows remuneration Committee.

22 Related party transactions (continued)

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

Salary	2023 Number	2022 Number
£nil	1	1
£1- £10,000	1	1
£10,001 - £20,000	2	0
£20,001 - £30,000	2	1
£30,001 - £40,000	0	1
£40,001 - £50,000	1	2
£50,001 - £60,000	3	4
£60,001 - £70,000	4	4
£70,001 - £80,000	2	2
£80,001 - £90,000	0	1
£90,001 - £100,000	0	0
£100,001 - £110,000	1	0
Total	17	17

The total Trustee salaries were £790,588 for the year (2022: £855,879).

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) total £260,942 for the year (2022: £280,958).

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

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

There are 31 Colleges, each of which is an independent corporation with its own property and income. Each College publishes its own financial statements in a form specified by the University of Cambridge. The College pays levies to support the activity of the Office of Intercollegiate Services (OIS). The OIS is responsible primarily for arranging support services to the 31 colleges of the Collegiate University (Cambridge).

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2023 these fees total £14,182k (2022: £14,043k). During the year the University paid College, from these fees, sums totalling £4,362k (2022: £4,324k) under the terms of agreements between the University and the Colleges to share fee income with the Colleges in a way that recognises the relative contributions of the University and the Colleges. During the year College contributed under Statute GII of £27k (2022: £42k) into the Colleges Fund.

22 Related party transactions (continued)

The Colleges Fund is administered by the University of Cambridge on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. College administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £382k to this scheme (2022: £283k). During the course of its charitable activities, College also pays the University of Cambridge for printing, network and other services. In addition, Homerton College periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge or standard third-party terms.

23 Reconciliation of consolidated operating surplus to net cash flow (outflow) inflow from operating activities

	2023 £'000	Restated 2022 £'000
(Deficit) surplus on continuing operations	(1,973)	(2,629)
Depreciation of tangible fixed assets (note 12)	2,906	2,601
Amortization of intangible fixed assets	40	36
Interest payable	1,127	1,127
Investment income	(3,522)	(4,239)
Pension costs less contributions payable	(219)	2,291
Decrease (increase) in stocks	(6)	5
Decrease (Increase) in debtors	(124)	403
(Decrease) increase in creditors due within one year	567	663
Decrease in creditors due in more than one year	(24)	(26)
Decrease in provisions	(5)	(371)
Operating loss on joint venture	(47)	(24)
Net cash (outflow) inflow from operating activities	(1,280)	(163)

24 Cash flows from investing activities

	2023 £'000	2022 £'000
Investment income received	3,480	4,238
Bank interest received	42	1
Purchase of tangible fixed assets	(2,145)	(8,605)
Purchase of intangible fixed assets	(16)	(38)
Purchase of investments	(21,886)	(9,808)
Proceeds of disposal of investments	23,323	12,561
Total cash flows from investing activities	2,798	(1,651)

25 Cash flows from financing activities

	2023 £'000	2022 £'000
Interest paid	(1,127)	(1,127)
Net Loan Borrowing / (Repayment)	-	-
Total cash flows from financing activities	(1,127)	(1,127)

26 Consolidated reconsolidation and analysis of net debt

Consolidated	At 1 July 2022 £'000	Cash flows £'000	Other non-cash changes £'000	At 30 June 2023 £'000
Cash and cash equivalents				
Cash at bank and in hand	2,882	174	-	3,056
Cash held with fund managers (note 13)	1,096	217	-	1,313
	3,978	391	-	4,369
Borrowings – amounts falling due after more than one year				
Debentures (note 18)	(29,868)	-	(7)	(29,875)
Lloyds revolving credit facility (note 18)	-	-	-	-
	(29,868)		(7)	(29,875)
	(25,890)	391	(7)	(25,506)

27 Financial statements

	2023 £'000	2022 £'000
Financial assets		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
. Listed equity investments	72,051	66,704
. Fixed interest securities	5,668	5,971
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
. Other equity investments	6,014	5,975
<i>Financial assets that are debt instruments measured at amortized cost</i>		
. Cash and cash equivalents	3,056	2,882
. Trade debtors	699	453
Financial liabilities		
<i>Financial liabilities measured at amortized cost</i>		
. Debentures	(29,875)	(29,868)
. Revolving credit facility		
. Trade creditors	(979)	(874)

28 Capital commitments

	Land and buildings 2023 £'000	Land and buildings 2022 £'000
Authorized and contracted for	421	1,207
Authorized but not yet contracted for	7,607	8,611

29 Prior year adjustments

Prior year adjustments have been made to both Trade and other receivables and Creditors. The College assessed the treatment of the University of Cambridge Fees and the resulting adjustment was to reduce both Prepayments and accrued income and Other creditors and accruals by £345k. The net result to these adjustments is nil.

A prior year adjustment has been made to Other comprehensive income and has been restated for Actuarial gains, due to a minimum funding requirement being identified within LGPS, and a pension asset ceiling calculation being incorporated. This amounted to an increase in actuarial gain of £1,735k. The result of this adjustment is to reduce the deficit on Total comprehensive income for the year by £1,735k and increase Balance sheet reserves by £1,735k.