

THE PRINCIPAL AND FELLOWS OF NEWNHAM COLLEGE

England & Wales · Charity number 1137512

Details

Other names	NEWNHAM COLLEGE, NEWNHAM COLLEGE IN THE UNIVERSITY OF CAMBRIDGE
Status	Registered
Legal form	Other
Company number	RC000384
Registered	2010-08-17
Register	View on the Charity Commission register

Contact

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Website	www.newnham.cam.ac.uk

Activities

Objects: (A) TO FURTHER PUBLIC BENEFIT BY PROVIDING A LIBERAL EDUCATION AND PROMOTING LEARNING AND RESEARCH THROUGH THE PROVISION OF A COLLEGE FOR WOMEN WITHIN THE UNIVERSITY OF CAMBRIDGE. (B) TO DO ALL SUCH OTHER THINGS AS ARE INCIDENTAL OR CONDUCIVE TO ADVANCING EDUCATION AND LEARNING AMONG WOMEN IN CAMBRIDGE AND ELSEWHERE.

Activities: Newnham College is a college of the University of Cambridge and provides higher education and research

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** CAMBRIDGESHIRE
- Cambridgeshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£14,924,000	£17,056,000	£275,454,000	243
2024-06-30	£15,992,000	£13,635,000	£273,432,000	235
2023-06-30	£18,635,000	£15,526,000	£259,150,000	224
2022-06-30	£13,915,000	£15,617,000	£235,259,000	215
2021-06-30	£9,489,935	£12,349,803	£254,435,276	144

Trustees

Name	Role	Appointed
Alison Rose	Chair	2019-09-01
Christopher Lawrence		2019-04-01
Dr BARBARA BLACKLAWS		2012-01-16
Dr Carol Wendy Atack		2022-02-04
Dr Caroline Mary Lanskey		2024-02-02
Dr Helen Taylor		2025-02-07
Dr Katherine Harriet Fleet		2021-03-08
Dr Sheila Watts		2021-10-01
Eve North		2026-04-28
Leah Madelaine Schmidt		2025-02-07
Natalie Sen-Yen Ng		2026-01-01
Pauline Eller		2024-01-16
Prof Sinead Agnew		2026-02-06
Professor Christina Potter		2025-06-03
Professor Maria Ubiali		2025-09-01
Professor Yael Navaro		2024-02-02

THE PRINCIPAL AND FELLOWS OF NEWNHAM COLLEGE

England & Wales - Charity number 1137512

Accounts

**NEWNHAM COLLEGE
CAMBRIDGE**



**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2025**

Registered Charity No. 1137512

Royal Charter Company No. RC000384

Contents	page
PART 1: ANNUAL REPORT	
Introduction and Summary Financial Results	3
Professional Advisers	4
Charity Trustees	5
Objects and Public Benefit	6
Operating and Financial Review	8
Corporate Governance and Statement of Internal Control	20
Responsibilities of the College Council and the Governing Body	21
Independent Auditor's Report	22
PART 2: FINANCIAL STATEMENTS	
Statement of Principal Accounting Policies	25
Consolidated Statement of Comprehensive Income and Expenditure	33
College Statement of Comprehensive Income and Expenditure	34
Consolidated and College Statement of Changes in Reserves	35
Consolidated Balance Sheet	36
College Balance Sheet	37
Consolidated Cash Flow Statement	38
College Cash Flow Statement	39
Notes to the Accounts	40

INTRODUCTION

Newnham College is one of the 31 colleges in the University of Cambridge. It was founded in 1871, and received its Royal Charter in 1917. According to the College's Charter, Statutes and Ordinances, only women can be admitted as junior members (students) or elected as senior members (Fellows).

The College admits full-time undergraduates studying for the University's Tripos degree courses; and postgraduates (predominantly full-time, but some part-time) studying for Masters, PhD and other postgraduate degrees, diplomas and certificates. The total number of full-time students as at 1 December 2024 was 611 (2023: 651), comprising 4 foundation year students, 414 undergraduates and 193 postgraduates (2023: 5, 426, 220). There were also 20 part-time postgraduates (2023: 17) and 85 postgraduates writing up or under examination (2023: 79). The College's Governing Body had 62 Fellows as at 1 October 2025 (2024: 61), most of whom who are active in teaching and research within the University.

The College occupies a 17-acre site close to the centre of Cambridge, consisting of buildings built between 1875 and 2019, offering residential accommodation to more than 500 students, set in landscaped gardens. The buildings also house a library, teaching rooms, offices, shared eating spaces (dining hall, buttery, café), meeting rooms, common rooms and a gym.

The College is a Registered Charity, regulated by the Charity Commission; and is registered with the Fundraising Regulator.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which complies with the Further and Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

SUMMARY FINANCIAL RESULTS

The financial statements consolidate the activities of the College and the College's two subsidiaries: Newnham College Ltd (used for commercial conferencing activities) and Newnham College Management Ltd (currently inactive).

Total operational income for the year was £12.23m (2023-24: £11.84m), which included £3.84m (2023-24: £3.93m) in academic fees; and £5.88m (2023-24: £5.32m) from accommodation, catering and conferences. In addition, £2.69m (2023-24: £4.16m) in donations and legacies was received; and £4.20m (2023-24: £3.98m) of endowment return was transferred following the College's total return rule. The gain on investments was £4.16m (2023-24: £11.95m).

Total operational expenditure for the year before pension provisions and loan interest payments was £16.08m (2023-24: £16.02m) including depreciation, or £14.28m (2023-24: £14.23m) excluding depreciation of £1.80m (2023-24: £1.79m). Of this £14.28m, 50% (£7.20m) was on staff costs (2023-24: 49%; £6.93m). The Statement of Comprehensive Income and Expenditure (SOCIE) shows total Expenditure of £17.06m (2023-24: £13.64m), including £0.97m (2023-24: £0.98m) in loan interest payments and after a positive movement to pension provisions of £0.03m (2023-24: £3.39mm).

The College's investment portfolio was valued at £138.63m as at 30 June 2025 (30 June 2024: £135.87m); and the balance sheet and the cash flow statement show £1.74m of cash as at the same date (30 June 2024: £0.78m).

PROFESSIONAL ADVISERS

Auditors

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

Bankers

NatWest Group plc
Petty Cury Branch
21 Petty Cury
Cambridge
CB2 3NE

Investment Advisers

Stanhope Consulting (part of Stanhope Capital)
35 Portman Square
London
W1H 6LR

Property Managers

Carter Jonas LLP
One Station Square
Cambridge
CB1 2GA

Newnham College
Sidgwick Avenue
Cambridge
CB3 9DF

01223 335700
www.newn.cam.ac.uk

Charity registration no. 1137512

CHARITY TRUSTEES

The members of the College Council act as the Trustees of the charity. The College Council meets at least nine times in a year (three times per term). In the financial year 2024-25 the following were members of the College Council:

Four College Officers *ex officio*

Miss Alison Rose	Principal; Chair of the Council
Dr Barbara Blacklaws	Vice-Principal
Dr Sheila Watts	Senior Tutor
Mr Christopher Lawrence	Bursar; Secretary of the Council

Eight Fellows elected by the Governing Body

As at 1 July 2024:

Dr Sinéad Agnew
 Dr Carol Atack
 Mrs Alice Benton
 Dr Kate Fleet
 Dr Caroline Lanskey
 Dr Cath Lindon
 Dr Delphine Mordey
 Professor Yael Navaro

As at 30 June 2025:

Dr Carol Atack
 Mrs Alice Benton
 Dr Kate Fleet
 Dr Caroline Lanskey
 Dr Letizia Mortara
 Professor Yael Navaro
 Professor Helen Taylor
and one vacancy

Junior Members elected by the MCR and JCR

As at 1 July 2024:

Pauline Eller (MCR)
 Chloe Hambleton (JCR)
 April Wells (JCR)

As at 30 June 2025:

Pauline Eller (MCR)
 Cara Pearson (JCR)
 Madeleine Russell (JCR)
 Leah Schmidt (MCR)

Governing Body

The Governing Body, comprising all Fellows of the College in Categories A to E, is required by the College Statutes to be responsible for the approval of the annual audited accounts. The Governing Body, which meets at least five times in a year, is chaired by the Principal and a Fellow is the Secretary. There were 62 Governing Body Fellows as at 1 October 2025.

A full list of the Governing Body Fellows can be found on the College website at:

<https://newn.cam.ac.uk/about/people/principal-governing-body-fellows>

OBJECTS

The College's objects as they appear in the Royal Charter were revised in 2019 and read:

- (a) To further public benefit by providing a liberal education and promoting learning and research through the provision of a college for women within the University of Cambridge.
- (b) To do all such other things as are incidental or conducive to advancing education and learning among women in Cambridge and elsewhere.
- (c) For the purposes above to receive and apply donations from persons desiring to promote the objects of the College.
- (d) To invest the moneys of the College not immediately required in any securities or investments which may from time to time be authorised for the purpose by the Council.

PUBLIC BENEFIT

The Trustees on appointment are provided with a link to the Charity Commission document 'Charities and Public Benefit: Summary Guidance for Charity Trustees', and are reminded at least annually of its recommendations and requirements. The College provided in 2024-25 an education for 611 (2023-24: 641) full-time students (foundation year students, undergraduates and postgraduates), in conjunction with the University of Cambridge, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group academic supervision for undergraduates;
- pastoral, administrative and academic support for all students through its tutorial and mentor systems; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research mainly by:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics both from other UK institutions and from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including special collections), thus providing a valuable resource for students and senior members of the College, members of other Colleges and the University of Cambridge more widely, and external scholars and researchers.

The Trustees are satisfied that the College remains compliant with its duty in regard to public benefit. The primary beneficiaries are the resident members of the College, both students and

PUBLIC BENEFIT (continued)

academic staff, all of whom are directly engaged in education, learning or research. Other beneficiaries include: students and academic staff from other colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions, and visiting schoolchildren and alumnae of the College who have an opportunity to attend educational events at the College or use its academic facilities. Members of the general public are also able to attend various educational activities in the College (such as public lectures).

As a College in the University of Cambridge the primary beneficiaries are academics and students of the University, all of whom need to meet high academic standards to be appointed or admitted and that requirement stands at the core of its nature. The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

OPERATING AND FINANCIAL REVIEW

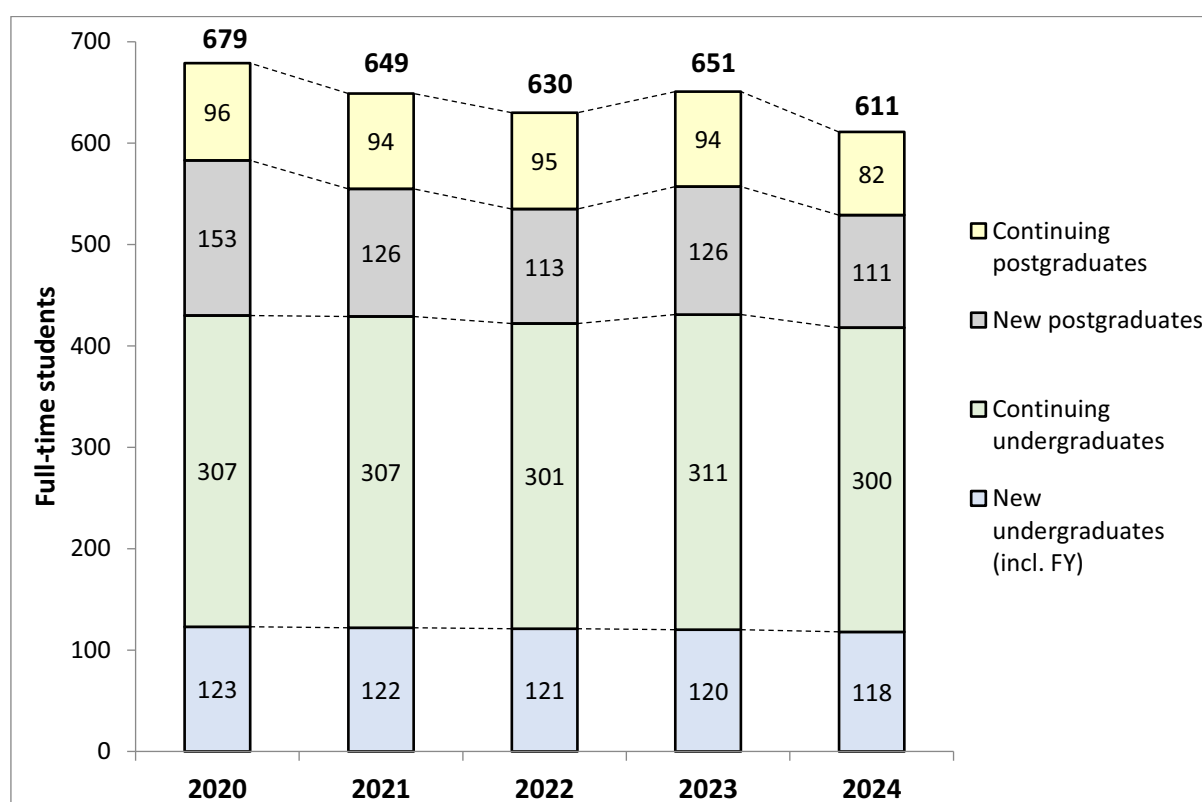
Contents	page
1. Student numbers	9
2. SOCIE: Income	10
3. SOCIE: Operating expenditure	12
4. SOCIE: Other expenditure	14
5. SOCIE: Gain/(loss) on investments	15
6. Capital expenditure	16
7. Balance sheet and Reserves	16
8. Cash flow	17
9. Reserves policy	17
10. Principal risks and uncertainties	17
11. Future plans	18

References in the text below to 'Notes' are to the 'Notes to the Accounts' on pages 40 to 66.

OPERATING AND FINANCIAL REVIEW

1. STUDENT NUMBERS

The biggest potential variable from one year to the next which affects operational income and expenditure is the size of the student body. The College admits foundation year, undergraduate and postgraduate students, and since 2024 has had a target of 640 full-time fee-paying students, made up of 420 undergraduates (including foundation year students) and 220 postgraduates. The total number of full-time fee-paying students as at 1 December 2024 was 611, somewhat below the target of 640 and which represented a decrease from the previous year (651 in 2023). This total comprised 3 foundation year students (4 in 2023); 414 undergraduates (426 in 2023), of whom 115 were new entrants (116 in 2023); and 193 full-time postgraduates (220 in 2023). The 193 postgraduates comprised 120 Doctoral students (132 in 2023), of whom 41 were new entrants (40 in 2023); and 73 non-Doctoral (predominantly Masters) students (88 in 2023). In addition there were 85 postgraduate students writing up/under examination (79 in 2023); and 20 part-time postgraduates (17 in 2023).



All figures as at 1 December of each year. The undergraduate figures include foundation year (FY) students. The breakdown by fee status for 2023 and 2024 was as follows:

	2023	2024
Undergraduate - Home – New (incl. FY)	98 (23%)	93 (22%)
Undergraduate - Home - Continuing	257 (60%)	243 (58%)
Undergraduate - International - New	22 (5%)	25 (6%)
Undergraduate - International - Continuing	54 (13%)	57 (14%)
Total	431	418
Postgraduate - Home - New	48 (22%)	42 (22%)
Postgraduate - Home - Continuing	45 (20%)	34 (18%)
Postgraduate - International - New	78 (35%)	69 (36%)
Postgraduate - International - Continuing	49 (22%)	48 (25%)
Total	220	193

OPERATING AND FINANCIAL REVIEW (continued)

Until 2020-21, EU students had the same fee status as UK students, known as 'Home'. Since the 2021-22 academic year new EU students have been charged the (higher) International rate. The effect of this change in fee status for EU students can most clearly be seen in the continuing reduction in New Postgraduates paying the Home fee (42), a decrease from a recent peak of 81 in 2020.

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE (SOCIE)

2. SOCIE: INCOME

The first of the four financial statements is the Statement of Comprehensive Income and Expenditure (SOCIE). All income appears in this statement. Total income before donations and endowments was £12.23m (2023-24: £11.84m), and total income including donations and endowments was £14.92m (2023-24: £15.99m). The treatment of investment income and endowment return should be noted as explained in 2.3 below.

2.1 Academic fees and charges

Of the total of £3.84m (2023-24: £3.93m) under this heading, £3.48m (2023-24: £3.51m) was derived from student fees. These are set out in Note 1 to the accounts.

UK (and previously EU) undergraduates who are eligible for fee loans from the government-owned Student Loans Company (SLC) pay a regulated fee, which since 2017-18 has been £9,250 per annum. 50% of these fees are transferred to the University, and the College retains the other 50% (£4,625 per student). The total income to the College from this source was £1.52m (2023-24: £1.59m), the reduction being due to fewer students. The static nature of regulated undergraduate fee income (£9,000 per annum since 2012 and £9,250 since 2017) against a background of significantly increasing costs has previously been highlighted as a 'principal risk and uncertainty' in this review. In 2025-26 the regulated fee of £9,250 increases by 3.1% to £9,535, so the College share increases by £142.50 – this increase does not address the several years of no increase.

Non-UK undergraduates – and UK (and previously EU) undergraduates who are not eligible for SLC loans (generally as a result of having a first degree already) – pay an unregulated College fee, set by the College, in addition to their University fee (which varies by course). For first-year undergraduates in 2024-25, this College fee was £11,525 per annum, which remains unchanged for the duration of their course. The equivalent fees for undergraduates starting in prior years are: £10,975 (for 2023-24 starters), £10,475 (for 2022-23 starters), £9,975 (2021-22 starters), and £9,500 (2020-21 starters). The total income to the College from such students was £918k (2023-24: £778k).

Postgraduate students pay a variety of University fees, depending on fee status and on course choice; but there is no separate College fee in addition. The 31 colleges collectively receive a share of the total postgraduate fees to the University (25%, up to a cap), which is redistributed on a per capita basis. This resulted in a fee of £5,416 per postgraduate student in 2023-24 (2023-24: £5,123), amounting to a total to the College of £1.04m (2023-24: £1.15m), the reduction being due to fewer postgraduate students.

As well as student fees as set out above, the College received £98k (2023-24: £108k) from other colleges in return for Newnham academics supervising undergraduates from those colleges and from the University for a shared academic appointment. £204k (2023-24: £240k) was received as the external contribution to total awards of £342k (2023-24: £415k) paid through the Cambridge Bursary Scheme. £60k was received from the Foundation Year bursary scheme (2023-24: £68k).

OPERATING AND FINANCIAL REVIEW (continued)

2.2 Accommodation, catering and conferences

The total of this source of income was £5.88m (2023-24: £5.32m), as set out in Note 2 to the accounts. The line in Note 2 'Accommodation – College members' shows income of £3.69m from student rents (2023-24: £3.50m). Undergraduate rents were £187.30 per week (2023-24: £175.00) and postgraduate rents ranged from £160.42 to £192.66 per week (2023-24: £151.00-182.00).

The take-up of the College's catering offer (Buttery, Café, Formal Halls) by our students is set out in the line in Note 2 'Catering – College members', which shows income of £645k, compared with £808k in 2022-23. The main reason for the drop in income was the abolition of the Kitchen Fixed Charge, a charge that was traditionally made to all those students living in College accommodation.

The Conference business (summer schools, weddings and private events as well as conferences) continued to grow successfully, with income of £1.54m (2023-24: £1.01m). This is an increasingly important part of the College's income mix.

2.3 Investment income and Endowment return transferred

The SOCIE has two lines for these sources of income, 'Investment income' and 'Endowment return transferred'. Notes 3a and 3b set out further detail. This is an area of the accounts which requires some explanation.

The first line 'Investment income' shows income of £2.41m (2023-24: £2.44m). Note 3a shows that £1.84m (2023-24: £1.80m) came from distributions received as income on a quarterly basis from the Cambridge University Endowment Fund (CUF). Distributions of £318k (2023-24: £407k) from the College's holding in the Charities Property Fund are also shown, although in reality such distributions are reinvested in the Fund rather than taken as income. The remaining £244k (2023-24: £225k) is from investment properties and bank interest.

The second line 'Endowment return transferred' requires explanation:

The total 'Gain/(loss) on investments' in the year is shown lower down the SOCIE and shows a gain in value of £4.16m (compared with a gain in 2023-24 of £11.95m). The College operates a total return policy which smooths the distribution across a five-year period to acknowledge that there will be peaks and troughs of investment performance, as illustrated in recent years.

The College's total return policy makes available for spending an amount based on the average value of the units in the investment portfolio (excluding directly held investment properties) over the preceding five years, which allows for a smoothed approach to drawing down income. The average value of the units over the five years preceding 1 July 2024 was £20.35, so when the drawdown rate of 3.5% as stipulated in the policy was applied to this average unit value (£20.35) multiplied by the number of units held as at 1 July 2024 (6,059,970), the result was a return of £4.32m, which becomes £4.20m after the retention of £116k of the dividend in the endowment. This is set out in Note 3b.

This figure of £4.20m is shown in the Income line in the SOCIE as 'Endowment return transferred', split between £1.56m Unrestricted and £2.64m Restricted. These amounts are transferred from the Endowment (this transfer is shown as a negative £4.20m in the Endowment column) to the Unrestricted and Restricted reserves, and are used to fund expenditure in the year. The restricted reserves are used solely to fund education expenditure, whereas the unrestricted reserves are used to fund all areas of expenditure.

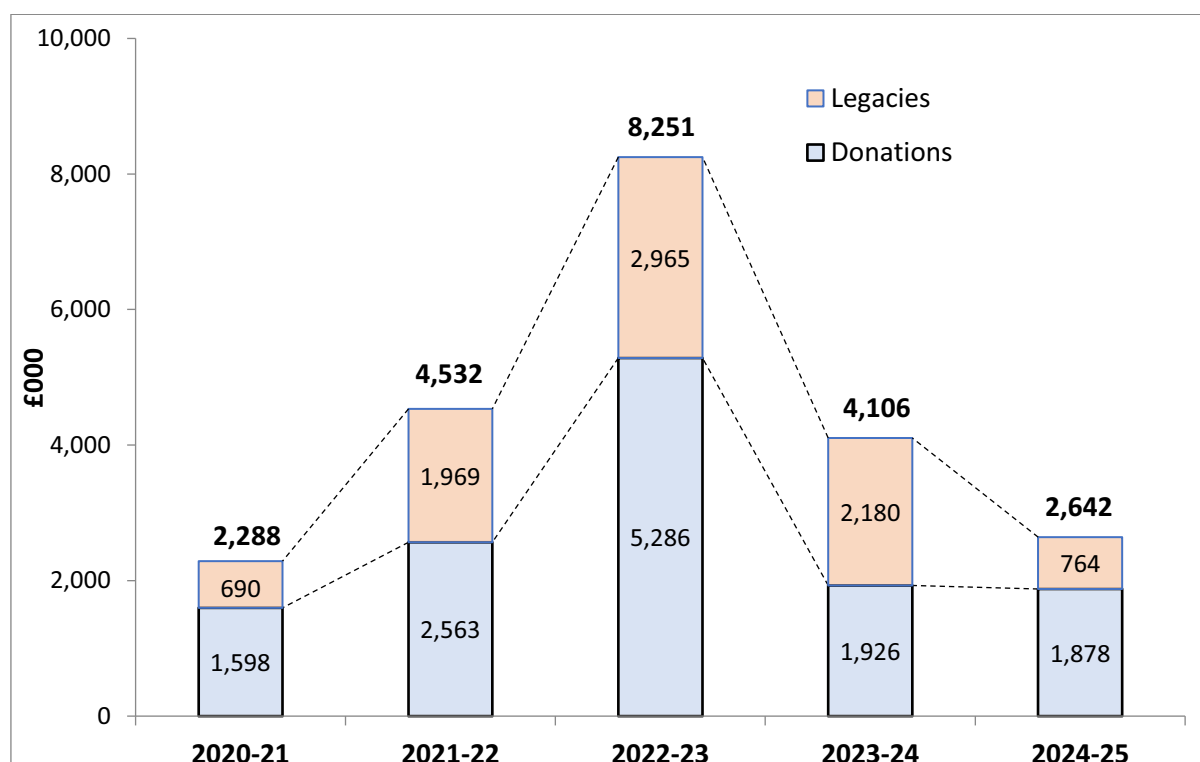
OPERATING AND FINANCIAL REVIEW (continued)

2.4 Other income

Other income of £103k (2023-24: £150k) is set out in detail in Note 4.

2.5 Donations and new endowments

Total donations and new endowments of £2.69m were received (2023-24: £4.16m), as set out in Note 5. The following chart analyses donations in a different way, showing the split between donations given in the donor's lifetime and legacies received from a donor's estate. (This excludes an annual release from deferred capital grants of £51k):



This chart shows the unpredictability of donation and legacy income while also highlighting the importance of this source of income. The College has been very fortunate to benefit in this way from the generosity of alumnae, and remains very grateful for this support. Such philanthropic income underpins the College's continued ability to fulfil its mission: the advancement of education, learning and research.

3. SOCIE: OPERATING EXPENDITURE

The SOCIE shows operational expenditure, but excludes capital expenditure (see section 6 below). The categories of expenditure are prescribed by the RCCA format. Each line of expenditure includes a mix of Staff costs (direct and indirect) and Non-staff costs (direct and indirect). A series of breakdowns within Notes 6 to 19 sets out much of the detail.

Total operating expenditure for the year was £16.08m (2023-24: £16.02m), or £14.28m (2023-24: £14.23m) excluding depreciation of £1.80m (2023-24: £1.79m). The total of £16.08m breaks down as £7.71m on Education (2023-24: £7.56m); £7.61m on Accommodation, catering and conferences (2023-24: £7.82m); and £753k on Other (2023-24: £644k). Notes 6a and 6b set out the detail.

OPERATING AND FINANCIAL REVIEW (continued)

3.1 Education

Notes 7 to 9 give detailed breakdowns of the £7.71m of expenditure on education. Of this total, £3.24m (2023-24: £2.47m) counts as restricted expenditure, which is funded in part by the restricted endowment return of £2.64m (2023-24: £2.34m).

A significant part of the College's education costs relate to the teaching of undergraduates, in particular undergraduate supervisions, the small-group teaching that is a feature of Cambridge (whereas the costs of providing lectures fall to the University), and Note 7a shows a total cost for Teaching of £2.55m (2023-24: £2.49m). This includes £137k towards the salary costs of shared University Teaching Officer (UTO) posts in Classics, English, Law and Maths (2023-24: £182k).

The next biggest element of education expenditure was on Scholarships and awards (for both undergraduates and postgraduates), which came to £2.35m (2023-24: £2.25m). The College is fortunate to be in a financial position to make such awards, which are largely funded by philanthropy. Note 9 gives a useful breakdown of such awards.

All students, both undergraduate and postgraduate, have a personal Tutor who is responsible for providing non-academic support. The cost of such Tutors is included within the line 'Tutorial' and the total cost of the Tutorial and Admissions activities as shown in Note 7a came to £1.80m (2023-24: £1.80m). Research costs come under the heading of Education, and such costs came to £706k (2023-24: £712k), which includes the employment costs of stipendiary Junior Research Fellows.

3.2 Accommodation, catering and conferences

Note 6a shows how the total costs of £7.61m (2023-24: £7.82m) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Direct staff costs are split between Catering and Conferences in Note 10, and direct non-staff costs are split between Catering and Conferences in Note 11. Accommodation-related costs such as Housekeeping staff are included within the indirect staff costs, because these costs are split across more than one activity.

3.3 Other expenditure

Note 6a shows how total costs of £753k (2023-24: £644k) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Note 12 gives a breakdown of the direct staff costs, which relate to the Margaret Anstee Centre, the Skilliter Centre and the Laidlaw Scholars programme. Note 13 shows the direct non-staff costs.

3.4 Staff costs

Staff costs include salaries, National Insurance, and pension costs.

The three expenditure areas (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct staff costs and indirect staff costs. Staff costs are analysed in various ways in the Notes. Notes 6a and 17a show how total staff costs of £7.20m (2023-24: £6.93m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 8 (Education), Note 10 (Accommodation, catering and conferences) and Note 12 (Other) on the direct staff costs in each of those expenditure areas. It is to Note 18 that the reader must turn to understand all the other elements of staff costs which are allocated across the three expenditure areas. Note 18 shows the cost of departments such as Housekeeping, Maintenance, Porters' Lodge, Gardens, Bursary, Development and Communications.

OPERATING AND FINANCIAL REVIEW (continued)

Further analysis is given in Note 20, which shows pensions costs of £778k (2023-24: £838k) and National Insurance costs of £505k (2023-24: £443k), on top of salary costs of £5.55m (2023-24: £5.35m). Headcount figures (both FTE and non-FTE) are shown. These include casual staff as well as permanent staff.

3.5 Non-staff costs

The three lines (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct non-staff costs and indirect non-staff costs. Non-staff costs are analysed in various ways in the Notes. Note 6a shows how total non-staff costs of £8.88m (including depreciation of £1.80m) (2023-24: £9.09m, including depreciation of £1.79m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 9 (Education), Note 11 (Accommodation, catering and conferences) and Note 13 (Other) on the direct non-staff costs in each of those expenditure areas. Note 19 sets out the totals for the indirect non-staff costs.

Among the indirect non-staff costs of £2.97m (2023-24: £3.45m), the largest area of expenditure was utilities (electricity, gas, water) at £767k (2023-24: £1.03m). The increase in utility costs (notably electricity costs) has been of particular concern to the College, but the last year has at least seen a decrease towards the 2022-23 level following a peak in 2023-24, as shown here:

2020-21: £	369k
2021-22: £	517k
2022-23: £	723k
2023-24: £	1,033k
2024-25: £	767k

Maintenance expenditure of £627k (2023-24: £1.04m) excludes capital expenditure, which does not appear in the SOCIE but is shown in Note 24 to the Balance Sheet.

4. SOCIE: OTHER EXPENDITURE

As well as £16.08m (2023-24: £16.02m) of operating expenditure, there are other movements on the SOCIE that contribute to the Total expenditure figure as described below.

4.1 Movement to pension provisions

The College participates in two defined benefit pension schemes, the Cambridge Colleges Federated Pension Scheme (CCFPS), and the Universities Superannuation Scheme (USS). As at 30 June 2024 there were 3 active members in CCFPS and 148 active members in USS (30 June 2024: 3 in CCFPS, 156 in USS). The funding position of these two schemes are set out in detail in notes 42a (CCFPS) and 42b (USS). Pensions represent a significant cost to the College: employer contributions of £1.10m were made in the year (see Note 20) (2023-24: £838k).

The total figure for the movement to pension provisions included under Expenditure in the SOCIE is a positive movement of £32k (2023-24: £3.39m).

The combined CCFPS and USS pension provision as shown on the balance sheet and in Notes 21 & 31 was £886k as at 30 June 2025 (£968k as at 30 June 2024).

OPERATING AND FINANCIAL REVIEW (continued)

4.2 Loan interest payable

The College needs to repay loan interest in the order of £1m every year for a number of years (see Notes 22 and 30). The figure of £969k for 2024-25 (2023-24: £980k) comprises £143k for the Buttery/Kitchen bank loan (2023-24: £155k) and £826k for the two private placement bonds (2023-24: £825k) as described below.

The College took out a 25-year bank loan in 2007 to fund the Buttery/Kitchen project, repayable in 2032. In addition to the interest costs as above, capital repayments of £289k were made (2023-24: £277k). The remaining balance on the loan at the end of the year was £2.50m (30 June 2024: £2.79m).

The College issued two private placement bonds, one for £11.58m in 2013 and one for £7.00m in 2014, with three repayment dates in 2043, 2044 and 2053, and the combined coupon (interest) payments come to £825k per year. These are set out in Note 30.

The proceeds of these private placements were used to part-fund the new Dorothy Garrod Building and its associated fixtures and fittings, which cost a combined total of £34.87m. The coupon payments on these two private placements will therefore remain £825k per year until 2043 (when the first £6.43m of capital has to be repaid). Reduced coupon payments will then continue until 2053 (when the final £5.15m of capital has to be repaid).

4.3 Contribution to the Colleges Fund

The Colleges Fund is a scheme whereby the wealth of all 31 colleges is assessed each year. The better-endowed colleges pay into a central fund, which is then disbursed to the less-well-endowed colleges. Note 23 shows that Newnham College's contribution to this fund was £38k (2023-24: £25k).

5. SOCIE: GAIN/(LOSS) ON INVESTMENTS

The line 'Gain on investments' in the year shows a gain in value of £4.16m (2023-24: £11.95m). This is in addition to the £2.41m (2023-24: £2.44m) of investment income shown earlier in the SOCIE under Income (see 2.3 above and Note 3a), which includes much of the gains in the CU Endowment Fund and the Charities Property Fund in the form of distributions (received as cash in the case of the CUEF and reinvested in the case of the CPF).

Note 3b shows that the total return for the year was £6.56m (2023-24: £14.38m) and shows the interaction between the three lines 'Investment income', 'Endowment return transferred', and 'Gain on investments'.

The College's total return policy smooths the transfer from the endowment across a five-year period to acknowledge that there will be peaks and troughs of investment performance. The College is a perpetual investor, taking a very long-term view of its investment portfolio, and such shorter-term increases and decreases in value are to be expected.

One-year shifts in the gain/loss on investments can obscure the true financial picture. If one compares the line 'Total income before donations and endowments' showing £12.23m (2023-24: £11.84m) with the line 'Total operating expenditure' showing £16.08m (2023-24: £16.02m), this shows a deficit of £3.85m (2023-24: £4.19m) and one starts to understand clearly that there is a fundamental mismatch between operating income and operating expenditure. The College's economic model relies on investment gains and philanthropy to bridge that gap. The total return

OPERATING AND FINANCIAL REVIEW (continued)

policy that calculates the annual drawdown from the College's investments is set out in 2.3 above (£4.20m in this year), and it is this regular, annual drawdown that allows the College to carry an operational deficit each year. Hence the bottom line of the SOCIE – 'Total comprehensive income for the year' – needs to be interrogated closely for a true understanding of the College's finances. The latter figure could easily be misinterpreted. Investments are considered in more detail in 7.2 below.

6. CAPITAL EXPENDITURE

The Statement of Comprehensive Income and Expenditure (SOCIE) is not in fact comprehensive in terms of expenditure, since capital expenditure is excluded. It is to the first line of the Balance Sheet, and its related Note 24 (Fixed Assets), that one turns to see the capital expenditure in the year. This shows Additions of £833k (2023-24: £1.60m) including £370k on the Library (electrical rewiring), £166k on 27 Grange Road, £132k on the new temporary boathouse, and £77k on IT servers.

7. BALANCE SHEET AND RESERVES

After the SOCIE, the next two statements in the accounts are the Statement of Changes in Reserves and the Balance Sheet. Starting with the Balance Sheet:

7.1 Fixed assets

Note 24 sets out the movements in this asset class. The capital expenditure in the Additions line has been explained in section 6 above.

7.2 Investments

Note 25 shows investments of £138.63m (2023-24: £135.87m). The unit value in the investment portfolio (see 2.3 above) at 30 June 2025 was £22.30, an increase of 1.5% on the opening unit value of £21.96, which is net of distributions during the year.

The total investment portfolio (including directly-owned property) was made up as follows:

	30 June 2025	30 June 2024
Equities	69.6%	70.6%
Private equity	9.1%	9.5%
Bonds	1.9%	2.0%
Property	11.0%	10.7%
Other alternatives	8.5%	7.2%
Total	100%	100%

As at 30 June 2025, 35% (2024: 33%) of the portfolio was passively managed (by State Street Global Advisors), and 65% (2023: 67%) was actively managed (by a variety of funds as shown in this table, which excludes directly-owned property):

	£m	30 June 2025	30 June 2024
State Street Global Advisors World Screened Index Equity Fund		47.97	44.91
Baillie Gifford Sustainable Growth Fund		28.02	31.99
Cambridge University Endowment Fund		51.06	46.38
Charities Property Fund		7.03	6.55
Other		0.25	2.17
Total		£134.33m	£132.00m

OPERATING AND FINANCIAL REVIEW (continued)

7.3 Statement of Changes in Reserves

The Balance Sheet and the Statement of Changes in Reserves show total reserves increasing from £273.43m (at 30 June 2024) to £275.45m (at 30 June 2025). This increase is mainly attributed to the surplus from the income and expenditure statement (SOCIE).

8. CASH FLOW

The fourth and final statement in the accounts is the Cash Flow Statement. This shows an increase of in cash over the year from £774k to £1.74m. The cash flow is explained in detail in Notes 34 to 36.

9. RESERVES POLICY

Newnham's unrestricted reserves at the year end amounted to £172.74m (2024: £173.37m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. Restricted reserves at the year end amounted to £102.72m (2024: £100.06m) and are represented in the balance sheet by endowment funds for a number of educational purposes, as set out in Notes 32 and 33. The College Council believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The College Council is mindful to maintain an equitable balance between the interests of current members of the College and future generations ('intergenerational equity').

10. PRINCIPAL RISKS AND UNCERTAINTIES

There has been no industrial action by University academic staff in the last year, although there remains such a threat in the future. The College depends on recruitment by the University of Cambridge for the pool of academics from which it attracts its Fellows and academic staff, so it is vital to the College that the University continues to be an attractive place for the best academic staff from around the world.

Uncertainty relating to the USS pension scheme has died down following a set of improvements introduced in 2024, and the financial year 2024-25 was the first full year of the reduced contribution rates for employees (6.1%, down from 9.8%) and employers (14.5%, down from 21.6%). Newnham is one of only three Cambridge colleges to offer USS membership to all of its staff, both academic and non-academic.

In April 2025 employer National Insurance rates increased from 13.8% to 15%, and the threshold was reduced from £9,100 to £5,000. This has a material impact on the College, the full effect of which will be felt in the 2025-26 financial year: it is estimated this will add at least £150k in costs.

Inflation remains above the Government's 2% target, with CPI at 3.8% to August 2025 (and food inflation even higher at 5.1%). Inflation affects most areas of the College's expenditure either directly or indirectly, including putting pressure on wage levels leading to wage inflation. Energy costs remain historically high (£470k on electricity and £218k on gas), although below the peak level of the previous year (£593k on electricity and £378k on gas).

The College has spent over £2m on student support for the second year running (£2.35m, following £2.25m in 2023-24), and although this is to be celebrated, there is a question as to whether this can be sustained at this level. This is particularly the case with studentships, which are predominantly for postgraduates: £1.30m, following 1.19m in 2023-24. Although many of the postgraduate studentship

OPERATING AND FINANCIAL REVIEW (continued)

funds are permanent, several are expendable and are being spent down. Also, previously unspent income from some permanent funds has been used to increase the spend on postgraduate studentships, and such income is not renewable. Without further additions to these funds, it is likely that the amount of funding available to support such studentships will fall to nearer £1m. With other sources of postgraduate funding also contracting, this would affect the number of PhD students we are able to fund (and therefore recruit). The College also continues to invest in mental health and wellbeing, as part of the overall University strategy to enable students to thrive, and the College is fundraising to endow its work in this area.

Student numbers have fallen in the past year, from 651 to 611 full-time students (as at 1 December in each year), as against a target of 640. Undergraduates (including Foundation Year students) were close to the target of 420, at 418; but Postgraduates were somewhat below the target of 220, at 193. International instability and changing immigration/visa rules can have an impact on international student recruitment, and 60% of Newnham's postgraduates are from outside the UK. While the College remains unable to accommodate all those postgraduates who would wish to live in College accommodation, such a shortfall is limited to impacting fee income, but each postgraduate below target represents a loss of nearly £5.5k in fee income.

The regulated fee paid by most of our undergraduates (of which the College receives 50%) has remained at £9,250 per year since 2017, having been £9,000 since 2012. This means that the value has eroded in real terms each year, against a background of rising costs for the university sector. The small increase to £9,535 for the 2025-26 academic year (with the College share remaining at 50%) will make only a small difference (c.£50k), and is immediately wiped out by the increase in employer's NI as set out above. From the perspective of students, the maintenance loans available have not kept up with inflation, and do not come close to covering the annual living costs of being a student at any university. Over 40% of Newnham's UK undergraduates are in receipt of a Cambridge Bursary, which supports those from middle- and low-income families. Newnham contributed £138k to the Cambridge Bursary Scheme (CBS) in the last year and leveraged a further £204k from the University. All such CBS students received an automatic Newnham Rent Bursary as part of the further £304k the College spent on bursary and hardship support beyond the Cambridge Bursary scheme.

Cyber security continues to be a major risk, as for all organisations, and the College has taken several steps to improve its risk profile, including the use of multi-factor authentication (MFA), a new firewall, regular training for staff, and annual penetration testing.

Commercial conferencing income is growing (£1.54m) and this is an increasingly important source of income to help service the College's loan debt – annual interest payments in the region of £1m to service total debt of £21m (which incidentally acts as a constraint against new borrowing, e.g. to build a new postgraduate residential block). However, there is a limit to quite how much growth is possible in such commercial activity, and the College continues to depend on philanthropy – past, present, future – to fund the fundamental gap between operational income and expenditure.

11. FUTURE PLANS

The College has started to address the challenge of making the main College site more energy-efficient. The late-Victorian/Edwardian Champneys buildings pose particular challenges with regard to insulation and glazing, and the Kennedy building has been selected as the first of these buildings to assess what is possible within the heritage confines of a Grade 2*-listed building. Reducing the reliance on gas is key, although whether complete degasification is realistic remains to be investigated in detail. Recent sub-metering of the College's main electrical supply has helped to identify usage at a more granular level and should help to control costs increasing yet further.

OPERATING AND FINANCIAL REVIEW (continued)

The high costs of housing in wider Cambridge continue to increase and this puts pressure on those of our postgraduate students whom we are unable to accommodate in College. We are planning to return the Rosalind Franklin Building to postgraduate-only use, but this will take three to four years. We continue to talk to other colleges and the University about better overall provision of accommodation for postgraduates.

The College's primary objects of education, learning and research for women remain at the forefront, and all income generation (e.g. in commercial conference activities) and cost-saving (e.g. in energy usage) only support those objects. June 2026 will mark the end of a seven-year fundraising campaign 'Shaping Newnham's Future' which has already exceeded its £25m target. The funds raised from this campaign are already supporting the College's ambitions in a number of areas including undergraduate teaching and greening the College estate.

The College continues to consider, along with the wider University, the implications of the increasing capabilities of Artificial Intelligence (AI). This affects how students apply to the University in the first instance, how they learn on a weekly basis once they are here, and then how they undertake examinations and other assessments; and it also affects the job opportunities available to them when they graduate.



Christopher Lawrence
Bursar

20 November 2025

CORPORATE GOVERNANCE

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

The College is a registered charity (registered number 1137512) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.

The Trustees are advised in carrying out their duties by a number of Committees, including: Academic Planning, Buildings Estate, Development, Environmental & Sustainability, Finance, IT, Library & Archives, Safety, Stipends & Benefits and Student Finance.

The principal College officers are the Principal, Vice-Principal, Senior Tutor and Bursar.

It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of the external Auditor; to consider reports submitted by the Auditor; to monitor the implementation of recommendations made by the Auditor; to monitor risk management and control arrangements; and to make regular reports to the Trustees by way of minutes of its meetings. Membership of the Finance Committee includes all the principal College officers, the Domestic Bursar, and other members of the Governing Body.

There is a Register of Interests of Trustees. Declarations of interest are made systematically at all Governing Body, Council and Committee meetings. The College's Trustees during the year ended 30 June 2025 are set out on page 5.

STATEMENT OF INTERNAL CONTROL

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

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

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 2025 and up to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the system of internal control.

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

RESPONSIBILITIES OF THE COLLEGE COUNCIL AND THE GOVERNING BODY

The College Council is responsible for preparing the financial statements each year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by Recommended Cambridge College Accounts. The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In accordance with the College's Statutes, the College Council is responsible for the administration and management of the College's affairs. It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept which disclose with reasonable accuracy at any time the financial position of the College.

Statute XIX ('Accounts and Audit') in the College's Statutes sets out the Governing Body's responsibilities in relation to the accounts, including the appointment of the auditors. Clause 5 of Statute XIX states: "A meeting of the Governing Body shall be called to pass the accounts as soon as may be convenient in the Michaelmas Term."

In causing the financial statements to be prepared, the College Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The College Council is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The College Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud and other irregularities. Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL AND GOVERNING BODY**For the Year Ended 30 June 2025****Opinion**

We have audited the financial statements of Newnham College (the 'College') and its subsidiaries (the 'group') for the year ended 30 June 2025 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).

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 2025, 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 College Council and Governing Body's 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 College Council and Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report of the College Council and Governing Body, other than the financial statements and our auditor's report thereon. The College Council and Governing Body is 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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL AND GOVERNING BODY (continued)

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 College Council and 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 the College Council and Governing Body

As explained more fully in the College Council and Governing Body's responsibilities statement set out on page 21, the College Council and Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the College Council and Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the College Council and Governing Body are responsible for assessing the group's and College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the College Council and Governing Body 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:

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL AND GOVERNING BODY (continued)

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 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 organisation.
- 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: www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit. This description forms part of our auditor's report.

Use of our report

This report is made solely to the College Council and 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 Council and Governing Body 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 College Council and 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: 19 December 2025

Price Bailey LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Consolidated 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 7.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings are set out in Note 38. Intra-group balances are eliminated on consolidation. The activities of student societies have not been consolidated.

A separate balance sheet and related notes for the College are not included in the accounts because the subsidiary companies donate their profits to the College each year. The balance sheet for the College alone would not be materially different from the one included in the accounts.

Recognition of income

Academic fees

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

Grant income

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

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

Donations and Endowments

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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

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

Legacy Income

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the College is aware that probate has been granted and either: the estate has been finalised, final estate accounts have been received and notification has been made by the executors to the College that a distribution will be made; or when a notification has been made by the executors to the College of an intention to make a distribution prior to the end of the financial year and subsequently that distribution is received from the estate after the year end. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income and change in value of investment assets

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

Total return

A total return policy is applied to the College's investment in securities. A unitised approach is taken with the investment portfolio, and the units are revalued each quarter taking account of investment performance. Under this total return policy, the average of the unit values at the end of each quarter for the preceding five years is calculated. 3.5% of this average unit value is applied to the number of units held at 1 July, and this is the amount of endowment return transferred shown as income in the Statement of Comprehensive Income and Expenditure. The whole total return is shown in the same statement as the gain/(loss) on investments.

Other income

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

Cambridge Bursary Scheme

In 2024-25, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received contributions from the Intercollegiate Services Limited (on behalf of the University of Cambridge) towards this payment.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The net payment by the College of £138k (2023-24: £175k) is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	(Note 1)	£204k	(2023-24: £240k)
Expenditure	(Note 9)	£342k	(2023-24: £415k)

Foreign currency translation

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

Tangible fixed assets*Land and buildings*

The buildings on the College's main site have been treated as tangible fixed assets and valued on the basis of their depreciated replacement cost. A valuation on 30 June 2023 was carried out by Gerald Eve LLP. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 65 years (previously this was 100 years). On revaluation, the expected life of a building is re-set to 65 years. Freehold land is not depreciated and the value of the land comprising the College's main site is included in the balance sheet.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

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

Maintenance of properties

The cost of routine maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred.

Furniture and equipment

Furniture and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Books, equipment, furniture and fittings	5%, 10% and 25% per annum
Catering heating and ventilation equipment	5% per annum
Major computer software	10% per annum
Computer equipment	25% per annum

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)*Heritage Assets*

The College holds and conserves a number of collections, artefacts and other assets of historical, artistic or scientific interest. Heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt, to the extent to which they are material. Heritage assets have not been depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

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

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

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

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

Financial Liabilities

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

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

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

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

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

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Taxation**

The College is a registered charity (number 1135712) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

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

Pension schemes

The College participates in the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The schemes are both defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The assets and liabilities of the CCFPS are held separately. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The assets of the USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Employment benefits

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

Reserves

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Critical Accounting Estimates and Judgements**

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in Note 9.

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Notes 42a and 42b.

Management are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision (if required) is currently based on the USS deficit recovery plan agreed after the 2023 actuarial valuation. The provision (if required) is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 42b.

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Going concern**

The College's Finance Committee and Council have reviewed the budget for 2025-26 and also a five-year projection through to 2030-31. At the start of the 2025-26 academic year, student numbers are largely on target, and therefore both fee income and accommodation income are on target. Conference business is growing year on year.

As a result of its assessment of the College's overall financial situation, the College Council has confirmed the College's ability to continue in operation and on that basis it has adopted the going concern assumption within these financial statements. The College Council confirms the College's ability to continue as a going concern.

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2025

	Note	2024-25		2023-24		Total
		Unrestricted	Restricted	Restricted	Endowment	
Income		£000	£000	£000	£000	£000
Academic fees and charges	1	3,574	264	3,618	308	3,925
Accommodation, catering and conferences	2	5,884	-	5,324	-	5,324
Investment income	3a	1,036	334	2,436	-	2,436
Endowment return transferred	3b	1,564	2,636	1,632	2,344	(3,976)
Other income	4	103	-	150	-	150
Total income before donations and endowments		12,162	3,234	13,160	2,652	11,835
Donations	5	1,037	1,114	1,716	360	2,076
New endowments	5	-	-	-	-	2,081
Total donations and endowments		1,037	1,114	1,716	360	4,157
Total income		13,199	4,348	14,876	3,012	15,991
Expenditure						
Education	6,7,8,9	4,473	3,241	5,088	2,471	7,559
Accommodation, catering and conferences	6,10,11,14	7,614	-	7,819	-	7,819
Other expenditure	6,12,13	753	-	644	-	644
Total operating expenditure		12,840	3,241	13,551	2,471	16,022
Movement to pension provisions	21,31	(32)	-	(3,391)	-	(3,391)
Loan interest payable	22	969	-	980	-	980
Contribution to Colleges Fund under Statute G,II	23	38	-	25	-	25
Total expenditure		13,815	3,241	11,164	2,471	13,635
Surplus before other gains and losses		(616)	1,107	3,712	541	2,356
Gain on investments	3b	(17)	(7)	1,853	1,495	11,945
Surplus before tax		(633)	1,100	5,564	2,036	14,301
Other comprehensive income						
Actuarial gain/(loss) in respect of pension schemes	21,31	50	-	32	-	32
Total comprehensive income for the year		(583)	1,100	5,596	2,036	14,333

The notes on pages 40 to 66 form part of these accounts.

College Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2025

Income	Note	2024-25		2023-24		Total
		Unrestricted	Restricted	Restricted	Endowment	
		£000	£000	£000	£000	£000
Academic fees and charges	1	3,574	264	3,618	308	3,925
Accommodation, catering and conferences	2	5,191	-	5,324	-	5,324
Investment income	3a	1,036	334	2,436	-	2,436
Endowment return transferred	3b	1,564	2,636	1,632	2,344	(3,976)
Other income	4	533	-	150	-	150
Gift Aid from subsidiaries		263	-	-	-	-
Total income before donations and endowments		12,162	3,234	13,160	2,652	11,835
Donations	5	1,037	1,114	1,716	360	2,076
New endowments	5	-	-	-	-	2,081
Total donations and endowments		1,037	1,114	1,716	360	4,157
Total income		13,199	4,348	14,876	3,012	15,992
Expenditure						
Education	6,7,8,9	4,473	3,241	5,088	2,471	7,559
Accommodation, catering and conferences	6,10,11,14	7,614	-	7,819	-	7,819
Other expenditure	6,12,13	753	-	644	-	644
Total operating expenditure		12,840	3,241	13,551	2,471	16,022
Movement to pension provisions	21,31	(32)	-	(3,391)	-	(3,391)
Loan interest payable	22	969	-	980	-	980
Contribution to Colleges Fund under Statute G,II	23	38	-	25	-	25
Total expenditure		13,815	3,241	11,164	2,471	13,635
Surplus before other gains and losses		(616)	1,107	3,712	541	2,357
Gain on investments	3b	(17)	(7)	1,853	1,495	11,945
Surplus before tax		(633)	1,100	5,564	2,036	14,302
Other comprehensive income						
Actuarial gain/(loss) in respect of pension schemes	21,31	50	-	32	-	32
Total comprehensive income for the year		(583)	1,100	5,596	2,036	14,334

Statement of Changes in Reserves

Year Ended 30 June 2025

Consolidated	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted	Restricted	Endowment		
	£000	Restated £000	Restated £000		
At 1 July 2024	74,442	20,626	79,433	98,931	273,432
Surplus from income and expenditure statement	(633)	1,100	1,556	-	2,023
Other comprehensive expenditure	50	-	-	-	50
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	999	-	-	(999)	-
At 30 June 2025	74,806	21,727	80,989	97,932	275,454
At 1 July 2023	67,960	18,588	72,730	99,869	259,149
Surplus from income and expenditure statement	5,565	2,037	6,702	-	14,302
Other comprehensive income	32	-	-	-	32
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	937	-	-	(938)	-
At 30 June 2024	74,442	20,626	79,432	98,931	273,432
College	Income and expenditure reserve			Revaluation	Total
	Unrestricted	Restricted	Endowment	reserve	
	£000	£000	£000	£000	£000
At 1 July 2024	74,442	20,626	79,433	98,931	273,432
Surplus from income and expenditure statement	(633)	1,100	1,556	-	2,023
Other comprehensive income/(expenditure)	50	-	-	-	50
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings	999	-	-	(999)	-
At 30 June 2025	74,806	21,726	80,989	97,931	275,454
At 1 July 2023	67,960	18,588	72,731	99,869	259,150
Surplus from income and expenditure statement	5,565	2,037	6,702	-	14,302
Other comprehensive income/(expenditure)	32	-	-	-	32
Revaluation of fixed assets	-	-	-	-	-
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings	937	-	-	(938)	-
At 30 June 2024	74,442	20,626	79,433	98,931	273,432

The notes on pages 40 to 66 form part of these accounts.

Consolidated Balance Sheet**At 30 June 2025**

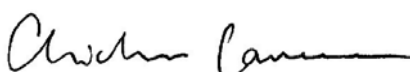
		2025	2024
	Note	£000	£000
Non-current assets			
Fixed assets	24	157,539	158,506
Investments	25	138,626	135,868
Total non-current assets		<u>296,165</u>	<u>294,374</u>
Current assets			
Stocks	26	75	69
Trade and other receivables	27	1,049	2,373
Cash and cash equivalents	28	1,741	774
Total current assets		<u>2,865</u>	<u>3,216</u>
Creditors: amounts falling due within one year	29	(1,914)	(2,106)
Net current assets		<u>951</u>	<u>1,110</u>
Total assets less current liabilities		<u>297,116</u>	<u>295,484</u>
Creditors: amounts falling due in more than one year	30	(20,776)	(21,084)
Provisions			
Pension provisions	31	(886)	(968)
Total net assets		<u><u>275,454</u></u>	<u><u>273,432</u></u>
Restricted reserves			
Income and expenditure reserve - endowment reserve	32	80,989	79,433
Income and expenditure reserve - restricted reserve	33	21,726	20,626
		<u>102,715</u>	<u>100,059</u>
Unrestricted reserves			
Income and expenditure reserve - unrestricted reserve		74,807	74,442
Revaluation reserve		97,932	98,931
		<u>172,739</u>	<u>173,373</u>
Total reserves		<u><u>275,454</u></u>	<u><u>273,432</u></u>

These financial statements were approved by Newnham College Governing Body on 20 November 2025 and signed on its behalf by:

Miss Alison Rose (Principal)



Mr Christopher Lawrence (Bursar)



The notes on pages 40 to 66 form part of these accounts.

College Balance Sheet

At 30 June 2025

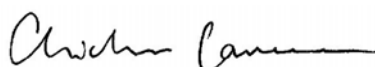
		2025	2024
	Note	£000	£000
Non-current assets			
Fixed assets	24	157,539	158,506
Investments	25	138,626	135,868
Total non-current assets		<u>296,165</u>	<u>294,374</u>
Current assets			
Stocks	26	75	69
Trade and other receivables	27	1,033	2,373
Intergroup debtors		210	0
Cash and cash equivalents	28	1,367	774
Total current assets		<u>2,685</u>	<u>3,216</u>
Creditors: amounts falling due within one year	29	(1,734)	(2,106)
Net current assets		<u>951</u>	<u>1,110</u>
Total assets less current liabilities		<u>297,116</u>	<u>295,484</u>
Creditors: amounts falling due in more than one year	30	(20,776)	(21,084)
Provisions			
Pension provisions	31	(886)	(968)
Total net assets		<u><u>275,454</u></u>	<u><u>273,432</u></u>
Restricted reserves			
Income and expenditure reserve - endowment reserve	32	80,989	79,433
Income and expenditure reserve - restricted reserve	33	21,726	20,626
		<u>102,715</u>	<u>100,059</u>
Unrestricted reserves			
Income and expenditure reserve - unrestricted reserve		74,807	74,442
Revaluation reserve		97,932	98,931
		<u>172,739</u>	<u>173,373</u>
Total reserves		<u><u>275,454</u></u>	<u><u>273,432</u></u>

These financial statements were approved by Newnham College Governing Body on 20 November 2025 and signed on its behalf by:

Miss Alison Rose (Principal)



Mr Christopher Lawrence (Bursar)



The notes on pages 40 to 66 form part of these accounts.

Consolidated Cash Flow Statement**Year Ended 30 June 2025**

	Note	2024-25	2023-24
		£000	£000
Net cash flow from operating activities	34	(744)	(1,958)
Cash flows from investing activities	35	2,989	1,353
Cash flows from financing activities	36	(1,278)	(1,258)
Increase/(decrease) in cash and cash equivalents in the year		967	(1,863)
Cash and cash equivalents at beginning of the year		774	2,637
Cash and cash equivalents at end of the year		1,741	774

The notes on pages 40 to 66 form part of these accounts.

College Cash Flow Statement**Year Ended 30 June 2025**

	Note	2024-25	2023-24
		£000	£000
Net cash flow from operating activities	34	(1,118)	(1,958)
Cash flows from investing activities	35	2,989	1,353
Cash flows from financing activities	36	(1,278)	(1,258)
Increase/(decrease) in cash and cash equivalents in the year		593	(1,863)
Cash and cash equivalents at beginning of the year		774	2,637
Cash and cash equivalents at end of the year		1,367	774

The notes on pages 40 to 66 form part of these accounts.

Notes to the Accounts

1. ACADEMIC FEES AND CHARGES	2024-25	2023-24
Consolidated and College	£000	£000
College fees:		
Fee income received at the Regulated Undergraduate rate (a)	1,517	1,586
Fee income received at the Unregulated Undergraduate rate (b)	918	778
Fee income received at the Postgraduate rate (c)	1,041	1,145
	<u>3,476</u>	<u>3,509</u>
Recoveries from other Colleges - teaching	63	56
Recoveries - shared appointments	35	52
Contribution towards Cambridge Bursary Scheme	204	240
Contribution towards Foundation Year Scheme	60	68
	<u>3,838</u>	<u>3,925</u>
(a) fee per student: £4,625 for undergraduates starting since 2017-18		
(b) fee per student: £11,525 for undergraduates starting in 2024-25 (2023-24: £10,975; 2022-23: £10,475)		
(c) fee per student: £5,416 (2023-24: £5,123; 2022-23: £4,761)		
2a. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES	2024-25	2023-24
Consolidated	£000	£000
Accommodation		
College members	3,693	3,501
Conferences	1,041	597
Catering		
College members	645	808
Conferences	505	418
	<u>5,884</u>	<u>5,324</u>
2b. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES	2024-25	2023-24
College	£000	£000
Accommodation		
College members	3,693	3,501
Conferences	621	597
Catering		
College members	645	808
Conferences	232	418
	<u>5,191</u>	<u>5,324</u>
3. INVESTMENT RETURN AND INVESTMENT INCOME	2024-25	2023-24
Consolidated and College	£000	£000
3a. Analysis		
CUEF distributions	1,844	1,804
CPF distributions	318	407
Freehold land and buildings	171	177
Interest	43	48
Gain on disposal of investment properties	30	-
	<u>2,406</u>	<u>2,436</u>

Notes to the Accounts**3. INVESTMENT RETURN AND INVESTMENT INCOME**

Consolidated and College (continued)

	2024-25	2023-24
	£000	£000

3b. Summary of total return

Total return transferred to income and expenditure reserve	4,200	3,976
Made up as follows		
Total College dividend	4,316	4,088
Less College dividend on endowment funds retained within endowment	(116)	(112)
	<u>4,200</u>	<u>3,976</u>

College dividend is calculated by taking 3.5% of the average unit value over 5 previous years (£20.35), multiplied by the number of units at the start of the year (6,059,970 units) = £4.316k.

Income from:

Freehold land and buildings	201	177
Quoted and other securities and cash	2,205	2,259
	<u>2,406</u>	<u>2,436</u>

Gains on investment assets:

Quoted and other securities	4,290	12,097
College dividend on endowment funds retained within endowment	(116)	(112)
Gain on disposal of investment properties	30	-
Revaluation of USD bank account	(3)	2
Investment management costs - quoted securities (see note 3c)	(46)	(43)
	<u>4,155</u>	<u>11,944</u>

Total return for the year	<u>6,561</u>	<u>14,381</u>
Total return transferred to income and expenditure reserve	(4,200)	(3,976)
Total return for year included within Statement of Comprehensive Income and Expenditure	<u><u>2,361</u></u>	<u><u>10,405</u></u>

3c. Investment management costs

Quoted securities	46	43
Freehold land and buildings	19	21

4a. OTHER INCOME

Consolidated

	2024-25	2023-24
	£000	£000

Roll & Development events	41	51
Contribution towards salary costs	-	9
VAT recoverable	43	72
Research grant from DfID/FCDO	1	1
Other	18	17
	<u>103</u>	<u>150</u>

4b. OTHER INCOME

College

	2024-25	2023-24
	£000	£000

Roll & Development events	41	51
Contribution towards salary costs	-	9
VAT recoverable	43	72
Research grant from DfID/FCDO	1	1
Newnham College charge to Newnham College Limited	430	-
Other	18	17
	<u>533</u>	<u>150</u>

Notes to the Accounts

5. DONATIONS, LEGACIES AND NEW ENDOWMENTS Consolidated and College	2024-25	2023-24
	£000	Restated £000
Unrestricted donations	986	1,665
Release from deferred capital grants	51	51
Restricted donations	1,114	360
New endowments	542	2,081
	2,693	4,157
Legacies	764	2,180
Donations	1,878	1,926
Release from deferred capital grants	51	51
	2,693	4,157

6a. OPERATING EXPENDITURE Consolidated and College	Education (see note 7a)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
2024-25	£000	£000	£000	£000
Staff - direct	1,917	1,274	234	3,425
Staff - indirect (see note 18)	1,423	2,195	159	3,777
Total staff	3,340	3,468	393	7,202
Non-staff - direct	2,907	987	220	4,114
Non-staff - indirect (see note 19)	1,017	1,853	95	2,965
Depreciation	450	1,306	45	1,801
Total non-staff	4,374	4,146	360	8,879
Total	7,714	7,614	753	16,081

6b. OPERATING EXPENDITURE Consolidated and College	Education (see note 7b)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
2023-24	£000	£000	£000	£000
Staff - direct	1,863	1,248	212	3,323
Staff - indirect (see note 18)	1,382	2,071	155	3,608
Total staff	3,245	3,319	367	6,931
Non-staff - direct	2,793	922	136	3,850
Non-staff - indirect (see note 19)	1,072	2,278	96	3,446
Depreciation	449	1,301	45	1,794
Total non-staff	4,314	4,500	277	9,091
Total	7,559	7,819	644	16,022

Notes to the Accounts

7a. EDUCATION EXPENDITURE Consolidated and College	Staff direct (see note 8) £000	Staff indirect £000	Non-staff direct (see note 9) £000	Non-staff indirect £000	Dep'n £000	Total £000
2024-25						
Teaching	1,105	569	194	452	225	2,545
Tutorial	216	400	76	243	135	1,070
Admissions	217	196	117	146	54	729
Research	369	130	121	68	18	706
Scholarships and awards	-	-	2,354	-	-	2,354
Other educational facilities	10	128	45	108	18	310
Total	1,917	1,423	2,907	1,017	450	7,714

7b. EDUCATION EXPENDITURE Consolidated and College	Staff direct (see note 8) £000	Staff indirect £000	Non-staff direct (see note 9) £000	Non-staff indirect £000	Dep'n £000	Total £000
2023-24						
Teaching	1,002	552	234	481	224	2,493
Tutorial	207	383	82	259	135	1,066
Admissions	257	194	76	153	54	733
Research	387	127	111	69	18	712
Scholarships and awards	-	-	2,246	-	-	2,246
Other educational facilities	10	127	44	110	18	309
Total	1,863	1,383	2,793	1,072	449	7,559

8. EDUCATION EXPENDITURE - STAFF-DIRECT Consolidated and College	2024-25 £000	2023-24 £000
Directors of Studies, College Lecturers, Supervisors	745	637
Library	131	131
Research Fellows	359	377
Senior Tutor, Admissions Tutor, Tutors	317	325
Tutorial & Admissions	242	235
Wellbeing services	109	102
Other	14	56
Total	1,917	1,863

Notes to the Accounts

9. EDUCATION EXPENDITURE - NON-STAFF-DIRECT	2024-25	2023-24
Consolidated and College	£000	£000
Awards		
Cambridge Bursary Scheme (funded by the College)	138	175
Cambridge Bursary Scheme (funded by the Collegiate University)	204	240
Foundation Year Bursary Scheme	60	68
Laidlaw Scholars Programme	141	95
Bursaries (mainly for undergraduates)	304	240
Studentships (mainly for postgraduates)	1,297	1,193
Travel, Book and other grants	177	222
Prizes	33	13
Total awards	2,354	2,246
Other		
Admissions	117	76
Tutorial	76	39
Research	121	111
Library	30	29
Contribution towards UTOs	137	182
Counselling	31	43
Grants to clubs and societies	41	40
Miscellaneous	-	27
	<u>553</u>	<u>547</u>
Total	<u>2,907</u>	<u>2,793</u>
10. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - STAFF-DIRECT	2024-25	2023-24
Consolidated and College	£000	£000
Catering	1,090	1,076
Conferences	184	172
Total	<u>1,274</u>	<u>1,248</u>
11. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - NON-STAFF-DIRECT	2024-25	2023-24
Consolidated and College	£000	£000
Catering	921	847
Conferences	66	75
Total	<u>987</u>	<u>922</u>
12. OTHER EXPENDITURE - STAFF-DIRECT	2024-25	2023-24
Consolidated and College	£000	£000
The Skilliter Centre for Ottoman Studies	46	46
The Margaret Anstee Centre for Global Studies	154	145
Laidlaw Scholars Programme	34	21
Total	<u>234</u>	<u>212</u>

Notes to the Accounts

13. OTHER EXPENDITURE - NON-STAFF-DIRECT	2024-25	2023-24
Consolidated and College	£000	£000
The Skilliter Centre for Ottoman Studies	23	21
The Margaret Anstee Centre for Global Studies	40	20
Research grant from Dfid/FCDO	-	(3)
Laidlaw Scholars Programme	57	35
Investment management and advice	46	43
Other	55	20
Total	221	136

14. ACCOMMODATION, CATERING, AND CONFERENCES EXPENDITURE	2024-25	2023-24
Consolidated and College	£000	£000
Accommodation		
College members	5,025	5,160
Conferences	305	313
Catering		
College members	1,903	1,955
Conferences	381	391
Total	7,614	7,819

15a. ANALYSIS OF 2024-25 EXPENDITURE BY ACTIVITY	Staff costs	Other operating expenses	Dep'n	Total
Consolidated and College	£000	£000	£000	£000
Education (see note 6a)	3,340	3,924	450	7,714
Accommodation, catering and conferences (see note 6a)	3,468	2,840	1,306	7,614
Other	393	315	45	753
Movement to pension provisions	-	(32)	-	(32)
Loan interest payable	-	969	-	969
Contribution to Colleges Fund under Statute G,II	-	38	-	38
	7,201	8,054	1,801	17,056

15b. ANALYSIS OF 2023-24 EXPENDITURE BY ACTIVITY	Staff costs	Other operating expenses	Dep'n	Total
Consolidated and College	£000	£000	£000	£000
Education (see note 6b)	3,245	3,865	449	7,559
Accommodation, catering and conferences (see note 6b)	3,319	3,199	1,301	7,819
Other	367	232	45	644
Movement to pension provisions	-	(3,391)	-	(3,391)
Loan interest payable	-	980	-	980
Contribution to Colleges Fund under Statute G,II	-	25	-	25
	6,931	4,910	1,795	13,636

Notes to the Accounts**16. ANALYSIS OF EXPENDITURE**

	2024-25	2023-24
Consolidated and College	£000	£000
Operating expenses include:		
Audit fee payable to the College's external auditors	21	25
Cost of fundraising	406	381
Investment management costs - commercial property	19	19
Investment management costs - securities and cash	46	43

17a. STAFF COSTS 2024-25

Consolidated and College	Staff direct £000	Staff indirect £000	Total £000
Education	1,917	1,423	3,340
Accommodation, catering and conferences	1,274	2,195	3,469
Other	234	159	393
	3,425	3,777	7,202

17b. STAFF COSTS 2023-24

Consolidated and College	Staff direct £000	Staff indirect £000	Total £000
Education	1,863	1,382	3,245
Accommodation, catering and conferences	1,248	2,071	3,319
Other	212	155	367
	3,323	3,608	6,931

18. ANALYSIS OF STAFF INDIRECT EXPENDITURE

Consolidated and College	2024-25 £000	2023-24 £000
Housekeeping	1,004	895
Gardens	221	217
Maintenance	483	477
Porters' Lodge	473	435
Principal, Vice-Principal, Bursars	385	377
Bursary, HR, Principal's Secretary	472	457
IT	189	210
Development, Communications	480	480
Archive, Collections	68	63
CCFPS deficit recovery payment	9	9
Holiday accrual	(7)	(12)
Total	3,777	3,608

Notes to the Accounts**19. ANALYSIS OF NON-STAFF INDIRECT EXPENDITURE**

Consolidated and College

	2024-25	2023-24
	£000	£000
Housekeeping	368	323
Gardens	88	63
Maintenance	627	1,042
Porters' Lodge	58	51
Electricity	470	593
Gas	218	378
Water	79	62
Rates	50	46
Insurance	133	128
Administration, Regulatory Expenditure	30	11
Office of Intercollegiate Services Levies	167	177
IT	354	230
Development, Communications	303	324
Archive, Collections	7	10
Other	12	7
Total	2,965	3,445

Notes to the Accounts**20. STAFF COSTS****Consolidated and College**

	Academic	Non-Academic	Total
	£000	£000	£000
2024-25			
Staff Costs			
Salaries	1,114	4,432	5,546
National Insurance	99	406	505
Pension costs	61	717	778
External teaching costs	373	-	373
	1,647	5,555	7,202

2023-24**Staff Costs**

Salaries	1,102	4,246	5,348
National Insurance	91	352	443
Pension costs	180	658	838
External teaching costs	302	-	302
	1,675	5,256	6,931

	Academic	Non-Academic	Total
Average staff numbers (non-FTE) - 2024-25	45	198	243
Average staff numbers (non-FTE) - 2023-24	50	185	235

The figures above show the average number of people paid through the College payroll, irrespective of the hours worked.

Average non-academic staff numbers (FTE) - 2024-25	n/a	130	130
Average non-academic staff numbers (FTE) - 2023-24	n/a	128	128

The figures above show the average number of FTE persons paid through the payroll.

Average number of Fellows - 2024-25	59	3	62
Average number of Fellows - 2023-24	58	3	61
Number of Fellows as at 1 October 2025	59	3	62
Number of Fellows as at 1 October 2024	58	3	61
Number of Fellows as at 1 October 2023	58	3	61

Non-academic staff who are Fellows (i.e. Domestic Bursar, Development Director, Librarian) are included in the Fellows' figures. The Principal is not included in the Fellows' figures.

During the financial year 2024-25, 51 Fellows received remuneration (2023-24: 46).

The number of officers or employees of the College, including the Principal, who received remuneration in the following ranges was:

	2024-25	2023-24
£130,000 - £140,000	1	1
£140,000 - £150,000	1	1

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

Notes to the Accounts

20. STAFF COSTS (continued)

Consolidated and College

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are the Principal, Vice-Principal, Senior Tutor and Bursar. The aggregated remuneration paid to key management personnel consists of salary, employer's national insurance contributions, employer's pension contributions, plus any taxable benefits paid, payable or provided, gross of any salary sacrifice arrangements.

	2024-25 £000	2023-24 £000
Aggregated remuneration	384	385

The total remuneration for persons who served as Trustees (members of the College Council) in 2024-25 was £538k (2023-24: £563k).

21. PENSION COSTS OF CCFPS & USS

Consolidated and College

2024-25

	CCFPS £000	USS £000	Total £000
Brought Forward	968	-	968
Contributions	(123)	(677)	(800)
Charge to Income and Expenditure	91	677	768
Net charge to Income and Expenditure	(32)	-	(32)
Charge to Other comprehensive income	(50)	-	(50)
Carried Forward	886	-	886

2023-24

Brought Forward	970	3,421	4,391
Contributions	(58)	(806)	(864)
Charge to Income and Expenditure	88	(2,615)	(2,527)
Net charge to Income and Expenditure	30	(3,421)	(3,391)
Charge to Other comprehensive income	(32)	-	(32)
Carried Forward	968	-	968

Based on the 2023 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit/charge of £0k (2023-24: £3,421k). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £0k (2023-24: £2,615k) and cash contributions made to reduce the deficit in the year of £0k (2023-24: £806k).

22. LOAN INTEREST PAYABLE

Consolidated and College

	2024-25 £000	2023-24 £000
Bank loan	143	155
Private placement 1	513	512
Private placement 2	313	313
Total	969	980

Further information on the bank loan and private placements can be found in note 30.

Notes to the Accounts

23. CONTRIBUTION TO COLLEGES FUND UNDER STATUTE G,II Consolidated and College	2024-25 £000	2023-24 £000
Contribution	38	25

Every College in the University is assessed to make an annual contribution based on the value of its assessable assets.

24. FIXED ASSETS Consolidated and College	College Land £000	College Buildings £000	Furniture & Equipment £000	2024-25 Total £000	2023-24 Total £000
Cost or valuation					
At 1 July 2024	58,041	100,760	3,464	162,265	160,663
Additions	-	736	97	833	1,604
Disposals	-	-	(3)	(3)	(3)
Revaluation during the year	-	-	-	-	-
	58,041	101,496	3,558	163,095	162,265
Depreciation					
At 1 July 2024	-	1,561	2,198	3,759	1,967
Charge for the year	-	1,561	240	1,801	1,795
Eliminated on disposals	-	-	(3)	(3)	(3)
Written back on revaluation	-	-	-	-	-
	-	3,122	2,434	5,556	3,759
Net Book value					
At 30 June 2025	58,041	98,374	1,124	157,539	158,506
At 1 July 2024	58,041	99,199	1,266	158,506	158,696

A valuation of College properties was carried out by Gerald Eve, Chartered Surveyors, at 30 June 2023 on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolescence.

The freehold College buildings at 30 June 2025 were insured at reinstatement costs of £120.6m.

Notes to the Accounts

25. INVESTMENTS	2024-25	2023-24
Consolidated and College	£000	£000
At 1 July 2024	135,868	124,404
Additions	5,100	400
Disposals	(6,896)	(1,440)
CUEF distribution	1,844	1,804
CPF distribution	318	407
Gain on disposal of investment properties	30	-
Gain/(loss)	2,362	10,293
At 30 June 2025	138,626	135,868
Represented by:		
Properties (held directly)	3,506	4,236
Properties (held indirectly via funds)	7,029	6,988
Quoted securities - equities (held indirectly via funds)	127,991	123,150
Unquoted (held indirectly via funds)	-	1,394
Cash held for reinvestment	100	100
	138,626	135,868

At 30 June 2023, a valuation of the investment properties was carried out by on an open market value for existing use basis by Gerald Eve, Chartered Surveyors and Carter Jonas, Chartered Surveyors. The Trustees have in place a policy to revalue professionally periodically, but consider each year whether the market value of the properties has materially changed. Any material change in market value will be reflected in a revaluation movement in the year in question.

26. STOCKS AND WORK IN PROGRESS	2024-25	2023-24
Consolidated and College	£000	£000
Food and drink	26	27
Wine	24	25
Cleaning materials and other	25	17
	75	69

27a. TRADE AND OTHER RECEIVABLES	2024-25	2023-24
Consolidated	£000	£000
Taxes due from government departments	31	26
Other receivables	178	282
Prepayments and accrued income	840	2,065
	1,049	2,373

27b. TRADE AND OTHER RECEIVABLES	2024-25	2023-24
College	£000	£000
Taxes due from government departments	31	26
Due from subsidiary undertakings	210	-
Other receivables	161	282
Prepayments and accrued income	841	2,065
	1,243	2,373

Notes to the Accounts

28a. CASH AND CASH EQUIVALENTS	2024-25	2023-24
Consolidated	£000	£000
Current accounts	1,740	773
Cash in hand	1	1
	1,741	774
28b. CASH AND CASH EQUIVALENTS	2024-25	2023-24
College	£000	£000
Current accounts	1,366	773
Cash in hand	1	1
	1,367	774
29a. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2024-25	2023-24
Consolidated	£000	£000
Trade creditors	356	508
Loan repayments	306	287
Taxes and social security costs	99	69
Student deposits and accounts	96	130
Accruals and deferred income	1,057	1,112
	1,914	2,106
29b. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2024-25	2023-24
College	£000	£000
Trade creditors	356	508
Loan repayments	306	287
Taxes and social security costs	99	69
Student deposits and accounts	96	130
Accruals and deferred income	877	1,112
	1,734	2,106

Notes to the Accounts**30. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Consolidated and College

	2024-25	2023-24
	£000	£000
Bank loan	2,196	2,504
Private placement 1 liability	11,580	11,580
Private placement 2 liability	7,000	7,000
	20,776	21,084

The bank loan is secured on certain College freehold properties and is subject to interest fixed under a swap agreement at 5.24% for 25 years from 2007. Repayments commenced in 2007 and will be made over the 25 years to June 2032.

The first private placement bond of £11,580,000 is repayable in two tranches, of £6,433,333 on 30 October 2043 and £5,146,667 on 30 October 2053 and is subject to a fixed rate of interest of 4.40%.

The second private placement bond of £7,000,000 is repayable on 31 January 2044 and is subject to a fixed rate of interest of 4.45%.

31. PENSION PROVISIONS

Consolidated and College

	2024-25	2023-24
	£000	£000
At 1 July 2024	968	4,391
Movement in year:		
Current service cost including life assurance	767	(2,527)
Contributions	(799)	(863)
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(50)	(32)
At 30 June 2025	886	968

Notes to the Accounts**32. ENDOWMENT FUNDS****Consolidated and College**

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	Total
2024-25	£000	£000	2024-25 £000
At 1 July 2024	59,279	20,154	79,433
New endowments	542	-	542
Increase in market value of investments	957	57	1,014
At 30 June 2025	60,779	20,210	80,989

Analysis by type of purpose:

Fellowship Funds	23,771	-	23,771
Scholarship Funds	7,625	-	7,625
Prize Funds	455	-	455
Hardship Funds	9,164	-	9,164
Research Funds	17,557	-	17,557
Book Funds	1,150	-	1,150
Other Funds	1,057	-	1,057
General Endowments	-	20,210	20,210
	60,779	20,210	80,989

	Restricted permanent endowments	Unrestricted permanent endowments	Total
2023-24	£000	£000	2023-24 £000
At 1 July 2023	52,855	19,876	72,731
New endowments	2,081	-	2,081
Decrease in market value of investments	4,343	278	4,621
At 30 June 2024	59,279	20,154	79,433

Analysis by type of purpose:

Fellowship Funds	23,239	-	23,238
Scholarship Funds	7,451	-	7,451
Prize Funds	448	-	448
Hardship Funds	6,663	-	6,663
Research Funds	16,980	-	16,980
Book Funds	1,119	-	1,119
Other Funds	3,379	-	3,380
General Endowments	-	20,154	20,154
	59,279	20,154	79,433

Notes to the Accounts**32. ENDOWMENT FUNDS (continued)****Consolidated and College**

	Endowment	Unapplied total return	Total
	£000	£000	£000
At 1 July 2024	51,832	27,601	79,433
Gift of Endowment funds	542	-	542
Gains on investments	-	1,014	1,014
Net movement before application of income	542	1,014	1,556
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	542	1,014	1,556
At 30 June 2025	52,374	28,615	80,989
At 1 July 2023	49,751	22,979	72,730
Gift of Endowment funds	2,081	-	2,081
Investment returns: dividends and interest	-	-	-
Gains on investments	-	4,622	4,622
Net movement before application of income	2,081	4,622	6,703
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	2,081	4,622	6,703
At 30 June 2024	51,832	27,601	79,433

Notes to the Accounts**33. RESTRICTED RESERVES (continued)****Consolidated and College**

	Endowment	Unapplied total return	Total
	£000	£000	£000
At 1 July 2024	12,470	8,155	20,625
Gift of Endowment funds	1,114	-	1,114
Investment returns: dividends and interest	-	2,636	2,636
Transfer between funds	-	-	-
Net movement before application of income	1,114	2,636	3,750
Unapplied total return allocated to income in the year	-	(2,649)	(2,649)
Net movement in the year	1,114	(13)	1,101
At 30 June 2025	13,584	8,142	21,726
At 1 July 2023	12,110	6,480	18,590
Gift of Endowment funds	360	-	360
Investment returns: dividends and interest	-	2,344	2,344
Transfer between funds	-	-	-
Net movement before application of income	360	2,344	2,704
Unapplied total return allocated to income in the year	-	(669)	(669)
Net movement in the year	360	1,675	2,035
At 30 June 2024	12,470	8,155	20,625

Notes to the Accounts

34a. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES Consolidated	2024-25 £000	2023-24 £000
Surplus for the year	2,023	14,302
Adjustment for non-cash items:		
Depreciation and movements to Revaluation Reserve	1,800	1,794
(Gain) on endowments, donations and investment property	(4,174)	(11,986)
Decrease/(increase) in stocks	(7)	20
(Increase)/decrease in trade and other receivables	1,324	(1,517)
(Decrease)/increase in creditors	(191)	326
(Decrease)/increase in provisions	(82)	(3,423)
Pension costs less contributions payable	50	32
Release of deferred capital grants	(51)	(51)
Adjustment for investing or financing activities:		
Investment income receivable	(2,406)	(2,436)
Interest payable	969	980
Net cash (outflow) from operating activities	(744)	(1,958)
	<hr/> <hr/>	<hr/> <hr/>
34b. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES College	2024-25 £000	2023-24 £000
Surplus for the year	2,023	14,302
Adjustment for non-cash items:		
Depreciation and movements to Revaluation Reserve	1,800	1,794
(Gain) on endowments, donations and investment property	(4,174)	(11,986)
Decrease/(increase) in stocks	(7)	20
(Increase)/decrease in trade and other receivables	1,130	(1,517)
(Decrease)/increase in creditors	(371)	326
(Decrease)/increase in provisions	(82)	(3,423)
Pension costs less contributions payable	50	32
Release of deferred capital grants	(51)	(51)
Adjustment for investing or financing activities:		
Investment income receivable	(2,406)	(2,436)
Interest payable	969	980
Net cash (outflow) from operating activities	(1,118)	(1,958)
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts

35a. CASH FLOWS FROM INVESTING ACTIVITIES	2024-25	2023-24	
Consolidated	£000	£000	
Non-current investment disposal	6,896	1,439	
Investment income received	2,027	1,917	
Endowment funds invested	(5,100)	(400)	
Payments made to acquire non-current assets	(834)	(1,604)	
Total cash flows from investing activities	2,989	1,353	
35b. CASH FLOWS FROM INVESTING ACTIVITIES	2024-25	2023-24	
College	£000	£000	
Non-current investment disposal	6,896	1,439	
Investment income received	2,027	1,917	
Endowment funds invested	(5,100)	(400)	
Payments made to acquire non-current assets	(834)	(1,604)	
Total cash flows from investing activities	2,989	1,353	
36a. CASH FLOWS FROM FINANCING ACTIVITIES	2024-25	2023-24	
Consolidated	£000	£000	
Interest paid	(969)	(980)	
Repayments of amounts borrowed	(307)	(278)	
Total cash flows from financing activities	(1,278)	(1,257)	
36b. CASH FLOWS FROM FINANCING ACTIVITIES	2024-25	2023-24	
College	£000	£000	
Interest paid	(969)	(980)	
Repayments of amounts borrowed	(307)	(278)	
Total cash flows from financing activities	(1,278)	(1,257)	
37a. RECONCILIATION AND ANALYSIS OF NET DEBT	At 1 July	Cash	At 30 June
Consolidated	2024	Flows	2025
	£000	£000	£000
Cash and cash equivalents	774	967	1,741
Borrowings: amounts falling due within one year			
Secured loans	(287)	(21)	(308)
Borrowings: amounts falling due after more than one year			
Secured loans	(21,084)	308	(20,776)
	(20,597)	1,254	(19,343)
37b. RECONCILIATION AND ANALYSIS OF NET DEBT	At 1 July	Cash	At 30 June
College	2024	Flows	2025
	£000	£000	£000
Cash and cash equivalents	774	593	1,367
Borrowings: amounts falling due within one year			
Secured loans	(287)	(21)	(308)
Borrowings: amounts falling due after more than one year			
Secured loans	(21,084)	308	(20,776)
	(20,597)	880	(19,717)

Notes to the Accounts

38. RELATED PARTY TRANSACTIONS

Consolidated and College

Owing to the nature of the College's operations and the composition of the College Council and Governing Body it is inevitable that transactions will take place with organisations in which a member of the College Council or Governing Body may have an interest. All transactions involving organisations in which a member of the College Council or Governing Body may have an interest are conducted at arms 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 or Governing Body 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, reasearch and other duties within the College. Fellows are billed for any private catering. The Trustees remuneration is overseen by the College Council.

The salaries paid to Trustees (after salary exchange) in the year are summarised in the table below.

From	To	2024-25 Number	2023-24 Number
£0	£10,000	6	6
£10,001	£20,000	3	3
£20,001	£30,000	-	1
£30,001	£40,000	-	-
£40,001	£50,000	-	-
£50,001	£60,000	-	1
£60,001	£70,000	2	1
£70,001	£80,000	-	-
£80,001	£90,000	-	-
£90,001	£100,000	1	1
£100,001	£110,000	1	1
Total		13	14

The total Trustee salaries (after salary exchange) were £410k for the year (2023-24: £411k).

The trustees were also paid other benefits (including associated employer National Insurance contributions and employer contributions to pensions) and other taxable benefits which totalled £120k (2023-24: £118k).

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 of Cambridge.

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2025 these fees total £10,144k (2023-24: £10,240k). During the year the College paid the University from these fees sums totalling £7,596k (2023-24: £7,6351k) and kept £2,548k (2023-24: £2,605k) 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 Newnham College made a contribution under Statute G, II of £38k (2023-24 £25k) into the Colleges Fund. 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. Newnham College administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £264k to this scheme (2023-24: £308k). In the course of its charitable activities, Newnham College also pays the University of Cambridge for printing, network and other services. In addition, Newnham College periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

Notes to the Accounts

39. SUBSIDIARY UNDERTAKINGS

Consolidated and College

The subsidiary companies (all of which are registered in England & Wales), wholly-owned by the College, are as follows:

Company	Company Number	Principal Activity
Newnham College Management Ltd	02867403	Dormant
Newnham College Ltd	02788626	Providing facilities for conferences

All subsidiary companies are incorporated in the United Kingdom.

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.

Newnham College Limited had no profit or loss in either 2024-25 or 2023-24 and its balance sheet is £2 (2023-24: £2).

Newnham College Management Limited had no profit or loss in either 2024-25 or 2023-24 and its balance sheet is £2 (2023-24: £2)

40. FINANCIAL COMMITMENTS

Consolidated and College

At 30 June 2025 and 30 June 2024 the College had no annual commitments under non-cancellable operating leases. The College has capital commitments as at June 2025 as follows.

	2024-25	2023-24
	£000	£000
Capital commitments at 30 June 2025 are as follows:		
Authorised and contracted for	293	360

As at 30 June 2025 the College has made provisional awards to postgraduate students for future years totalling £1,920k. These awards, which are subject to performance-related conditions, are provisionally scheduled as follows : £1,200k (2025-26); £540k (2026-27) and £180k (2027-28).

41. CONTINGENT ASSETS

Consolidated and College

Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met at the year end, then the legacy is treated as a contingent asset. At the balance sheet date contingent legacy assets are estimated to be: £340k (2023-24: £0).

Notes to the Accounts

42. PENSION SCHEMES

Consolidated and College

(a) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit plan, the Cambridge Colleges' Federated Pension Scheme. At 30 June 2025 Newnham College had 3 active members participating in the plan.

The liabilities of the plan have been calculated, as at 30 June 2025, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2024-25	2023-24
	% p.a.	% p.a.
Discount rate	5.50	5.10
	To 2030:	To 2030:
	2.40	2.85
Increase in salaries	From 2031:	From 2031:
	3.30	3.75
RPI assumption	2.90	3.35
	To 2030:	To 2030:
	1.90	2.35
CPI assumption	From 2031:	From 2031:
	2.80	3.25
Pension increases in payment (RPI Max 5% p.a.)	2.85	3.15
Pension increases in payment (CPI Max 2.5% p.a.)	1.85	2.00

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2023 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2023: S3PA with CMI_2022 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male aged 65 now has life expectancy of 21.4 years (previously 21.4 years)
- Female aged 65 now has life expectancy of 24.0 years (previously 23.9 years)
- Male aged 45 now and retiring in 20 years has a life expectancy at 65 of 22.7 years (previously 22.6 years)
- Female aged 45 now and retiring in 20 years has a life expectancy at 65 of 25.4 years (previously 25.3 years)

Employee Benefit Obligations

The amounts recognised in the Balance Sheet as at 30 June 2025 (with comparative figures as at 30 June 2024) are as follows:

	2024-25	2023-24
	£000	£000
Present value of plan liabilities	(4,453)	(4,810)
Market value of plan assets	3,567	3,842
Net defined benefit asset/(liability)	(886)	(968)

The amounts to be recognised in the Income and Expenditure for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2024-25	2023-24
	£000	£000
Current service cost	25	25
Administrative expenses	15	12
Interest on net defined benefit (asset)/liability	50	51
Total	91	88

Notes to the Accounts

42. PENSION SCHEMES

Consolidated and College

(a) Cambridge Colleges Federated Pension Scheme (continued)

Changes in the present value of the plan liabilities for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2024-25	2023-24
	£000	£000
Present value of plan liabilities at the beginning of the year	4,810	4,791
Current service cost	25	25
Benefits paid	(293)	(274)
Interest on plan liabilities	239	243
Actuarial (gains)/losses	(327)	25
Present value of plan liabilities at the end of the year	4,453	4,810

Changes in the fair value of the plan assets for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2024-25	2023-24
	£000	£000
Market value of plan assets at the beginning of the year	3,842	3,822
Contributions paid by the College (employer contribution)	111	46
Contributions paid by the College (employee contribution - salary exchange)	12	12
Benefits paid	(293)	(274)
Administrative expenses	(16)	(14)
Interest on plan assets	189	192
Return on assets, less interest included in Income and Expenditure	(276)	59
Market value of plan assets at the end of the year	3,567	3,842
Actual return on plan assets	(88)	251

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2024-25	2023-24
Equities	50%	46%
Bonds and cash	37%	42%
Property	13%	12%
Total	100%	100%

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

Analysis of the measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2024-25	2023-24
	£000	£000
Return on assets, less interest included in the Income and Expenditure	(276)	59
Expected less actual plan expenses	(1)	(2)
Experience gains and losses arising on plan liabilities	(41)	(37)
Changes in assumptions underlying the present value of plan liabilities	368	12
Remeasurement of net defined benefit liability recognised in OCI	50	32

Notes to the Accounts**42. PENSION SCHEMES****Consolidated and College****(a) Cambridge Colleges Federated Pension Scheme (continued)**

Movement in net defined benefit asset/(liability) during the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2024-25	2023-24
	£000	£000
Net defined benefit asset/(liability) at beginning of year	(968)	(969)
Recognised in Income and Expenditure	(91)	(88)
Contributions paid by the College	123	58
Remeasurement of net defined benefit liability recognised in OCI	50	32
Net defined benefit asset/(liability) at end of year	<u>(886)</u>	<u>(968)</u>

Funding Policy

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

The last such valuation was as at 31 March 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 3 June 2024 and are as follows:

Annual contributions of not less than £78,664 per annum payable for the period from 1 July 2024 to 31 March 2030.

These payments are subject to review following the next funding valuation, due as at 31 March 2026.

Notes to the Accounts

42. PENSION SCHEMES

Consolidated and College

(b) Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Deficit recovery liability

The total (credit)/cost (released)/ charged to the income and expenditure account for the College and subsidiaries in 2024-25 is (£-k) (2023-24: £3,422k).

Deficit recovery contributions due within one year for the College are £-k (2023-24: £111k).

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provision basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income and expenditure account.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2023 (the valuation date), and was carried out using the projected unit method.

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

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below.

CPI assumption	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%) CPI assumption minus 3bps
Discount rate	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.

Notes to the Accounts**42. PENSION SCHEMES****Consolidated and College****(b) Universities Superannuation Scheme (continued)**

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2023 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3FPA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.40% p.a.10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% p.a. for males and 1.60% p.a. for females

The current life expectancies on retirement at age 65 are:

	2024-25	2023-24
Males currently aged 65 (years)	23.8	23.7
Females currently aged 65 (years)	25.5	25.4
Males currently aged 45 (years)	25.7	25.6
Females currently aged 45 (years)	27.2	27.2

THE PRINCIPAL AND FELLOWS OF NEWNHAM COLLEGE

England & Wales - Charity number 1137512

Accounts

**NEWNHAM COLLEGE
CAMBRIDGE**



**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2024**

Registered Charity No. 1137512

Royal Charter Company No. RC000384

Contents	page
PART 1: ANNUAL REPORT	
Introduction and Summary Financial Results	3
Professional Advisers	4
Charity Trustees	5
Objects and Public Benefit	6
Operating and Financial Review	8
Corporate Governance and Statement of Internal Control	19
Responsibilities of the College Council and the Governing Body	20
Independent Auditor's Report	21
PART 2: FINANCIAL STATEMENTS	
Statement of Principal Accounting Policies	24
Consolidated Statement of Comprehensive Income and Expenditure	32
Consolidated Statement of Changes in Reserves	33
Consolidated Balance Sheet	34
Consolidated Cash Flow Statement	35
Notes to the Accounts	36

INTRODUCTION

Newnham College is one of the 31 colleges in the University of Cambridge. It was founded in 1871, and received its Royal Charter in 1917. According to the College's Charter, Statutes and Ordinances, only women can be admitted as junior members (students) or elected as senior members (Fellows).

The College admits full-time undergraduates studying for the University's Tripos degree courses; and postgraduates (predominantly full-time, but some part-time) studying for Masters, PhD and other postgraduate degrees, diplomas and certificates. The total number of full-time students as at 1 December 2023 was 651 (2022: 630), comprising 5 foundation year students, 426 undergraduates and 220 postgraduates (2022: 5, 417, 208). There were also 17 part-time postgraduates (2022: 17) and 79 postgraduates writing up or under examination (2022: 75). The College's Governing Body had 61 Fellows as at 1 October 2024 (2023: 61), most of whom who are active in teaching and research within the University.

The College occupies a 17-acre site close to the centre of Cambridge, consisting of buildings built between 1875 and 2019, offering residential accommodation to more than 500 students, set in landscaped gardens. The buildings also house a library, teaching rooms, offices, shared eating spaces (dining hall, buttery, café), meeting rooms, common rooms and a gym.

The College is a Registered Charity, regulated by the Charity Commission; and is registered with the Fundraising Regulator.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which complies with the Further and Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

SUMMARY FINANCIAL RESULTS

The financial statements consolidate the activities of the College and the College's two subsidiaries: Newnham College Management Ltd and Newnham College Ltd.

Total operational income for the year was £11.84m (2022-23: £10.33m), which included £3.93m (2022-23: £3.67m) in academic fees; and £5.32m (2022-23: £4.74m) from accommodation, catering and conferences. In addition, £4.16m (2022-23: £8.30m) in donations and legacies was received; and £3.98m (2022-23: £3.81m) of endowment return was transferred following the College's total return rule. The gain on investments was £11.95m (2022-23: £5.47m).

Total operational expenditure for the year before pension provisions and loan interest payments was £16.02m (2022-23: £14.24m) including depreciation, or £14.23m (2022-23: £12.53m) excluding depreciation of £1.79m (2022-23: £1.71m). Of this £14.23m, 49% (£6.93m) was on staff costs (2022-23: 51%; £6.33m). The Statement of Comprehensive Income and Expenditure (SOCIE) shows total Expenditure of £13.64m (2022-23: £15.53m), including £0.98m (2022-23: £0.99m) in loan interest payments and after a positive movement to pension provisions of £3.39m (2022-23: a negative movement of £0.28m).

The College's investment portfolio was valued at £135.87m as at 30 June 2024 (30 June 2023: £124.40m); and the balance sheet and the cash flow statement show £0.78m of cash as at the same date (30 June 2023: £2.64m).

PROFESSIONAL ADVISERS

Auditors

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

Bankers

NatWest Bank
Cambridge Market Street Branch
23 Market Street
Cambridge
CB2 3PA

Investment Advisers

Stanhope Consulting (part of Stanhope Capital)
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W1H 6LR

Property Managers

Carter Jonas LLP
One Station Square
Cambridge
CB1 2GA

Newnham College
Sidgwick Avenue
Cambridge
CB3 9DF

01223 335700
www.newn.cam.ac.uk

Charity registration no. 1137512

CHARITY TRUSTEES

The members of the College Council act as the Trustees of the charity. The College Council meets at least nine times in a year (three times per term). In the financial year 2023-24 the following were members of the College Council:

Four College Officers *ex officio*

Miss Alison Rose	Principal; Chair of the Council
Dr Barbara Blacklaws	Vice-Principal
Dr Sheila Watts	Senior Tutor
Mr Christopher Lawrence	Bursar; Secretary of the Council

Eight Fellows elected by the Governing Body

As at 1 July 2023:

Dr Carol Atack
 Professor Helen Bao
 Mrs Alice Benton
 Dr Kate Fleet
 Dr Laurie Friday
 Professor Emma Mawdsley
 Dr Delphine Mordey
and one vacancy

As at 30 June 2024:

Dr Sinéad Agnew
 Dr Carol Atack
 Mrs Alice Benton
 Dr Kate Fleet
 Dr Caroline Lanskey
 Dr Cath Lindon
 Dr Delphine Mordey
 Professor Yael Navaro

Three Junior Members elected by the MCR and JCR

As at 1 July 2023:

Jasmine Conley (JCR)
 Zeynep Olgun (MCR)
 April Wells (JCR)

As at 30 June 2024:

Pauline Eller (MCR)
 Chloe Hambleton (JCR)
 April Wells (JCR)

Governing Body

The Governing Body, comprising all Fellows of the College in Categories A to E, is required by the College Statutes to be responsible for the approval of the annual audited accounts. The Governing Body, which meets at least five times in a year, is chaired by the Principal and a Fellow is the Secretary. There were 61 Governing Body Fellows as at 1 October 2024.

A full list of the Governing Body Fellows can be found on the College website at:
www.newn.cam.ac.uk/people

OBJECTS

The College's objects as they appear in the Royal Charter were revised in 2019 and read:

- (a) To further public benefit by providing a liberal education and promoting learning and research through the provision of a college for women within the University of Cambridge.
- (b) To do all such other things as are incidental or conducive to advancing education and learning among women in Cambridge and elsewhere.
- (c) For the purposes above to receive and apply donations from persons desiring to promote the objects of the College.
- (d) To invest the moneys of the College not immediately required in any securities or investments which may from time to time be authorised for the purpose by the Council.

PUBLIC BENEFIT

The Trustees on appointment are provided with a link to the Charity Commission document 'Charities and Public Benefit: Summary Guidance for Charity Trustees', and are reminded at least annually of its recommendations and requirements. The College provided in 2023-24 an education for 651 (2022-23: 630) full-time students (foundation year students, undergraduates and postgraduates), in conjunction with the University of Cambridge, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group academic supervision for undergraduates;
- pastoral, administrative and academic support for all students through its tutorial and mentor systems; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research mainly by:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics both from other UK institutions and from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including special collections), thus providing a valuable resource for students and senior members of the College, members of other Colleges and the University of Cambridge more widely, and external scholars and researchers.

The Trustees are satisfied that the College remains compliant with its duty in regard to public benefit. The primary beneficiaries are the resident members of the College, both students and

PUBLIC BENEFIT (continued)

academic staff, all of whom are directly engaged in education, learning or research. Other beneficiaries include: students and academic staff from other colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions, and visiting schoolchildren and alumnae of the College who have an opportunity to attend educational events at the College or use its academic facilities. Members of the general public are also able to attend various educational activities in the College (such as public lectures).

As a College in the University of Cambridge the primary beneficiaries are academics and students of the University, all of whom need to meet high academic standards to be appointed or admitted and that requirement stands at the core of its nature. The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

OPERATING AND FINANCIAL REVIEW

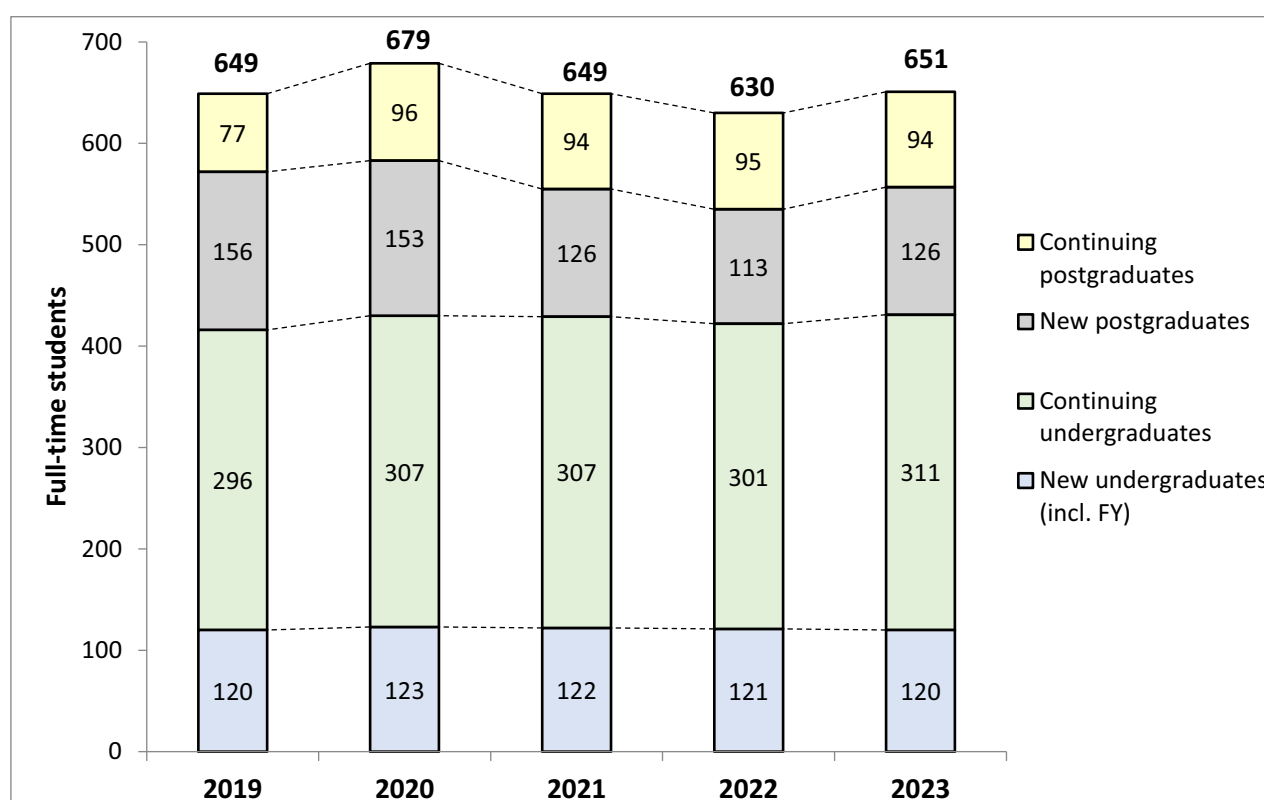
Contents	page
1. Student numbers	9
2. SOCIE: Income	10
3. SOCIE: Operating expenditure	12
4. SOCIE: Other expenditure	14
5. SOCIE: Gain/(loss) on investments	15
6. Capital expenditure	15
7. Balance sheet and Reserves	15
8. Cash flow	16
9. Reserves policy	16
10. Principal risks and uncertainties	17
11. Future plans	18

References in the text below to 'Notes' are to the 'Notes to the Accounts' on pages 36 to 59.

OPERATING AND FINANCIAL REVIEW

1. STUDENT NUMBERS

The biggest potential variable from one year to the next which affects operational income and expenditure is the size of the student body. The College admits foundation year, undergraduate and postgraduate students, and from 2024 has a target of 640 full-time fee-paying students, made up of 420 undergraduates (including foundation year students) and 220 postgraduates. The total number of full-time fee-paying students as at 1 December 2023 was 651, which represented an increase from the previous year (630 in 2022). This total comprised 5 foundation year students (5 in 2022); 426 undergraduates (417 in 2022), of whom 116 were new entrants (116 in 2022); and 220 full-time postgraduates (208 in 2022). The 220 postgraduates comprised 132 Doctoral students (129 in 2022), of whom 40 were new entrants (35 in 2022); and 88 non-Doctoral (predominantly Masters) students (79 in 2022). In addition there were 79 postgraduate students writing up/under examination (75 in 2022); and 17 part-time postgraduates (17 in 2022).



All figures as at 1 December of each year. The undergraduate figures include foundation year (FY) students. The breakdown by fee status for 2022 and 2023 was as follows:

	2023	2022
Undergraduate - Home – New (incl. FY)	98 (23%)	101 (24%)
Undergraduate - Home - Continuing	257 (60%)	252 (60%)
Undergraduate - International - New	22 (5%)	20 (5%)
Undergraduate - International - Continuing	54 (13%)	49 (12%)
Total	431	422
Postgraduate - Home - New	48 (22%)	42 (20%)
Postgraduate - Home - Continuing	45 (20%)	54 (26%)
Postgraduate - International - New	78 (35%)	71 (34%)
Postgraduate - International - Continuing	49 (22%)	41 (20%)
Total	220	208

OPERATING AND FINANCIAL REVIEW (continued)

Until 2020-21, EU students had the same fee status as UK students, known as 'Home'. As of the 2021-22 academic year new EU students have been charged the (higher) International rate, whereas continuing EU students who started in 2020-21 or earlier are still charged the Home rate. The effect of this change in fee status for EU students can most clearly be seen in the reduction in New Postgraduates paying the Home fee, a decrease from a recent peak of 81 in 2020.

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE (SOCIE)

2. SOCIE: INCOME

The first of the four financial statements is the Statement of Comprehensive Income and Expenditure (SOCIE). All income appears in this statement. Total income before donations and endowments was £11.84m (2022-23: £10.33m), and total income including donations and endowments was £15.99m (2022-23: £18.64m). The treatment of investment income and endowment return should be noted as explained in 2.3 below.

2.1 Academic fees and charges

Of the total of £3.93m (2022-23: £3.67m) under this heading, £3.51m (2022-23: £3.25m) was derived from student fees. These are set out in Note 1 to the accounts.

UK (and previously EU) undergraduates who are eligible for fee loans from the government-owned Student Loans Company (SLC) pay a regulated fee, which is currently £9,250 per annum for students admitted since September 2017. 50% of these fees are transferred to the University, and the College retains the other 50% (£4,625 per student). The total income to the College from this source was £1.59m (2022-23: £1.57m). The static nature of regulated undergraduate fee income (£9,000 per annum since 2012 and £9,250 since 2017) against a background of significantly increasing costs is highlighted as a 'principal risk and uncertainty' at the end of this review.

Non-UK undergraduates – and UK (and previously EU) undergraduates who are not eligible for SLC loans (generally as a result of having a first degree already) – pay an unregulated College fee, set by the College, in addition to their University fee (which varies by course). For first-year undergraduates in 2023-24, this College fee was £10,975 per annum, which remains unchanged for the duration of their course. The equivalent fees for undergraduates starting in prior years are: £10,475 (for 2022-23 starters), £9,975 (2021-22 starters), £9,500 (2020-21 starters) £8,700 (2019-20 starters) and £8,100 (2018-19 starters). The total income to the College from such students was £778k (2022-23: £675k).

Postgraduate students pay a variety of University fees, depending on fee status and on course choice; but there is no separate College fee in addition. The 31 colleges collectively receive a share of the total postgraduate fees to the University (25%, up to a cap), which is redistributed on a per capita basis. This resulted in a fee of £5,123 per postgraduate student in 2023-24 (2022-23: £4,761), amounting to a total to the College of £1.15m (2022-23: £1.01m).

As well as student fees as set out above, the College received £106k (2022-23: £103k) from other colleges in return for Newnham academics supervising undergraduates from those colleges and for shared academic appointments. £240k (2022-23: £250k) was received as the external contribution to total awards of £415k (2022-23: £392k) paid through the Cambridge Bursary Scheme. £68k was received from the Foundation Year bursary scheme (2022-23: £64k).

OPERATING AND FINANCIAL REVIEW (continued)

2.2 Accommodation, catering and conferences

The total of this source of income was £5.32m (2022-23: £4.74m), as set out in Note 2 to the accounts. The line in Note 2 'Accommodation – College members' shows income of £3.50m from student rents (2022-23: £3.22m). Undergraduate rents were £175 per week (2022-23: £165) and postgraduate rents ranged from £151 to £182 per week (2022-23: £142-£172).

The take-up of the College's catering offer (Buttery, Café, Formal Halls) by our students is set out in the line in Note 2 'Catering – College members', which shows income of £808k, compared with £796k in 2022-23.

The Conference business (summer schools, weddings and private events as well as conferences) continued to grow with income of £1.01m (2022-23: £717k).

2.3 Investment income and Endowment return transferred

The SOCIE has two lines for these sources of income, 'Investment income' and 'Endowment return transferred'. Note 3 sets out further detail. This is an area of the accounts which requires some explanation.

The first line 'Investment income' shows unrestricted income of £2.44m (2022-23: £1.76m). Note 3a shows that £1.80m (2022-23: £1.52m) came from distributions from the Cambridge University Endowment Fund (CUEF). Distributions of £407k from the College's holding in the Charities Property Fund are shown in this part of the accounts for the first time (such distributions have always been reinvested in the Fund and this continues to be the case). The remaining £225k (2022-23: £233k) is from commercial rental income and bank interest.

The second line 'Endowment return transferred' requires explanation:

The total 'Gain/(loss) on investments' in the year is shown lower down the SOCIE and shows a gain in value of £11.95m (compared with a gain in 2022-23 of £5.47m). The College operates a total return policy which smooths the distribution across a five-year period to acknowledge that there will be peaks and troughs of investment performance, as illustrated in recent years.

The total return policy makes available for spending an amount based on the average value of the units in the investment portfolio (excluding directly held investment properties) over the preceding five years, which allows for a smoothed approach to drawing down income. At 1 July 2023 there were 5,791,634 units held in the investment portfolio, with a unit value of £20.24 and a total value of £120.54m. (At 1 July 2022 there were 5,749,412 units held in the investment portfolio, with a unit value of £19.74 and a total value of £113.52m.). The unit value at 1 July 2024 was £21.95.

The average value of the units over the five years preceding 1 July 2023 was £19.62, so when the drawdown rate of 3.5% as stipulated in the policy was applied to this unit value (£19.62) and the number of units held (5,791,634), the result was a return of £3.98m. (In 2022-23 the equivalent return was £3.81m.)

This figure of £3.98m is shown in the Income line in the SOCIE as 'Endowment return transferred', split between £1.63m Unrestricted and £2.34m Restricted. However, following an accounting requirement this £3.98m is excluded from the 'Total income before donations and endowments', by including a negative matching figure of £3.98m in the 'Endowment' column. Thus this 'Endowment return transferred' line is netted off to zero in the Income section of the SOCIE.

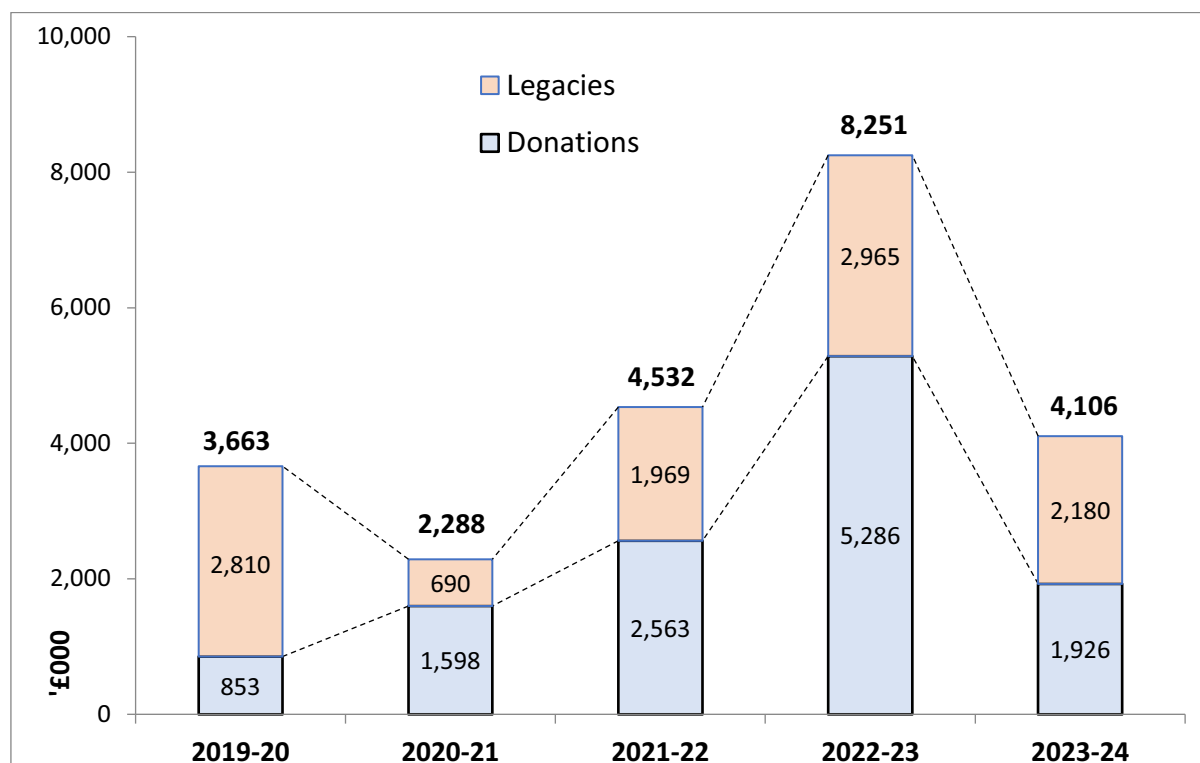
OPERATING AND FINANCIAL REVIEW (continued)

2.4 Other income

Other income of £150k (2022-23: £171k) is set out in detail in Note 4.

2.5 Donations and new endowments

Total donations and new endowments of £4.16m were received, as set out in Note 5. This represented another strong year of fundraising, as shown in this chart (which excludes an annual release from deferred capital grants of £51k):



This chart shows the unpredictability of donation and legacy income while also highlighting the importance of this source of income. The College has been very fortunate to benefit in this way from the generosity of alumnae, and remains very grateful for this support. Such philanthropic income underpins the College's continued ability to fulfil its mission: the advancement of education, learning and research.

3. SOCIE: OPERATING EXPENDITURE

The SOCIE shows operational expenditure, but excludes capital expenditure (see section 6 below). The categories of expenditure are prescribed by the RCCA format. Each line of expenditure includes a mix of Staff costs (direct and indirect) and Non-staff costs (direct and indirect). A series of breakdowns within Notes 6 to 19 sets out much of the detail.

Total operating expenditure for the year was £16.02m (2022-23: £14.24m), or £14.23m (2022-23: £12.53m) excluding depreciation of £1.79m (2022-23: £1.71m). As of 2021-22, buildings are now depreciated over 65 years rather than 100 years.

The total of £16.02m breaks down as £7.56m on Education (2022-23: £6.86m); £7.82m on Accommodation, catering and conferences (2022-23: £6.91m); and £644k on Other (2022-23: £474k). Notes 6a and 6b set out the detail.

OPERATING AND FINANCIAL REVIEW (continued)

3.1 Education

Notes 7 to 9 give detailed breakdowns of the £7.56m of expenditure on education. A significant part of the College's education costs relate to the teaching of undergraduates, in particular undergraduate supervisions, the small-group teaching that is a feature of Cambridge (whereas the costs of providing lectures fall to the University), and Note 7a shows a total cost for Teaching of £2.49m (2022-23: £2.34m). This includes £182k towards the salary costs of shared University Teaching Officer (UTO) posts in Classics, English, Law and Maths (2022-23: £140k).

The next biggest element of education expenditure was on Scholarships and awards (for both undergraduates and postgraduates), which came to £2.25m (2022-23: £1.92m). The College is fortunate to be in a financial position to make such awards, which are largely funded by philanthropy. Note 9 gives a useful breakdown of such awards.

All students, both undergraduate and postgraduate, have a personal Tutor who is responsible for providing non-academic support. The cost of such Tutors is included within the line 'Tutorial' and the total cost of the Tutorial and Admissions activities as shown in Note 7a came to £1.80m (2022-23: £1.64m). Research costs come under the heading of Education, and such costs came to £712k (2022-23: £684k), which includes the employment costs of stipendiary Junior Research Fellows.

3.2 Accommodation, catering and conferences

Note 6a shows how the total costs of £7.82m (2022-23: £6.91m) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Direct staff costs are split between Catering and Conferences in Note 10, and direct non-staff costs are split between Catering and Conferences in Note 11. Accommodation-related costs such as Housekeeping staff are included within the indirect staff costs, because these costs are split across more than one activity.

3.3 Other expenditure

Note 6a shows how total costs of £644k (2022-23: £474k) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Note 12 gives a breakdown of the direct staff costs, which mainly relate to the Margaret Anstee Centre and the Skilliter Centre. Note 13 shows the direct non-staff costs.

3.4 Staff costs

Staff costs include salaries, National Insurance, and pension costs.

The three expenditure areas (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct staff costs and indirect staff costs. Staff costs are analysed in various ways in the Notes. Notes 6a and 17a show how total staff costs of £6.93m (2022-23: £6.33m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 8 (Education), Note 10 (Accommodation, catering and conferences) and Note 12 (Other) on the direct staff costs in each of those expenditure areas. It is to Note 18 that the reader must turn to understand all the other elements of staff costs which are allocated across the three expenditure areas. Note 18 shows the cost of departments such as Housekeeping, Maintenance, Porters' Lodge, Gardens, Bursary, Development and Communications.

Further analysis is given in Note 20, which shows pensions costs of £838k (2022-23: £860k) and National Insurance costs of £443k (2022-23: £376k), on top of salary costs of £5.35m (2022-23: £4.83m). Headcount figures (both FTE and non-FTE) are shown. These include casual staff as well as permanent staff.

OPERATING AND FINANCIAL REVIEW (continued)

3.5 Non-staff costs

The three lines (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct non-staff costs and indirect non-staff costs. Non-staff costs are analysed in various ways in the Notes. Note 6a shows how total non-staff costs of £9.09m (including depreciation of £1.79m) (2022-23: £7.91m, including depreciation of £1.71m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 9 (Education), Note 11 (Accommodation, catering and conferences) and Note 13 (Other) on the direct non-staff costs in each of those expenditure areas. Note 19 sets out the totals for the indirect non-staff costs.

Among the indirect non-staff costs of £3.45m (2021-22: £2.81m), the largest area of expenditure was utilities (electricity, gas, water) at £1.03m (2022-23: £723k). The increase in utility costs (in particular electricity costs) is of particular concern to the College, as shown here:

2019-20: £	360k
2020-21: £	369k
2021-22: £	517k
2022-23: £	723k
2023-24: £	1,033k

The next largest cost was maintenance, at £1.04m (2022-23: £611k). This excludes capital expenditure, which does not appear in the SOCIE but is shown in Note 24 to the Balance Sheet.

4. SOCIE: OTHER EXPENDITURE

As well as £16.02m (2022-23: £14.24m) of operating expenditure, there are other movements on the SOCIE that contribute to the Total expenditure figure as described below.

4.1 Movement to pension provisions

The College participates in two defined benefit pension schemes, the Cambridge Colleges Federated Pension Scheme (CCFPS), and the Universities Superannuation Scheme (USS). As at 30 June 2024 there were 3 active members in CCFPS and 156 active members in USS (30 June 2023: 3 in CCFPS, 147 in USS). The funding position of these two schemes are set out in detail in notes 42a (CCFPS) and 42b (USS). Pensions represent a significant cost to the College: employer contributions of £864k were made in the year (see Note 21) (2022-23: £915k).

The total figure for the movement to pension provisions included under Expenditure in the SOCIE is a positive movement of £3.39m (2022-23: a negative movement of £276k). This comprises a negative £30k for the CCFPS scheme and a positive £3.42m for the USS scheme (2022-23: -£25k for CCFPS, -£251k for USS).

The combined CCFPS and USS pension provision as shown on the balance sheet and in Notes 21 & 31 was £968k as at 30 June 2024 (£4.39m as at 30 June 2023).

4.2 Loan interest payable

The College needs to repay loan interest in the order of £1m every year for a number of years (see Notes 22 and 30). The figure of £980k for 2023-24 (2022-23: £987k) comprises £155k for the Buttery/Kitchen loan (2022-23: £162k) and £825k for the two private placement bonds (2022-23: £825k) as described below.

OPERATING AND FINANCIAL REVIEW (continued)

The College took out a 25-year bank loan in 2007 to fund the Buttery/Kitchen project, repayable in 2032. In addition to the interest costs of £155k (2022-23: £162k), capital repayments of £277k were made (2022-23: £270k). The remaining balance on the loan at the end of the year was £2.79m (30 June 2023: £3.07m).

The College issued two private placement bonds, one for £11.58m in 2013 and one for £7.00m in 2014, with three repayment dates in 2043, 2044 and 2053, and the combined coupon (interest) payments come to £825k per year. These are set out in Note 30.

The proceeds of these private placements were used to part-fund the new Dorothy Garrod Building and its associated fixtures and fittings, which cost a combined total of £34.87m. The coupon payments on these two private placements will therefore remain £825k per year until 2043 (when the first £6.43m of capital has to be repaid). Reduced coupon payments will then continue until 2053 (when the final £5.15m of capital has to be repaid).

4.3 Contribution to the Colleges Fund

The Colleges Fund is a scheme whereby the wealth of all 31 colleges is assessed each year. The better-endowed colleges pay into a central fund, which is then disbursed to the less-well-endowed colleges. Note 23 shows that Newnham College's contribution to this fund was £25k (2022-23: £22k)

5. SOCIE: GAIN/(LOSS) ON INVESTMENTS

The total 'Gain/(loss) on investments' in the year shows a gain in value of £11.95m (2022-23: £5.47m) as shown in Note 3. The College's total return policy smooths the distribution across a five-year period to acknowledge that there will be peaks and troughs of investment performance. The College is a perpetual investor, taking a very long-term view of its investment portfolio, and such shorter-term increases and decreases in value are to be expected.

One-year shifts in the gain/loss on investments can obscure the true financial picture. If one compares the line 'Total income before donations and endowments' showing £11.84m (2022-23: £10.33m) with the line 'Total operating expenditure' showing £16.02m (2022-23: £14.24m), this shows a deficit of £4.19m (2022-23: £3.91m) and one starts to understand clearly that there is a fundamental mismatch between operating income and operating expenditure. The College's economic model relies on investment gains and philanthropy to bridge that gap. The total return policy that calculates the annual drawdown from the College's investments is set out in 2.3 above (£3.98m in this year), and it is this regular, annual drawdown that allows the College to carry an operational deficit each year. Hence the bottom line of the SOCIE – 'Total comprehensive income for the year' – needs to be interrogated closely for a true understanding of the College's finances. The latter figure could easily be misinterpreted.

Investments are considered in more detail in 7.2 below.

6. CAPITAL EXPENDITURE

The Statement of Comprehensive Income and Expenditure (SOCIE) is not in fact comprehensive in terms of expenditure, since capital expenditure is excluded. It is to the first line of the Balance Sheet, and its related Note 24 (Fixed Assets), that one turns to see the capital expenditure in the year. This shows Additions of £1.60m (2022-23: £2.07m) including £715k on the Whitstead postgraduate house, £630k on the Katherine Stephen Rare Books Library, and £113k towards a temporary boathouse.

OPERATING AND FINANCIAL REVIEW (continued)

7. BALANCE SHEET AND RESERVES

After the SOCIE, the next two statements in the accounts are the Statement of Changes in Reserves and the Balance Sheet. Starting with the Balance Sheet:

7.1 Fixed assets

Note 24 sets out the movements in this asset class. The capital expenditure in the Additions line has been explained in section 6 above.

7.2 Investments

Note 25 shows investments of £135.87m (2022-23: £124.40m), with £123.15m (91%) held in quoted equities (2022-23: £111.63m). The unit value in the investment portfolio (see 2.3 above) at 30 June 2024 was £21.95, an increase of 8.4% on the opening unit value of £20.24, which is net of distributions during the year.

The total investment portfolio (including directly-owned property) was made up as follows:

	30 June 2024	30 June 2023
Equities	70.6%	69.5%
Private equity	9.5%	9.9%
Bonds	2.0%	2.4%
Property	10.7%	11.2%
Other alternatives	7.2%	7.0%
Total	100%	100%

As at 30 June 2024, 33% (2023: 31%) of the portfolio was passively managed, and 67% (2023: 69%) was actively managed. The passive part of the portfolio was held in two funds managed by State Street Global Advisors; and the active part of the portfolio was managed by the following: Baillie Gifford (Sustainable Growth Fund), Cambridge University Endowment Fund (CUEF), Partners Capital, Cambridge Associates (Cambridge University Feeder Fund) and Savills (Charity Property Fund).

7.3 Statement of Changes in Reserves

The Balance Sheet and the Statement of Changes in Reserves show total reserves increasing from £259.15m (at 30 June 2023) to £273.43m (at 30 June 2024). This increase is mainly attributed to the surplus from the income and expenditure statement (SOCIE).

8. CASH FLOW

The fourth and final statement in the accounts is the Cash Flow Statement. This shows a decrease of in cash over the year from £2.64m to £774k. The cash flow is explained in detail in Notes 34 to 36.

9. RESERVES POLICY

Newnham's unrestricted reserves at the year end amounted to £173.37m (2023: £167.83m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. Restricted reserves at

OPERATING AND FINANCIAL REVIEW (continued)

the year end amounted to £100.06m (2023: £91.32m) and are represented in the balance sheet by endowment funds for a number of educational purposes, as set out in Notes 32 and 33. The College Council believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The College Council is mindful to maintain an equitable balance between the interests of current members of the College and future generations ('intergenerational equity').

10. PRINCIPAL RISKS AND UNCERTAINTIES

This report a year ago referred to industrial action, both actual (in relation to a marking and assessment boycott) and threatened (in relation to undergraduate supervisions), but at the time of writing (October 2024), industrial relations seem stable. The reduction in the USS pension contribution rate and the restoration of retirement benefits, resulting from the improvement in the funding position of the USS scheme, has undoubtedly helped, as has an above-inflation increase for 2024-25 in the intercollegiate re-charge rate for supervisions. The Cambridge colleges and the J4CS campaign, supported by the local branch of the union (UCU), have also reached an understanding on the methodology underpinning the intercollegiate re-charge rate for supervisions. The new methodology is designed to be more transparent and is informed by the knowledge, experience and skills considered necessary to supervise an undergraduate student, as well as recent research on the amount of time typically required to deliver a supervision. The new methodology links supervision pay rates to a point on the University's salary spine (specifically, point 39) with a multiplier based on the number of students in a supervision.

Inflation had been a major factor in the previous year, whereas in 2023-24 CPI fell gradually from 7.9% in June 2023 to 2.0% in June 2024. However, previous price rises remain embedded in many cases. Energy costs are a particular concern, and the combined cost of gas, electricity and water has exceeded £1m for the first time, with electricity costs exceeding £500k for the first time.

The College has passed the £2m mark in terms of expenditure on student support for the first time, and although this is to be celebrated, there is a question as to whether this can be sustained at this level. This is particularly the case with postgraduate studentships, because although many of the postgraduate studentship funds are permanent, several are expendable and are being spent down. Also, previously unspent income from some permanent funds has been used to increase the spend on postgraduate studentships, and such income is not renewable.

The regulated fee paid by most of our undergraduates has remained at £9,250 per year since 2017, having been £9,000 since 2012. This means that the value has eroded in real terms each year, against a background of rising costs for the university sector. This remains a key risk to the whole sector, and presents a real challenge to the new Labour Government. From the perspective of students, the maintenance loans available have not kept up with inflation, and do not come close to covering the annual living costs of being a student.

Cyber security continues to be a major risk, as for all organisations, and the College has taken several steps to improve its risk profile, including the introduction of multi-factor authentication (MFA), installing a new firewall, regular training for staff, and annual penetration testing.

Newnham, as with other colleges, continues to see rises in students reporting mental ill-health and disabilities. The first full year in post of the new College Wellbeing Advisor has enabled us to intervene early, particularly with Freshers in the Michaelmas Term and those taking exams in the Easter Term. We have also converted some rooms on the ground floor of Sidgwick Hall to be suitable for students using wheelchairs.

OPERATING AND FINANCIAL REVIEW (continued)

The high costs of housing in wider Cambridge continue to increase and this puts pressure on those of our postgraduate students whom we are unable to accommodate in College. We are putting plans in place to return the Rosalind Franklin Building to postgraduate-only use, but this will take three to four years as the planned reduction in the size of our undergraduate population takes place year by year. We continue to talk to other colleges and the University about better overall provision of accommodation for postgraduates. The high housing costs also affect all colleges in their ability to recruit staff, especially in the lower-paid roles in departments such as catering and housekeeping.

11. FUTURE PLANS

Over the course of the next year, the College will start to address the challenge of making the main College site more energy-efficient. The late-Victorian/Edwardian Champneys buildings pose particular challenges with regard to insulation and glazing, and the Kennedy building has been selected as the first of these buildings to assess what is possible within the heritage confines of a Grade 2-listed building. Reducing the reliance on gas is key, although whether complete degasification is realistic remains to be investigated in detail. Recent sub-metering of the College's main electrical supply will help to identify usage at a more granular level and should help to control costs increasing yet further.

The College's primary objects of education, learning and research remain at the forefront, and all income generation (e.g. in commercial conference activities) and cost-saving (e.g. in energy usage) only support those objects.

The College continues to consider, along with the wider University, the implications of the increasing capabilities of Artificial Intelligence (AI). It is important that students are confident in the use of new technologies, but the Collegiate University also needs to ensure the integrity of its admissions and examination processes.



Christopher Lawrence
Bursar

21 November 2024

CORPORATE GOVERNANCE

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

The College is a registered charity (registered number 1137512) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.

The Trustees are advised in carrying out their duties by a number of Committees, including: Academic Planning, Buildings Estate, Development, Environmental & Sustainability, Finance, IT, Library & Archives, Safety, Stipends & Benefits and Student Finance.

The principal College officers are the Principal, Vice-Principal, Senior Tutor and Bursar.

It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of the external Auditor; to consider reports submitted by the Auditor; to monitor the implementation of recommendations made by the Auditor; to monitor risk management and control arrangements; and to make regular reports to the Trustees by way of minutes of its meetings. Membership of the Finance Committee includes all the principal College officers, the Domestic Bursar, and other members of the Governing Body.

There is a Register of Interests of Trustees. Declarations of interest are made systematically at all Governing Body, Council and Committee meetings. The College's Trustees during the year ended 30 June 2024 are set out on page 5.

STATEMENT OF INTERNAL CONTROL

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

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

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 up to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the system of internal control.

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

RESPONSIBILITIES OF THE COLLEGE COUNCIL AND THE GOVERNING BODY

The College Council is responsible for preparing the financial statements each year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by Recommended Cambridge College Accounts. The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In accordance with the College's Statutes, the College Council is responsible for the administration and management of the College's affairs. It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept which disclose with reasonable accuracy at any time the financial position of the College.

Statute XIX ('Accounts and Audit') in the College's Statutes sets out the Governing Body's responsibilities in relation to the accounts, including the appointment of the auditors. Clause 5 of Statute XIX states: "A meeting of the Governing Body shall be called to pass the accounts as soon as may be convenient in the Michaelmas Term."

In causing the financial statements to be prepared, the College Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The College Council is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The College Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud and other irregularities. Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL AND GOVERNING BODY**For the Year Ended 30 June 2024****Opinion**

We have audited the financial statements of Newnham College (the 'College') and its subsidiaries (the 'group') for the year ended 30 June 2024 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).

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 2024, 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 College Council and Governing Body's 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 College Council and Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report of the College Council and Governing Body, other than the financial statements and our auditor's report thereon. The College Council and Governing Body is 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 College Council and 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 the College Council and Governing Body

As explained more fully in the College Council and Governing Body's responsibilities statement set out on page 20, the College Council and Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the College Council and Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the College Council and Governing Body are responsible for assessing the group's and College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the College Council and Governing Body 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 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 organisation.
- 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.

Use of our report

This report is made solely to the College Council and 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 Council and Governing Body 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 College Council and Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP

Price Bailey LLP

Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge CB4 0WZ

Date: 17 December 2024

Price Bailey LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Consolidated 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 7.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings are set out in Note 38. Intra-group balances are eliminated on consolidation. The activities of student societies have not been consolidated.

A separate balance sheet and related notes for the College are not included in the accounts because the subsidiary companies donate their profits to the College each year. The balance sheet for the College alone would not be materially different from the one included in the accounts.

Recognition of income

Academic fees

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

Grant income

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

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

Donations and Endowments

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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

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

Legacy Income

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the College is aware that probate has been granted and either: the estate has been finalised, final estate accounts have been received and notification has been made by the executors to the College that a distribution will be made; or when a notification has been made by the executors to the College of an intention to make a distribution prior to the end of the financial year and subsequently that distribution is received from the estate after the year end. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income and change in value of investment assets

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

Total return

A total return policy is applied to the College's investment in securities. A unitised approach is taken with the investment portfolio, and the units are revalued each quarter taking account of investment performance. Under this total return policy, the average of the unit values at the end of each quarter for the preceding five years is calculated. 3.5% of this average unit value is applied to the number of units held at 1 July, and this is the amount of endowment return transferred shown as income in the Statement of Comprehensive Income and Expenditure. The whole total return is shown in the same statement as the gain/(loss) on investments.

Other income

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

Cambridge Bursary Scheme and CBS Top-up Bursary Scheme

In 2023-24, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received contributions from the University of Cambridge and from Trinity College towards this payment.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The net payment by the College of £175k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	(Note 1)	£240k	(2022-23: £240k)
Expenditure	(Note 9)	£415k	(2022-23: £392k)

Foreign currency translation

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

Tangible fixed assets*Land and buildings*

The buildings on the College's main site have been treated as tangible fixed assets and valued on the basis of their depreciated replacement cost. A valuation on 30 June 2023 was carried out by Gerald Eve LLP. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 65 years (previously this was 100 years). On revaluation, the expected life of a building is re-set to 65 years. Freehold land is not depreciated and the value of the land comprising the College's main site is included in the balance sheet.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

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

Maintenance of properties

The cost of routine maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred.

Furniture and equipment

Furniture and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Books, equipment, furniture and fittings	5%, 10% and 25% per annum
Catering heating and ventilation equipment	5% per annum
Major computer software	10% per annum
Computer equipment	25% per annum

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)*Heritage Assets*

The College holds and conserves a number of collections, artefacts and other assets of historical, artistic or scientific interest. Heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt, to the extent to which they are material. Heritage assets have not been depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

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

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

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

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

Financial Liabilities

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

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

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

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

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

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Taxation**

The College is a registered charity (number 1135712) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

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

Pension schemes

The College participates in the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The schemes are both defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The assets and liabilities of the CCFPS are held separately. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The assets of the USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Employment benefits

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

Reserves

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Critical Accounting Estimates and Judgements**

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in Note 9.

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Notes 42a and 42b.

Management are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision (if required) is currently based on the USS deficit recovery plan agreed after the 2023 actuarial valuation. The provision (if required) is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 42b.

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Going concern**

The College's Finance Committee and Council have reviewed the budget for 2024-25 and also a five-year projection through to 2029-30. At the start of the 2024-25 academic year, student numbers are largely on target, and therefore both fee income and accommodation income are on target. Conference business is back at pre-Covid levels.

As a result of its assessment of the College's overall financial situation, the College Council has confirmed the College's ability to continue in operation and on that basis it has adopted the going concern assumption within these financial statements. The College Council confirms the College's ability to continue as a going concern.

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2024

Income	Note	2023-24			2022-23			Total
		Unrestricted £000	Restricted £000	Endowment £000	Unrestricted £000	Restricted £000	Endowment £000	
Academic fees and charges	1	3,618	308	-	3,357	314	-	3,670
Accommodation, catering and conferences	2	5,324	-	-	4,737	-	-	4,737
Investment income	3	2,436	-	-	1,755	-	-	1,755
Endowment return transferred	3	1,632	2,344	(3,976)	1,684	2,128	(3,811)	-
Other income	4	150	-	-	171	-	-	171
Total income before donations and endowments		13,160	2,652	(3,976)	11,703	2,441	(3,811)	10,333
Donations	5	1,716	360	-	884	3,369	-	4,253
New endowments	5	-	-	2,081	-	-	4,049	4,049
Total donations and endowments		1,716	360	2,081	884	3,369	4,049	8,302
Total income		14,876	3,012	(1,895)	12,587	5,810	238	18,635
Expenditure								
Education	6,7,8,9	5,088	2,471	-	3,861	2,997	-	6,857
Accommodation, catering and conferences	6,10,11,14	7,819	-	-	6,909	-	-	6,909
Other expenditure	6,12,13	644	-	-	474	-	-	474
Total operating expenditure		13,551	2,471	-	11,244	2,997	-	14,240
Movement to pension provisions	21,31	(3,391)	-	-	276	-	-	276
Loan interest payable	22	980	-	-	987	-	-	987
Contribution to Colleges Fund under Statute G,II	23	25	-	-	22	-	-	22
Total expenditure		11,164	2,471	-	12,529	2,997	-	15,526
Surplus before other gains and losses		3,712	541	(1,895)	58	2,813	238	3,109
Gain on investments	3	1,853	1,495	8,598	(374)	377	5,469	5,473
Surplus before tax		5,565	2,036	6,702	(316)	3,190	5,707	8,582
Other comprehensive income								
Unrealised surplus on revaluation of fixed assets		-	-	-	15,531	-	-	15,531
Actuarial gain/(loss) in respect of pension schemes	21,31	32	-	-	(173)	-	-	(173)
Total comprehensive income for the year		5,597	2,036	6,702	15,043	3,190	5,707	23,940

The notes on pages 36 to 59 form part of these accounts.

Consolidated Statement of Changes in Reserves

Year Ended 30 June 2024

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted	Restricted	Endowment		
	£000	Restated £000	Restated £000		
At 1 July 2023	67,960	18,588	72,730	99,869	259,149
Surplus from income and expenditure statement	5,565	2,037	6,702	-	14,302
Other comprehensive expenditure	32	-	-	-	32
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	937	-	-	(938)	-
At 30 June 2024	74,442	20,626	79,432	98,931	273,432
At 1 July 2022	65,661	15,277	67,023	87,298	235,259
Surplus from income and expenditure statement	(316)	3,190	5,707	-	8,582
Other comprehensive income	(173)	-	-	-	(173)
Revaluation of fixed assets	2,066	-	-	13,465	15,531
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	894	-	-	(894)	-
Movement between Funds	(122)	122	-	-	-
At 30 June 2023	67,960	18,589	72,730	99,869	259,150

Consolidated Balance Sheet**At 30 June 2024**

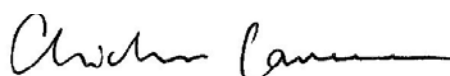
	Note	2024 £000	2023 Restated £000
Non-current assets			
Fixed assets	24	158,506	158,696
Investments	25	135,868	124,404
Total non-current assets		294,374	283,100
Current assets			
Stocks	26	69	89
Trade and other receivables	27	2,373	856
Cash and cash equivalents	28	774	2,637
Total current assets		3,216	3,582
Creditors: amounts falling due within one year	29	(2,106)	(1,779)
Net current assets		1,110	1,803
Total assets less current liabilities		295,484	284,903
Creditors: amounts falling due in more than one year	30	(21,084)	(21,362)
Provisions			
Pension provisions	31	(968)	(4,391)
Total net assets		273,432	259,150
Restricted reserves			
Income and expenditure reserve - endowment reserve	32	79,433	72,731
Income and expenditure reserve - restricted reserve	33	20,626	18,590
		100,059	91,321
Unrestricted reserves			
Income and expenditure reserve - unrestricted		74,442	67,960
Revaluation reserve		98,931	99,869
		173,373	167,829
Total reserves		273,432	259,150

These financial statements were approved by Newnham College Governing Body on 16 November 2024 and signed on its behalf by:

Miss Alison Rose (Principal)



Mr Christopher Lawrence (Bursar)



The notes on pages 36 to 59 form part of these accounts.

Consolidated Cash Flow Statement**Year Ended 30 June 2024**

	Note	2023-24	2022-23
		£000	£000
Net cash flow from operating activities	34	(1,958)	5,388
Cash flows from investing activities	35	1,353	(6,532)
Cash flows from financing activities	36	(1,258)	(1,257)
(Decrease) in cash and cash equivalents in the year		(1,863)	(2,401)
Cash and cash equivalents at beginning of the year		2,637	5,038
Cash and cash equivalents at end of the year		774	2,637

The notes on pages 36 to 59 form part of these accounts.

Notes to the Accounts

1. ACADEMIC FEES AND CHARGES		2023-24	2022-23
		£000	£000
College fees:			
Fee income received at the Regulated Undergraduate rate (a)		1,586	1,570
Fee income received at the Unregulated Undergraduate rate (b)		778	675
Fee income received at the Postgraduate rate (c)		1,145	1,009
		<u>3,509</u>	<u>3,254</u>
Recoveries from other Colleges - teaching		56	53
Recoveries - shared appointments		52	50
Contribution towards Cambridge Bursary Scheme		240	250
Contribution towards Foundation Year Scheme		68	64
		<u>3,925</u>	<u>3,670</u>
(a) fee per student: £4,625 for undergraduates starting since 2017-18			
(b) fee per student £10,975 for undergraduate starting in 2023-24 (2022-23: £10,475; 2021-22: £9,975)			
(c) fee per student: £5,123 (2022-23: £4,761; 2021-22: £4,472)			
2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES		2023-24	2022-23
		£000	£000
Accommodation	College members	3,501	3,224
	Conferences	597	411
Catering	College members	808	796
	Conferences	418	306
		<u>5,324</u>	<u>4,737</u>
3. INVESTMENT RETURN AND INVESTMENT INCOME		2023-24	2022-23
		£000	£000
3a. Analysis			
Total return contribution (see note 3b):		3,976	3,811
	CUEF distributions	1,804	1,522
	CPF distributions	407	-
	Freehold land and buildings	177	177
	Interest	48	56
	Less: Excess of total return over investment income received	(3,976)	(3,811)
		<u>2,436</u>	<u>1,755</u>
3b. Summary of total return			
Income from:			
	Freehold land and buildings	177	177
	Quoted and other securities and cash	2,259	1,578
		<u>2,436</u>	<u>1,755</u>
Gains on investment assets:			
	Quoted and other securities (see note 25)	12,097	5,199
	College dividend on Endowment Funds retained within Endowment	(112)	-
	Properties	-	311
	Revaluation of USD bank account	2	(1)
	Investment management costs - quoted securities (see note 3c)	(43)	(36)
		<u>11,944</u>	<u>5,473</u>
	Total return for the year	<u>14,381</u>	<u>7,227</u>
	Total return transferred to income and expenditure reserve (see note 3a)	(3,976)	(3,811)
	Total return for year included within Statement of Comprehensive Income and Expenditure	<u>10,405</u>	<u>3,416</u>

Notes to the Accounts

3. INVESTMENT RETURN AND INVESTMENT INCOME (continued)	2023-24	2022-23		
	£000	£000		
3c. Investment management costs				
Quoted securities	43	36		
Freehold land and buildings	19	21		
4. OTHER INCOME	2023-24	2022-23		
	£000	£000		
Roll & Development events	51	34		
Contribution towards salary costs	9	47		
VAT recoverable	72	79		
Research grant from DfID/FCDO	1	-		
Other	17	11		
	150	171		
5. DONATIONS, LEGACIES AND NEW ENDOWMENTS	2023-24	2022-23		
	£000	Restated £000		
Unrestricted donations	1,665	833		
Release from deferred capital grants	51	51		
Restricted donations	360	3,369		
New endowments	2,081	4,049		
	4,157	8,302		
Legacies	2,180	2,965		
Donations	1,926	5,286		
Release from deferred capital grants	51	51		
	4,157	8,302		
6a. OPERATING EXPENDITURE - 2023-24	Education (see note 7a)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
	£000	£000	£000	£000
Staff - direct	1,863	1,248	212	3,323
Staff - indirect (see note 18)	1,382	2,071	155	3,608
Total staff	3,245	3,319	367	6,931
Non-staff - direct	2,793	922	136	3,850
Non-staff - indirect (see note 19)	1,072	2,278	96	3,445
Depreciation	449	1,301	45	1,794
Total non-staff	4,313	4,500	277	9,090
Total	7,559	7,819	644	16,021

Notes to the Accounts**6b. OPERATING EXPENDITURE - 2022-23**

	Education (see note 7b)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
	£000	£000	£000	£000
Staff - direct	1,735	1,078	139	2,952
Staff - indirect (see note 18)	1,284	1,948	147	3,379
Total staff	3,019	3,025	286	6,331
Non-staff - direct	2,490	842	54	3,387
Non-staff - indirect (see note 19)	920	1,799	91	2,809
Depreciation	428	1,243	43	1,714
Total non-staff	3,838	3,884	188	7,909
Total	6,857	6,909	474	14,240

7a. EDUCATION EXPENDITURE - 2023-24

	Staff direct (see note 8)	Staff indirect	Non-staff direct (see note 9)	Non-staff indirect	Dep'n	Total
	£000	£000	£000	£000	£000	£000
Teaching	1,002	551	234	482	224	2,493
Tutorial	207	383	82	259	135	1,066
Admissions	257	194	76	152	54	733
Research	387	127	111	69	18	712
Scholarships and awards	-	-	2,246	-	-	2,246
Other educational facilities	10	127	44	110	18	309
Total	1,863	1,382	2,793	1,072	449	7,559

7b. EDUCATION EXPENDITURE - 2022-23

	Staff direct (see note 8)	Staff indirect	Non-staff direct (see note 9)	Non-staff indirect	Dep'n	Total
	£000	£000	£000	£000	£000	£000
Teaching	1,008	512	197	406	214	2,337
Tutorial	140	356	90	230	129	945
Admissions	206	179	123	135	51	694
Research	372	120	119	56	17	684
Scholarships and awards	-	-	1,923	-	-	1,923
Other educational facilities	9	118	38	93	17	275
Total	1,735	1,285	2,490	920	428	6,858

Notes to the Accounts

8. EDUCATION EXPENDITURE - STAFF-DIRECT	2023-24	2022-23
	£000	£000
Directors of Studies, College Lecturers, Supervisors	637	663
Library	131	139
Research Fellows	377	364
Senior Tutor, Admissions Tutor, Tutors	325	311
Tutorial & Admissions	235	193
Wellbeing services	102	52
Other	56	14
Total	1,863	1,736

9. EDUCATION EXPENDITURE - NON-STAFF-DIRECT	2023-24	2022-23
	£000	£000
Awards		
Cambridge Bursary Scheme (funded by the College)	175	142
Cambridge Bursary Scheme (funded by the Collegiate University)	240	250
Foundation Year Bursary Scheme	68	64
Laidlaw Scholars Programme	95	33
Bursaries (mainly for undergraduates)	240	246
Studentships (mainly for postgraduates)	1,193	978
Travel, Book and other grants	222	195
Prizes	13	16
Total awards	2,246	1,924
Other		
Admissions	76	123
Tutorial	39	43
Research	111	119
Library	29	31
Contribution towards UTOs	182	140
Counselling	43	47
Grants to clubs and societies	40	33
Miscellaneous	27	30
	547	567
Total	2,793	2,490

10. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - STAFF-DIRECT	2023-24	2022-23
	£000	£000
Catering	1,076	979
Conferences	172	99
Total	1,248	1,078

Notes to the Accounts

11. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - NON-STAFF-DIRECT		2023-24	2022-23		
		£000	£000		
Catering		847	780		
Conferences		75	62		
Total		922	842		
12. OTHER EXPENDITURE - STAFF-DIRECT		2023-24	2022-23		
		£000	£000		
The Skilliter Centre for Ottoman Studies		46	45		
The Margaret Anstee Centre for Global Studies		145	64		
Laidlaw Scholars Programme		21	17		
Academic support		-	13		
Total		212	139		
13. OTHER EXPENDITURE - NON-STAFF-DIRECT		2023-24	2022-23		
		£000	£000		
The Skilliter Centre for Ottoman Studies		21	8		
The Margaret Anstee Centre for Global Studies		20	9		
Research grant from DfID/FCDO		(3)	(8)		
Laidlaw Scholars Programme		35	5		
Investment management and advice		43	30		
Other		20	10		
Total		136	54		
14. ACCOMMODATION, CATERING, AND CONFERENCES EXPENDITURE		2023-24	2022-23		
		£000	£000		
Accommodation	College members	5,160	4,837		
	Conferences	313	138		
Catering	College members	1,955	1,727		
	Conferences	391	207		
Total		7,819	6,909		
15a. ANALYSIS OF 2023-24 EXPENDITURE BY ACTIVITY		Staff costs	Other operating expenses	Dep'n	Total
		£000	£000	£000	£000
Education (see note 6a)		3,245	3,865	449	7,559
Accommodation, catering and conferences (see note 6a)		3,319	3,199	1,301	7,819
Other		367	232	45	644
Movement to pension provisions		-	(3,391)	-	(3,391)
Loan interest payable		-	980	-	980
Contribution to Colleges Fund under Statute G,II		-	25	-	25
		6,931	4,910	1,795	13,636

Notes to the Accounts**15b. ANALYSIS OF 2022-23 EXPENDITURE BY ACTIVITY**

	Staff costs	Other operating expenses	Dep'n	Total
	£000	£000	£000	£000
Education (see note 6b)	3,019	3,410	428	6,857
Accommodation, catering and conferences (see note 6b)	3,025	2,641	1,243	6,909
Other	286	145	43	474
Movement to pension provisions	-	276	-	276
Loan interest payable	-	987	-	987
Contribution to Colleges Fund under Statute G,II	-	22	-	22
	6,330	7,481	1,714	15,525

16. ANALYSIS OF EXPENDITURE

	2023-24	2022-23
	£000	£000
Operating expenses include:		
Audit fee payable to the College's external auditors	25	20
Cost of fundraising	381	384
Investment management costs - commercial property	19	21
Investment management costs - securities and cash	43	36

17a. STAFF COSTS 2023-24

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,863	1,382	3,245
Accommodation, catering and conferences	1,248	2,071	3,319
Other	212	155	367
	3,323	3,608	6,931

17b. STAFF COSTS 2022-23

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,735	1,284	3,019
Accommodation, catering and conferences	1,078	1,948	3,026
Other	139	147	286
	2,952	3,379	6,331

Notes to the Accounts**18. ANALYSIS OF STAFF INDIRECT EXPENDITURE**

	2023-24	2022-23
	£000	£000
Housekeeping	895	834
Gardens	217	212
Maintenance	477	421
Porters' Lodge	435	435
Principal, Vice-Principal, Bursars	377	372
Bursary, HR, Principal's Secretary	457	436
IT	210	182
Development, Communications	480	413
Archive, Collections	63	63
CCFPS deficit recovery payment	9	9
Holiday accrual	(12)	2
Total	3,608	3,379

19. ANALYSIS OF NON-STAFF INDIRECT EXPENDITURE

	2023-24	2022-23
	£000	£000
Housekeeping	323	364
Gardens	63	172
Maintenance	1,042	611
Porters' Lodge	51	12
Electricity	593	398
Gas	378	257
Water	62	68
Rates	46	16
Insurance	128	108
Administration, Regulatory Expenditure	11	146
Office of Intercollegiate Services Levies	177	159
IT	230	179
Development, Communications	324	317
Archive, Collections	10	2
Other	7	-
Total	3,445	2,809

Notes to the Accounts

20. STAFF COSTS

	Academic	Non-Academic	Total
	£000	£000	£000
2023-24			
Staff Costs			
Salaries	1,102	4,246	5,348
National Insurance	91	352	443
Pension costs	180	658	838
External teaching costs	302	-	302
	1,675	5,256	6,931
2022-23			
Staff Costs			
Salaries	924	3,910	4,834
National Insurance	71	305	376
Pension costs	184	676	860
External teaching costs	261	-	261
	1,440	4,891	6,331
	Academic	Non-Academic	Total
Average staff numbers (non-FTE) - 2023-24	50	185	235
Average staff numbers (non-FTE) - 2022-23	54	170	224
The figures above show the average number of people paid through the College payroll, irrespective of the hours worked.			
Average non-academic staff numbers (FTE) - 2023-24	n/a	138	138
Average non-academic staff numbers (FTE) - 2022-23	n/a	129	129
The figures above show the average number of FTE persons paid through the payroll.			
Average number of Fellows - 2023-24	58	3	61
Average number of Fellows - 2022-23	60	4	64
Number of Fellows as at 1 October 2024	58	3	61
Number of Fellows as at 1 October 2023	58	3	61
Number of Fellows as at 1 October 2022	63	4	67

Based on the 2023 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit/charge of £3,421k (2023: £251k). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £2,615k (2023: £1,111k) and cash contributions made to reduce the deficit in the year of £806k (2023: £860k).

Non-academic staff who are Fellows (i.e. Domestic Bursar, Development Director, Librarian) are included in the Fellows' figures. The Principal is not included in the Fellows' figures.

During the financial year 2023-24, 46 Fellows received remuneration (2022-23: 51).

The number of officers or employees of the College, including the Principal, who received remuneration in the following ranges was:

	2023-24	2022-23
£130,000 - £140,000	1	1
£140,000 - £150,000	1	1

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

Notes to the Accounts

20. STAFF COSTS (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are the Principal, Vice-Principal, Senior Tutor and Bursar. The aggregated remuneration paid to key management personnel consists of salary, employer's national insurance contributions, employer's pension contributions, plus any taxable benefits paid, payable or provided, gross of any salary sacrifice arrangements.

	2023-24 £000	2022-23 £000
Aggregated remuneration	385	370

The total remuneration for persons who served as Trustees (members of the College Council) in 2023-24 was £563k (2022-23: £525k).

21. PENSION COSTS OF CCFPS & USS

	CCFPS £000	USS £000	Total £000
2023-24			
Brought Forward	970	3,421	4,391
Contributions	(58)	(806)	(864)
Charge to Income and Expenditure	88	(2,615)	(2,527)
Net charge to Income and Expenditure	30	(3,421)	(3,391)
Charge to Other comprehensive income	(32)	-	(32)
Carried Forward	968	-	968
2022-23			
Brought Forward	772	3,170	3,942
Contributions	(55)	(860)	(915)
Charge to Income and Expenditure	80	1,111	1,191
Net charge to Income and Expenditure	25	251	276
Charge to Other comprehensive income	173	-	173
Carried Forward	970	3,421	4,391

22. LOAN INTEREST PAYABLE

	2023-24 £000	2022-23 £000
Bank loan	155	162
Private placement 1	512	512
Private placement 2	313	313
Total	980	987

Further information on the bank loan and private placements can be found in note 30.

Notes to the Accounts**23. CONTRIBUTION TO COLLEGES FUND UNDER STATUTE G,II**

	2023-24	2022-23
	£000	£000
Contribution	25	22

Every College in the University is assessed to make an annual contribution based on the value of its assessable assets.

24. FIXED ASSETS

	College	College	Furniture &	2023-24	2022-23
	Land	Buildings	Equipment	Total	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 July 2023	58,041	99,357	3,266	160,664	148,393
Additions	-	1,403	201	1,604	2,072
Disposals	-	-	(3)	(3)	(9)
Revaluation during the year	-	-	-	-	10,207
	58,041	100,760	3,464	162,265	160,663
Depreciation					
At 1 July 2023	-	-	1,967	1,967	5,586
Charge for the year	-	1,561	234	1,795	1,714
Eliminated on disposals	-	-	(3)	(3)	(9)
Written back on revaluation	-	-	-	-	(5,325)
	-	1,561	2,198	3,759	1,967
Net Book value					
At 30 June 2024	58,041	99,199	1,266	158,506	158,696
At 1 July 2023	58,041	99,357	1,298	158,696	142,808

A valuation of College properties was carried out by Gerald Eve, Chartered Surveyors, at 30 June 2023 on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolescence.

The freehold College buildings at 30 June 2024 were insured at reinstatement costs of £119.2m.

Notes to the Accounts

25. INVESTMENTS	2023-24	2022-23
	£000	£000
At 1 July 2023	124,404	112,679
Additions	400	7,000
Disposals	(1,440)	(786)
CPF distribution	407	-
Gain	12,097	5,510
	<u>135,868</u>	<u>124,404</u>
At 30 June 2024	<u>135,868</u>	<u>124,404</u>
Represented by:		
Estate properties (held directly)	4,236	3,836
Properties (held indirectly via funds)	6,988	7,086
Quoted securities - equities (held indirectly via funds)	123,150	111,630
Unquoted (held indirectly via funds)	1,394	1,752
Cash held for reinvestment	100	100
	<u>135,868</u>	<u>124,404</u>

At 30 June 2023, a valuation of the investment properties was carried out by on an open market value for existing use basis by Gerald Eve, Chartered Surveyors and Carter Jonas, Chartered Surveyors. The Trustees have in place a policy to revalue professionally periodically, but consider each year whether the market value of the properties has materially changed. Any material change in market value will be reflected in a revaluation movement in the year in question.

26. STOCKS AND WORK IN PROGRESS	2023-24	2022-23
	£000	£000
Food and drink	27	43
Wine	25	25
Cleaning materials and other	17	21
	<u>69</u>	<u>89</u>

27. TRADE AND OTHER RECEIVABLES	2023-24	2022-23
	£000	£000
Taxes due from government departments	26	22
Other receivables	282	114
Prepayments and accrued income	2,065	720
	<u>2,373</u>	<u>856</u>

Notes to the Accounts

28. CASH AND CASH EQUIVALENTS	2023-24	2022-23
	£000	£000
Current accounts	773	2,636
Cash in hand	1	1
	<u>774</u>	<u>2,637</u>
	<u><u>774</u></u>	<u><u>2,637</u></u>
29. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023-24	2022-23
	£000	£000
Trade creditors	508	372
Loan repayments	287	286
Taxes and social security costs	69	7
Student deposits and accounts	130	159
Accruals and deferred income	1,112	955
	<u>2,106</u>	<u>1,779</u>
	<u><u>2,106</u></u>	<u><u>1,779</u></u>
30. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2023-24	2022-23
	£000	£000
Bank loan	2,504	2,782
Private placement 1 liability	11,580	11,580
Private placement 2 liability	7,000	7,000
	<u>21,084</u>	<u>21,362</u>
	<u><u>21,084</u></u>	<u><u>21,362</u></u>

The bank loan is secured on certain College freehold properties and is subject to interest fixed under a swap agreement at 5.24% for 25 years from 2007. Repayments commenced in 2007 and will be made over the 25 years to June 2032.

The first private placement bond of £11,580,000 is repayable in two tranches, of £6,433,333 on 30 October 2043 and £5,146,667 on 30 October 2053 and is subject to a fixed rate of interest of 4.40%.

The second private placement bond of £7,000,000 is repayable on 31 January 2044 and is subject to a fixed rate of interest of 4.45%.

31. PENSION PROVISIONS	2023-24	2022-23
	£000	£000
At 1 July 2023	4,391	3,942
Movement in year:		
Current service cost including life assurance	(2,527)	1,191
Contributions	(863)	(915)
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(32)	173
	<u>969</u>	<u>4,391</u>
At 30 June 2024	<u><u>969</u></u>	<u><u>4,391</u></u>

Notes to the Accounts

32. ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Total 2023-24 £000
2023-24			
At 1 July 2023 (Restated)	52,855	19,876	72,731
New donations and endowments	2,081	-	2,081
Increase in market value of investments	4,343	278	4,621
At 30 June 2024	59,279	20,154	79,433

Analysis by type of purpose:

Fellowship Funds	23,239	-	23,239
Scholarship Funds	7,451	-	7,451
Prize Funds	448	-	448
Hardship Funds	6,663	-	6,663
Research Funds	16,980	-	16,980
Book Funds	1,119	-	1,119
Other Funds	3,379	-	3,380
General Endowments	-	20,154	20,154
	59,279	20,154	79,433

	Restricted permanent endowments Restated £000	Unrestricted permanent endowments £000	Total 2022-23 Restated £000
2022-23			
At 1 July 2022	47,579	19,444	67,023
New donations and endowments	4,049	-	4,049
Decrease in market value of investments	1,226	432	1,658
At 30 June 2023	52,854	19,876	72,730

Analysis by type of purpose:

Fellowship Funds	21,278	-	21,278
Scholarship Funds	8,258	-	8,258
Prize Funds	413	-	413
Hardship Funds	6,455	-	6,455
Research Funds	14,479	-	14,479
Book Funds	1,012	-	1,012
Other Funds	959	-	959
General Endowments	-	19,876	19,876
	52,854	19,876	72,730

Notes to the Accounts**32. ENDOWMENT FUNDS (continued)**

	Endowment	Unapplied	Total
	Restated	total return	Restated
	£000	£000	£000
At 1 July 2023	49,751	22,979	72,730
Gift of Endowment funds	2,081	-	2,081
Gains on investments	-	4,622	4,622
Net movement before application of income	2,081	4,622	6,703
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	2,081	4,622	6,703
At 30 June 2024	51,832	27,601	79,433
At 1 July 2022	45,702	21,321	67,023
Gift of Endowment funds	4,049	-	4,049
Investment returns: dividends and interest	-	299	299
Gains on investments	-	1,359	1,359
Net movement before application of income	4,049	1,658	5,707
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	4,049	1,658	5,707
At 30 June 2023	49,751	22,979	72,730

Notes to the Accounts

33. RESTRICTED RESERVES

Reserves with restrictions are as follows:

2023-24	Permanent unspent £000	Restricted expendable endowment £000	2023-24 £000
At 30 June 2023 (Restated)	4,302	14,288	18,590
New grants and donations	-	360	360
Academic fees and charges	-	308	308
Investment income	1,879	465	2,344
Expenditure	(1,511)	(642)	(2,153)
Transfer between funds	-	(318)	(318)
Increase in market value of investments	337	1,157	1,494
At 30 June 2024	5,007	15,618	20,625
Analysis by type of purpose:			
Fellowship Funds	1,992	5,574	7,566
Scholarship Funds	922	2,425	3,347
Prize Funds	139	164	303
Hardship Funds	370	3,702	4,072
Research Funds	994	143	1,137
Book Funds	112	2,020	2,132
Other Funds	479	1,589	2,068
	5,007	15,618	20,625

2022-23	Permanent unspent £000	Restricted expendable endowment Restated £000	2022-23 Restated £000
At 30 June 2022	3,525	11,752	15,277
New grants and donations	-	3,369	3,369
Investment income	1,746	382	2,128
Expenditure	(1,058)	(1,625)	(2,683)
Transfer between funds	-	122	122
Increase in market value of investments	89	288	377
At 30 June 2023	4,302	14,288	18,590
Analysis by type of purpose:			
Fellowship Funds	1,560	3,476	5,036
Scholarship Funds	1,042	1,269	2,311
Prize Funds	114	138	252
Hardship Funds	489	4,078	4,567
Research Funds	872	120	992
Book Funds	92	1,786	1,878
Other Funds	133	3,421	3,554
	4,302	14,288	18,590

Notes to the Accounts**33. RESTRICTED RESERVES (continued)**

	Endowment	Unapplied	Total
	Restated	total return	Restated
	£000	£000	£000
At 1 July 2023	12,110	6,480	18,590
Gift of Endowment funds	360	-	360
Investment returns: dividends and interest	-	2,344	2,344
Transfer between funds	-	-	-
Net movement before application of income	360	2,344	2,704
Unapplied total return allocated to income in the year	-	(669)	(669)
Net movement in the year	360	1,675	2,035
At 30 June 2024	12,470	8,155	20,625
At 1 July 2022	11,425	3,852	15,277
Gift of Endowment funds	685	-	685
Investment returns: dividends and interest	-	377	377
Transfer between funds	-	124	124
Net movement before application of income	685	501	1,186
Unapplied total return allocated to income in the year	-	2,128	2,128
Net movement in the year	685	2,629	3,314
At 30 June 2023	12,110	6,481	18,591

Notes to the Accounts

34. RECONCILIATION OF CONSOLIDATED SURPLUS FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2023-24 £000	2022-23 £000	
Surplus for the year	14,302	8,582	
Adjustment for non-cash items:			
Depreciation and movements to Revaluation Reserve	1,793	1,714	
(Gain) on endowments, donations and investment property	(11,986)	(5,510)	
Decrease/(increase) in stocks	20	(9)	
(Increase)/decrease in trade and other receivables	(1,517)	939	
Increase in creditors	327	214	
(Decrease)/increase in provisions	(3,423)	449	
Pension costs less contributions payable	32	(173)	
Release of deferred capital grants	(51)	(51)	
Adjustment for investing or financing activities:			
Investment income receivable	(2,436)	(1,755)	
Interest payable	980	987	
Net cash inflow/(outflow) from operating activities	(1,958)	5,388	
35. CASH FLOWS FROM INVESTING ACTIVITIES	2023-24 £000	2022-23 £000	
Non-current investment disposal	1,440	785	
Investment income received	1,917	1,755	
Endowment funds invested	(400)	(7,000)	
Payments made to acquire non-current assets	(1,604)	(2,072)	
Total cash flows from investing activities	1,353	(6,532)	
36. CASH FLOWS FROM FINANCING ACTIVITIES	2023-24 £000	2022-23 £000	
Interest paid	(980)	(987)	
Repayments of amounts borrowed	(277)	(270)	
Total cash flows from financing activities	(1,258)	(1,257)	
37. CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT	At 1 July 2023 £000	Cash Flows £000	At 30 June 2024 £000
Cash and cash equivalents	2,637	(1,864)	774
Borrowings: amounts falling due within one year			
Secured loans	(286)	(1)	(287)
Borrowings: amounts falling due after more than one year			
Secured loans	(21,362)	278	(21,084)
	(19,011)	(1,587)	(20,597)

Notes to the Accounts

38. RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of the College Council and Governing Body it is inevitable that transactions will take place with organisations in which a member of the College Council or Governing Body may have an interest. All transactions involving organisations in which a member of the College Council or Governing Body may have an interest are conducted at arms 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 or Governing Body has a material interest in a College matter they are required to declare that fact.

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

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

The salaries paid to Trustees (after salary exchange) in the year are summarised in the table below.

From	To	2023-24 Number	2022-23 Number
£0	£10,000	6	6
£10,001	£20,000	3	4
£20,001	£30,000	1	-
£30,001	£40,000	-	-
£40,001	£50,000	-	-
£50,001	£60,000	1	2
£60,001	£70,000	1	-
£70,001	£80,000	-	-
£80,001	£90,000	-	-
£90,001	£100,000	1	1
£100,001	£110,000	1	1
Total		14	14

The total Trustee salaries (after salary exchange) were £411k for the year (2022-23: £399k).

The trustees were also paid other benefits (including associated employer National Insurance contributions and employer contributions to pensions) and other taxable benefits which totalled £118k (2022-23: £130k).

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 of Cambridge.

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2024 these fees total £10,242k (2022-23: £9,300k). During the year the College paid the University from these fees sums totalling £7,591k (2022-23: £6,700k) and kept £2,650k (2022-23: £2,600k) 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 Newnham College made a contribution under Statute G, II of £25k (2022-23 £22k) into the Colleges Fund. 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. Newnham College administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £308k to this scheme (2022-23: £314k). In the course of its charitable activities, Newnham College also pays the University of Cambridge for printing, network and other services. In addition, Newnham College periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

Notes to the Accounts

39. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England & Wales), wholly-owned by the College, are as follows:

Company	Company Number	Principal Activity
Newnham College Management Ltd	02867403	Dormant
Newnham College Ltd	02788626	Dormant

All subsidiary companies are incorporated in the United Kingdom.

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.

Newnham College Limited had no profit or loss in either 2023-24 or 2022-23 and its balance sheet is £2 (2021-22: £2).

Newnham College Management Limited had no profit or loss in either 2023-24 or 2022-23 and its balance sheet is £2 (2022-23: £2)

40. FINANCIAL COMMITMENTS

At 30 June 2024 and 30 June 2023 the College had no annual commitments under non-cancellable operating leases. The College has committed to investing in various private equity funds over approximately the next two years as at June 2024.

	2023-24	2022-23
	£000	£000
Capital commitments at 30 June 2024 are as follows:		
Authorised and contracted for	360	1,465

41. CONTINGENT ASSETS

Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met at the year end, then the legacy is treated as a contingent asset. At the balance sheet date contingent legacy assets are estimated to be: £0 (2022-23: £251,226).

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit plan, the Cambridge Colleges' Federated Pension Scheme. At 30 June 2024 Newnham College had 3 active members participating in the plan.

The liabilities of the plan have been calculated, as at 30 June 2024, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2023-24	2022-23
	% p.a.	% p.a.
Discount rate	5.10	5.20
Increase in salaries	To 2030: 2.85 From 2031: 3.75	3.30
RPI assumption	3.35	3.40*
CPI assumption	To 2030: 2.35 From 2031: 3.25	2.80*
Pension increases in payment (RPI Max 5% p.a.)	3.15	3.30*
Pension increases in payment (CPI Max 2.5% p.a.)	2.00	2.05*

* For 1 year only, it was assumed that RPI will be 9% and CPI will be 7%. The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2023 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2023: S3PA with CMI_2022 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male aged 65 now has life expectancy of 21.4 years (previously 21.4 years)
- Female aged 65 now has life expectancy of 23.9 years (previously 23.9 years)
- Male aged 45 now and retiring in 20 years has a life expectancy at 65 of 22.6 years (previously 22.6 years)
- Female aged 45 now and retiring in 20 years has a life expectancy at 65 of 25.3 years (previously 25.3 years)

Employee Benefit Obligations

The amounts recognised in the Balance Sheet as at 30 June 2024 (with comparative figures as at 30 June 2023) are as follows:

	2023-24	2022-23
	£000	£000
Present value of plan liabilities	(4,810)	(4,791)
Market value of plan assets	3,842	3,822
Net defined benefit asset/(liability)	(968)	(969)

The amounts to be recognised in the Income and Expenditure for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	2023-24	2022-23
	£000	£000
Current service cost	25	38
Administrative expenses	12	12
Interest on net defined benefit (asset)/liability	51	30
Total	88	80

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

Changes in the present value of the plan liabilities for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	2023-24	2022-23
	£000	£000
Present value of plan liabilities at the beginning of the year	4,791	5,416
Current service cost	25	38
Benefits paid	(274)	(268)
Interest on plan liabilities	243	201
Actuarial (gains)/losses	25	(596)
Present value of plan liabilities at the end of the year	4,810	4,791

Changes in the fair value of the plan assets for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	2023-24	2022-23
	£000	£000
Market value of plan assets at the beginning of the year	3,822	4,644
Contributions paid by the College (employer contribution)	46	43
Contributions paid by the College (employee contribution - salary exchange)	12	12
Benefits paid	(274)	(268)
Administrative expenses	(14)	(15)
Interest on plan assets	192	172
Return on assets, less interest included in Income and Expenditure	59	(766)
Market value of plan assets at the end of the year	3,842	3,822
Actual return on plan assets	251	(594)

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	2023-24	2022-23
Equities	46%	49%
Bonds and cash	42%	38%
Property	12%	13%
Total	100%	100%

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

Analysis of the measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	2023-24	2022-23
	£000	£000
Return on assets, less interest included in the Income and Expenditure	59	(766)
Expected less actual plan expenses	(2)	(3)
Experience gains and losses arising on plan liabilities	(37)	(403)
Changes in assumptions underlying the present value of plan liabilities	12	999
Remeasurement of net defined benefit liability recognised in OCI	32	(173)

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

Movement in net defined benefit asset/(liability) during the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	2023-24	2022-23
	£000	£000
Net defined benefit asset/(liability) at beginning of year	(969)	(772)
Recognised in Income and Expenditure	(88)	(80)
Contributions paid by the College	58	55
Remeasurement of net defined benefit liability recognised in OCI	32	(173)
Net defined benefit asset/(liability) at end of year	<u>(968)</u>	<u>(969)</u>

Funding Policy

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

The last such valuation was as at 31 March 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 3 June 2024 and are as follows:

Annual contributions of not less than £78,664 per annum payable for the period from 1 July 2024 to 31 March 2030.

These payments are subject to review following the next funding valuation, due as at 31 March 2026.

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Deficit recovery liability

The total (credit)/cost (released)/ charged to the income and expenditure account for the College and subsidiaries in 2023-24 is (£3,422k) (2022-23: £251k).

Deficit recovery contributions due within one year for the College are £111k (2022-23: £206k).

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provision basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income and expenditure account.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2023 (the valuation date), and was carried out using the projected unit method.

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

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below.

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap CPI assumption plus 0.05% Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%) CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme (continued)

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2023 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3FPA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a.10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	2023-24	2022-23
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

43. PRIOR YEAR RESTATEMENT

As a result of a restricted legacy of £1.7m received in 2022-23 being treated as endowment rather than restricted (as it should have been) in the 2022-23 financial statements, the 2022-23 restricted donations and new endowments figures on the Statement of Comprehensive Income and Expenditure have been restated. The 30 June 2023 endowment reserve and restricted reserve figures in the Balance Sheet have been restated.

The corresponding figures in the Statement of Changes in Reserves, Note 5, Note 32 and Note 33 have also been restated.

THE PRINCIPAL AND FELLOWS OF NEWNHAM COLLEGE

England & Wales - Charity number 1137512

Accounts

**NEWNHAM COLLEGE
CAMBRIDGE**



**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2023**

Registered Charity No. 1137512

Contents	page
PART 1: ANNUAL REPORT	
Introduction and Summary Financial Results	3
Professional Advisers	4
Charity Trustees	5
Objects and Public Benefit	6
Operating and Financial Review	8
Corporate Governance and Statement of Internal Control	19
Responsibilities of the College Council and the Governing Body	20
Independent Auditor's Report	21
PART 2: FINANCIAL STATEMENTS	
Statement of Principal Accounting Policies	24
Consolidated Statement of Comprehensive Income and Expenditure	32
Consolidated Statement of Changes in Reserves	33
Consolidated Balance Sheet	34
Consolidated Cash Flow Statement	35
Notes to the Accounts	36

INTRODUCTION

Newnham College is one of the 31 colleges in the University of Cambridge. It was founded in 1871, and received its Royal Charter in 1917. According to the College's Charter, Statutes and Ordinances, only women can be admitted as junior members (students) or elected as senior members (Fellows).

The College admits full-time undergraduates studying for the University's Tripos degree courses; and postgraduates (predominantly full-time, but some part-time) studying for Masters, PhD and other postgraduate degrees, diplomas and certificates. The total number of full-time students as at 1 December 2022 was 630 (2021: 649), comprising 5 foundation year students, 417 undergraduates and 208 postgraduates (2021: 0, 429, 220). There were also 17 part-time postgraduates (2021: 10) and 75 postgraduates writing up or under examination (2021: 60). The College's Governing Body had 61 Fellows as at 1 October 2023 (2022: 66), most of whom who are active in teaching and research within the University.

The College occupies a 17-acre site close to the centre of Cambridge, consisting of buildings built between 1875 and 2019, offering residential accommodation to more than 500 students, set in landscaped gardens. The buildings also house a library, teaching rooms, offices, shared eating spaces (dining hall, buttery, café), meeting rooms, common rooms and a gym.

The College is a Registered Charity, regulated by the Charity Commission; and is registered with the Fundraising Regulator.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which complies with the Further and Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

SUMMARY FINANCIAL RESULTS

The financial statements consolidate the activities of the College and the College's two subsidiaries: Newnham College Management Ltd and Newnham College Ltd (which is inactive).

Total operational income for the year was £10.33m (2021-22: £9.33m), which included £3.67m (2021-22: £3.57m) in academic fees; and £4.74m (2021-22: £4.09m) from accommodation, catering and conferences. In addition, £8.30m (2021-22: £4.58m) in donations and legacies was received; and £3.81m (2021-22: £3.46m) of endowment return was transferred following the College's total return rule. Whereas in 2021-2 the College reported a loss on investments of -£17.86m, in 2022-23 the equivalent figure is a gain of £5.47m.

Total operational expenditure for the year before pension provisions and loan interest payments was £14.24m (2021-22: £12.73m) including depreciation, or £12.53m (2021-22: £11.05m) excluding depreciation of £1.71m (2021-22: £1.68m). Of this £12.53m, 51% (£6.33m) was on staff costs (2021-22: 52%; £5.71m). The Statement of Comprehensive Income and Expenditure (SOCIE) shows total Expenditure of £15.53m (2021-22: £15.62m), including £0.28m (2021-22: £1.82m) in movement to pension provisions, and £0.99m (2021-22: £1.01m) in loan interest payments. In addition, a further £2.07m (2021-22: £0.99m) of capital expenditure is included in the balance sheet.

The College's investment portfolio was valued at £124.40m as at 30 June 2023 (30 June 2022: £112.68m); and the balance sheet and the cash flow statement show £2.64m of cash as at the same date (30 June 2022: £5.04m).

PROFESSIONAL ADVISERS

Auditors

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CB2 3PA

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Charity registration no. 1137512

CHARITY TRUSTEES

The members of the College Council act as the Trustees of the charity. The College Council meets at least nine times in a year (three times per term). In the financial year 2022-23 the following were members of the College Council:

Four College Officers *ex officio*

Miss Alison Rose	Principal; Chair of the Council
Dr Barbara Blacklaws	Vice-Principal
Professor Liba Taub	Senior Tutor (<i>until 30 September 2022</i>)
Dr Sheila Watts	Senior Tutor (<i>from 1 October 2022</i>)
Mr Christopher Lawrence	Bursar; Secretary of the Council

Eight Fellows elected by the Governing Body

As at 1 July 2022:

Dr Carol Atack
 Professor Helen Bao
 Dr Kate Fleet
 Dr Laurie Friday
 Dr Jenny Mander
 Professor Emma Mawdsley
 Dr Delphine Mordey
 Dr Sheila Watts

As at 30 June 2023:

Dr Carol Atack
 Professor Helen Bao
 Mrs Alice Benton
 Dr Kate Fleet
 Dr Laurie Friday
 Professor Emma Mawdsley
 Dr Delphine Mordey
and one vacancy

Three Junior Members elected by the MCR and JCR

As at 1 July 2022:

Hanna Doherty (JCR)
 Sangeet Jain (MCR)
 Alice Wood (JCR)

As at 30 June 2023:

Jasmine Conley (JCR)
 Zeynep Olgun (MCR)
 April Wells (JCR)

Governing Body

The Governing Body, comprising all Fellows of the College in Categories A to E, is required by the College Statutes to be responsible for the approval of the annual audited accounts. The Governing Body, which meets at least five times in a year, is chaired by the Principal and a Fellow is the Secretary. There were 61 Governing Body Fellows as at 1 October 2023.

A full list of the Governing Body Fellows can be found on the College website at:
www.newn.cam.ac.uk/people

OBJECTS

The College's objects as they appear in the Royal Charter were revised in 2019 and read:

- (a) To further public benefit by providing a liberal education and promoting learning and research through the provision of a college for women within the University of Cambridge.
- (b) To do all such other things as are incidental or conducive to advancing education and learning among women in Cambridge and elsewhere.
- (c) For the purposes above to receive and apply donations from persons desiring to promote the objects of the College.
- (d) To invest the moneys of the College not immediately required in any securities or investments which may from time to time be authorised for the purpose by the Council.

PUBLIC BENEFIT

The Trustees on appointment are provided with a link to the Charity Commission document 'Charities and Public Benefit: Summary Guidance for Charity Trustees', and are reminded at least annually of its recommendations and requirements. The College provided in 2022-23 an education for 630 (2021-22: 649) full-time students (foundation year students, undergraduates and postgraduates), in conjunction with the University of Cambridge, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group academic supervision for undergraduates;
- pastoral, administrative and academic support for all students through its tutorial and mentor systems; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research mainly by:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics both from other UK institutions and from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including special collections), thus providing a valuable resource for students and senior members of the College, members of other Colleges and the University of Cambridge more widely, and external scholars and researchers.

The Trustees are satisfied that the College remains compliant with its duty in regard to public benefit. The primary beneficiaries are the resident members of the College, both students and academic staff, all of whom are directly engaged in education, learning or research. Other beneficiaries include: students and academic staff from other colleges in Cambridge and the

PUBLIC BENEFIT (continued)

University of Cambridge more widely, visiting academics from other higher education institutions, and visiting schoolchildren and alumnae of the College who have an opportunity to attend educational events at the College or use its academic facilities. Members of the general public are also able to attend various educational activities in the College (such as public lectures).

As a College in the University of Cambridge the primary beneficiaries are academics and students of the University, all of whom need to meet high academic standards to be appointed or admitted and that requirement stands at the core of its nature. The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

OPERATING AND FINANCIAL REVIEW

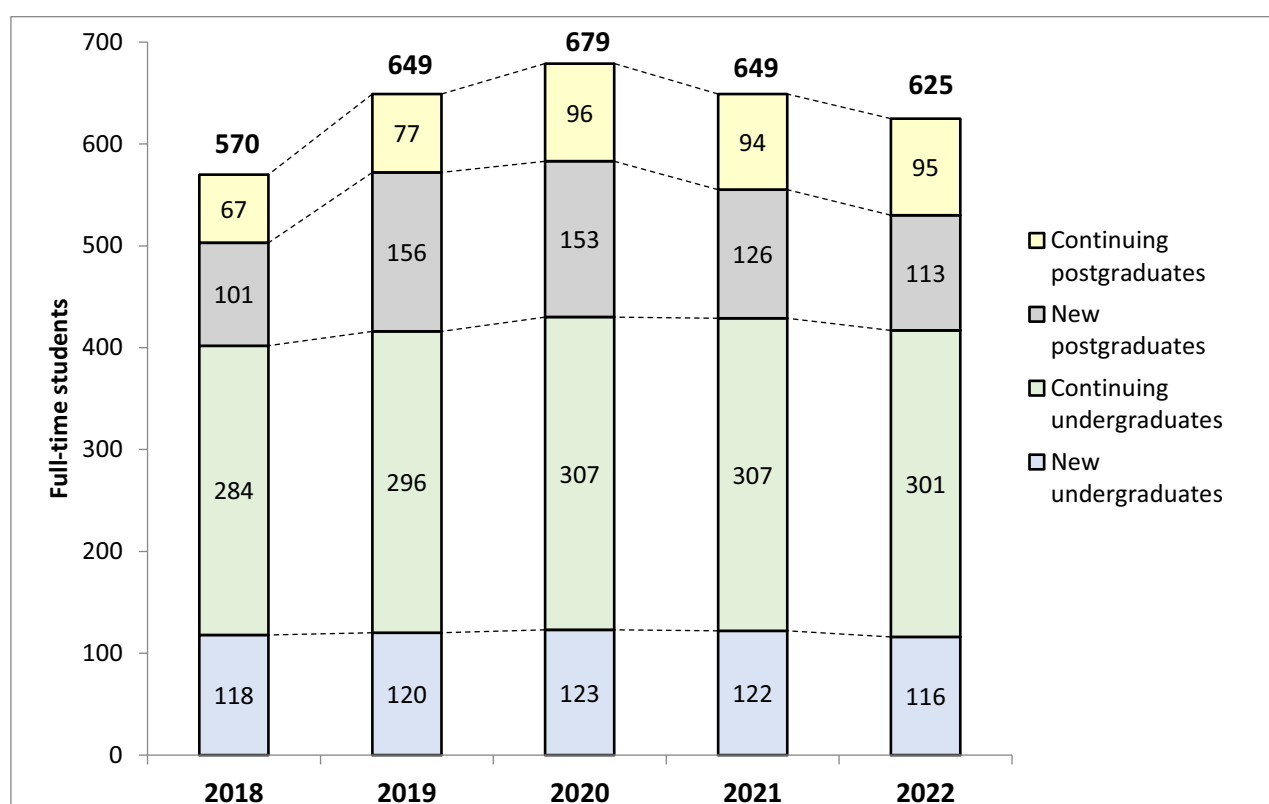
Contents	page
1. Student numbers	9
2. SOCIE: Income	10
3. SOCIE: Operating expenditure	13
4. SOCIE: Other expenditure	14
5. SOCIE: Gain/(loss) on investments	16
6. Capital expenditure	16
7. Balance sheet and Reserves	16
8. Cash flow	17
9. Reserves policy	17
10. Principal risks and uncertainties	17
11. Future plans	18

References in the text below to 'Notes' are to the 'Notes to the Accounts' on pages 36 to 57.

OPERATING AND FINANCIAL REVIEW

1. STUDENT NUMBERS

The biggest potential variable from one year to the next which affects operational income and expenditure is the size of the student body. The College admits foundation year, undergraduate and postgraduate students, and has a target of 655 full-time fee-paying students, made up of 5 foundation year students, 420 undergraduates and 230 postgraduates. The total number of full-time fee-paying students as at 1 December 2022 was 630, which represented a decrease from the previous year (649 in 2021), largely due to fewer postgraduates. This total comprised 5 foundation year students (0 in 2021); 417 undergraduates (429 in 2021), of whom 116 were new entrants (122 in 2021); and 208 full-time postgraduates (220 in 2021). The 208 postgraduates comprised 129 Doctoral students (141 in 2021), of whom 35 were new entrants (48 in 2021); and 79 non-Doctoral (predominantly Masters) students (79 in 2021). In addition there were 75 postgraduate students writing up/under examination (60 in 2021); and 17 part-time postgraduates (10 in 2021).



All figures as at 1 December of each year. Excludes Foundation Year students (5 in 2022).

The breakdown by fee status for 2021 and 2022 was as follows:

OPERATING AND FINANCIAL REVIEW (continued)

	2021	2022
Undergraduate - Home - New	101 (24%)	96 (23%)
Undergraduate - Home - Continuing	252 (59%)	252 (60%)
Undergraduate - International - New	21 (5%)	20 (5%)
Undergraduate - International - Continuing	55 (13%)	49 (12%)
Total	429	417
Foundation Year students	0	5
Postgraduate - Home - New	55 (25%)	42 (20%)
Postgraduate - Home - Continuing	59 (27%)	54 (26%)
Postgraduate - International - New	71 (32%)	71 (34%)
Postgraduate - International - Continuing	35 (16%)	41 (20%)
Total	220	208

Until 2020-21, EU students had the same fee status as UK students, known as 'Home'. As of the 2021-22 academic year new EU students have been charged the (higher) International rate, whereas continuing EU students who started in 2020-21 or earlier are still charged the Home rate. The effect of this change in fee status for EU students can most clearly be seen in the reduction in New Postgraduates paying the Home fee, a decrease from 81 in 2020 to 42 in 2022.

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE (SOCIE)**2. SOCIE: INCOME**

The first of the four financial statements is the Statement of Comprehensive Income and Expenditure (SOCIE). All income appears in this statement. Total income before donations and endowments was £10.33m (2021-22: £9.33m), and total income including donations and endowments was £18.64m (2021-22: £13.92m). The treatment of investment income and endowment return should be noted as explained in 2.3 below.

2.1 Academic fees and charges

Of the total of £3.67m (2021-22: £3.57m) under this heading, £3.25m (2021-22: £3.19m) was derived from student fees. These are set out in Note 1 to the accounts.

UK (and previously EU) undergraduates who are eligible for fee loans from the government-owned Student Loans Company (SLC) pay a regulated fee, which is currently £9,250 per annum for students admitted since September 2017. 50% of these fees are transferred to the University, and the College retains the other 50% (£4,625 per student). The total income to the College from this source was £1.57m (2021-22: £1.56m). The static nature of regulated undergraduate fee income (£9,000 per annum since 2012 and £9,250 since 2017) against a background of significantly increasing costs is highlighted as a 'principal risk and uncertainty' at the end of this review.

Non-UK undergraduates – and UK (and previously EU) undergraduates who are not eligible for SLC loans (generally as a result of having a first degree already) – pay an unregulated College fee, set by the College, in addition to their University fee (which varies by course). For first-year undergraduates in 2022-23, this College fee was £10,475 per annum, which remains unchanged for the duration of their course. The equivalent fees for undergraduates starting in prior years are: £9,975 (for 2021-22 starters), £9,500 (2020-21 starters) £8,700 (2019-20 starters), £8,100 (2018-19 starters) and £7,901 (2017-18 starters). The total income to the College from such students was £675k (2021-22: £670k).

OPERATING AND FINANCIAL REVIEW (continued)

Postgraduate students pay a variety of University fees, depending on fee status and on course choice; but there is no separate College fee in addition. The 31 colleges collectively receive a share of the total postgraduate fees to the University (25%, up to a cap), which is redistributed on a per capita basis. This resulted in a fee of £4,761 per postgraduate student in 2022-23 (2021-22: £4,472), amounting to a total to the College of £1.01m (2020-21: £961k).

As well as student fees as set out above, the College received £103k (2021-22: £107k) from other colleges in return for Newnham academics supervising undergraduates from those colleges and for shared academic appointments. £250k (2021-22: £268k) was received as the external contribution to total awards of £392k (2021-22: £392k) paid through the Cambridge Bursary Scheme and the associated Top-Up Bursary Scheme. £64k was received from the Foundation Year bursary scheme (2021-22: £0k).

2.2 Accommodation, catering and conferences

The total of this source of income was £4.74m (2021-22: £4.09m), as set out in Note 2 to the accounts. The line in Note 2 'Accommodation – College members' shows income of £3.22m from student rents (2021-22: £3.10m). Undergraduate rents were £165 per week (2021-22: £158) and postgraduate rents ranged from £142 to £172 per week (2021-22: £135-£165).

The take-up of the College's catering offer (Buttery, Café, Formal Halls) by our students is set out in the line in Note 2 'Catering – College members', which shows income of £796k, compared with £708k in 2021-22.

The Conference business (summer schools, weddings and private events as well as conferences) continued its post-Covid recovery with income of £717k (2021-22: £280k).

2.3 Investment income and Endowment return transferred

The SOCIE has two lines for these sources of income, 'Investment income' and 'Endowment return transferred'. Note 3 sets out further detail. This is an area of the accounts which requires some explanation.

The first line 'Investment income' shows unrestricted income of £1.76m (2021-22: £1.21m). Note 3a shows that £1.52m (2021-22: £1.11m) came from distributions from the Cambridge University Endowment Fund (CUEF). The remaining £233k (2021-22: £102k) is from commercial rental income and bank interest.

The second line 'Endowment return transferred' requires explanation:

The total 'Gain/(loss) on investments' in the year is shown lower down the SOCIE and shows a gain in value of £5.47m (compared with an exceptional loss in 2021-22 of -£17.86m). The College operates a total return policy which smooths the distribution across a five-year period to acknowledge that there will be peaks and troughs of investment performance, as illustrated across the last three years (there having been an exceptional gain of £28.60m in 2020-21).

The total return policy makes available for spending an amount based on the average value of the units in the investment portfolio (excluding directly held investment properties) over the preceding five years, which allows for a smoothed approach to drawing down income. At 1 July 2022 there were 5,749,412 units held in the investment portfolio, with a unit value of £19.74 and a total value of £113.52m (At 1 July 2021 there were 5,603,754 units held in the investment portfolio, with a unit value of £23.35 and a total value of £130.85m.)

OPERATING AND FINANCIAL REVIEW (continued)

The average value of the units over the five years preceding 1 July 2022 was £18.94, so when the drawdown rate of 3.5% as stipulated in the policy was applied to this unit value (£18.94) and the number of units held (5,749,412), the result was a return of £3.81m. (In 2021-22 the equivalent return was £3.46m.)

This figure of £3.81m is shown in the Income line in the SOCIE as ‘Endowment return transferred’, split between £1.68m Unrestricted and £2.13m Restricted. However, following an accounting requirement this £3.81m is excluded from the ‘Total income before donations and endowments’, by including a negative matching figure of £3.81m in the ‘Endowment’ column. Thus this ‘Endowment return transferred’ line is netted off to zero in the Income section of the SOCIE.

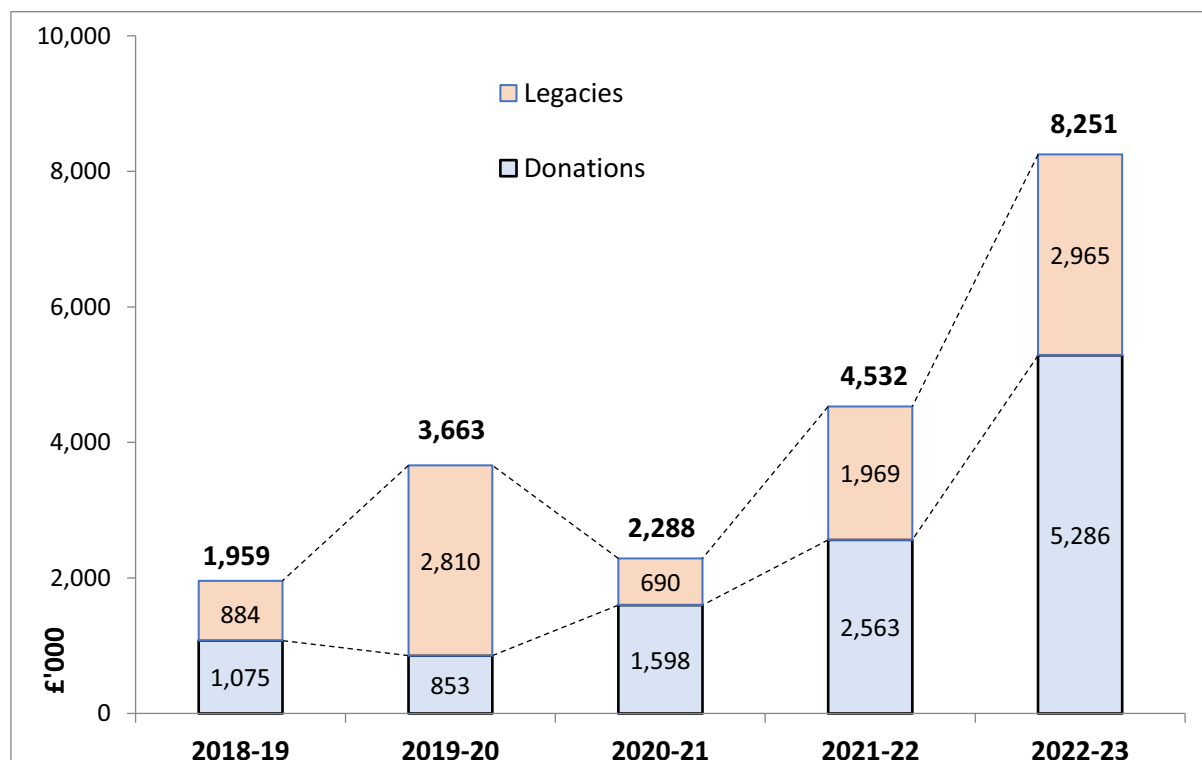
2.4 Other income

Other income of £171k (2021-22: £462k) is set out in detail in Note 4. The main reduction relates to the research grant from the DfID/FCDO (previously the Department for International Development, now the Foreign, Commonwealth & Development Office) which was completed in the previous financial year (£0k in 2022-23; £189k in 2021-22).

There was £34k of income relating to Roll & Development events (2021-22: £77k); £47k of external contributions towards salary costs (2021-22: £83k); and £11k (2021-22: £61k) of other income. In addition, £79k (2021-22: £52k) of VAT was recovered.

2.5 Donations and new endowments

Total donations and new endowments of £8.30m were received, as set out in Note 5. This was a significant increase on 2021-22 (£4.58m) and the previous three years as shown in this chart (which excludes an annual release from deferred capital grants of £51k):



OPERATING AND FINANCIAL REVIEW (continued)

This chart shows the unpredictability of donation and legacy income while also highlighting the importance of this source of income. The College has been very fortunate to benefit in this way from the generosity of alumnae, and remains very grateful for this support. Such philanthropic income underpins the College's continued ability to fulfil its mission: the advancement of education, learning and research.

3. SOCIE: OPERATING EXPENDITURE

The SOCIE shows operational expenditure, but excludes capital expenditure (see section 6 below). The categories of expenditure are prescribed by the RCCA format. Each line of expenditure includes a mix of Staff costs (direct and indirect) and Non-staff costs (direct and indirect). A series of breakdowns within Notes 6 to 19 sets out much of the detail.

Total operating expenditure for the year was £14.24m (2021-22: £12.73m), or £12.53m (2021-22: £11.05m) excluding depreciation of £1.71m (2021-22: £1.68m). As of 2021-22, buildings are now depreciated over 65 years rather than 100 years.

The total of £14.24m breaks down as £6.86m on Education (2021-22: £6.01m); £6.91m on Accommodation, catering and conferences (2021-22: £5.98m); and £474k on Other (2021-22: £746k). Notes 6a and 6b set out the detail.

3.1 Education

Notes 7 to 9 give detailed breakdowns of the £6.86m of expenditure on education. A significant part of the College's education costs relate to the teaching of undergraduates, in particular undergraduate supervisions, the small-group teaching that is a feature of Cambridge (whereas the costs of providing lectures fall to the University), and Note 7a shows a total cost for Teaching of £2.34m (2021-22: £2.09m). This includes £140k towards the salary costs of shared University Teaching Officer (UTO) posts in Classics, English, Law and Maths.

The next biggest element of education expenditure was on Scholarships and awards (for both undergraduates and postgraduates), which came to £1.92m (2021-22: £1.68m). The College is fortunate to be in a financial position to make such awards, which are largely funded by philanthropy. Note 9 gives a useful breakdown of such awards.

All students, both undergraduate and postgraduate, have a personal Tutor who is responsible for providing non-academic support. The cost of such Tutors is included within the line 'Tutorial' and the total cost of the Tutorial and Admissions activities as shown in Note 7a came to £1.64m (2021-22: £1.48m). Research costs come under the heading of Education, and such costs came to £684k (2021-22: £520k), which includes the employment costs of stipendiary Junior Research Fellows.

3.2 Accommodation, catering and conferences

Note 6a shows how the total costs of £6.91m (2021-22: £5.98m) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Direct staff costs are split between Catering and Conferences in Note 10, and direct non-staff costs are split between Catering and Conferences in Note 11. Accommodation-related costs such as Housekeeping staff are included within the indirect staff costs, because these costs are split across more than one activity.

3.3 Other expenditure

Note 6a shows how total costs of £474k (2021-22: £746k) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Note 12 gives a breakdown of the direct staff

OPERATING AND FINANCIAL REVIEW (continued)

costs, which mainly relate to the Margaret Anstee Centre and the Skilliter Centre. Note 13 shows the direct non-staff costs.

3.4 Staff costs

Staff costs include salaries, National Insurance, and pension costs.

The three expenditure areas (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct staff costs and indirect staff costs. Staff costs are analysed in various ways in the Notes. Notes 6a and 17a show how total staff costs of £6.33m (2021-22: £5.71m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 8 (Education), Note 10 (Accommodation, catering and conferences) and Note 12 (Other) on the direct staff costs in each of those expenditure areas. It is to Note 18 that the reader must turn to understand all the other elements of staff costs which are allocated across the three expenditure areas. Note 18 shows the cost of departments such as Housekeeping, Maintenance, Porters' Lodge, Gardens, Bursary, Development and Communications.

Further analysis is given in Note 20, which shows pensions costs of £860k (2021-22: £781k) and National Insurance costs of £376k (2021-22: £338k), on top of salary costs of £4.83m (2021-22: £4.32m). Headcount figures (both FTE and non-FTE) are shown. These include casual staff as well as permanent staff.

3.5 Non-staff costs

The three lines (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct non-staff costs and indirect non-staff costs. Non-staff costs are analysed in various ways in the Notes. Note 6a shows how total non-staff costs of £7.91m (including depreciation of £1.71m) (2021-22: £7.02m, including depreciation of £1.68m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 9 (Education), Note 11 (Accommodation, catering and conferences) and Note 13 (Other) on the direct non-staff costs in each of those expenditure areas. Note 19 sets out the totals for the indirect non-staff costs.

Among the indirect non-staff costs of £2.81m (2021-22: £2.48m), the largest area of expenditure was utilities (electricity, gas, water) at £723k (2021-22: £517k). The College buys its gas and electricity through a consortium of colleges, with price fixes and hedges in place to counter fluctuations in prices. Even with such purchasing strategies in place, prices have increased by 96% since 2020-21.

The next largest cost was maintenance, at £611k (2021-22: £555k). This excludes capital expenditure, which does not appear in the SOCIE but is shown in Note 24 to the Balance Sheet.

4. SOCIE: OTHER EXPENDITURE

As well as £14.24m (2021-22: £12.73m) of operating expenditure, the total expenditure of £15.53m (2021-22: £15.62m) includes three other lines as described below.

4.1 Movement to pension provisions

The College participates in two defined benefit pension schemes, the Cambridge Colleges Federated Pension Scheme (CCFPS), and the Universities Superannuation Scheme (USS). As at 30 June 2023 there were 3 active members in CCFPS and 147 active members in USS (30 June 2022: 3 in CCFPS, 136 in USS). The funding position of these two schemes are set out in detail in notes 42a (CCFPS) and

OPERATING AND FINANCIAL REVIEW (continued)

42b (USS). Pensions represent a significant cost to the College: employer contributions of £915k were made in the year (see Note 21) (2021-22: £781k).

The total figure for the movement to pension provisions included under Expenditure in the SOCIE is £276k (2021-22: £1.82k). This comprises £25k for the CCFPS scheme and £251k for the USS scheme (2021-22: £31k for CCFPS, £1.79m for USS).

In relation to CCFPS, the actuarial consultants Cartwright Group Ltd are engaged to report on the financial position of the scheme at the year end. They have calculated a total liability of £970k as at 30 June 2023 (30 June 2022: £772k). Of this increase of £198k, £25k is recognised as expenditure (within the £276k as above) and £173k is recognised under 'Other comprehensive income'.

In relation to USS, the provision in this year's accounts is based on the 31 March 2020 actuarial valuation (which was the last formal completed actuarial valuation as at 30 June 2023) as the basis to use to model the liability as at the year end. (The 31 March 2023 actuarial valuation had not yet been formally completed at the time of these accounts, but the early indicators are very positive.) This resulted in a provision of £3.42m (2021-22: £3.17m), an increase of £0.25m, which is recognised as expenditure.

The combined CCFPS and USS pension provision as shown on the balance sheet and in Notes 21 & 31 was £4.39m as at 30 June 2023, an increase of £449k on the equivalent figure of £3.94m at 30 June 2022.

4.2 Loan interest payable

The College needs to repay loan interest in the order of £1m every year for a number of years (see Notes 22 and 30). The figure of £987k for 2022-23 (2021-22: £1.01m) comprises £162k for the Buttery/Kitchen loan (2021-22: £182k) and £825k for the two private placement bonds (2021-22: £824k) as described below.

The College took out a 25-year bank loan in 2007 to fund the Buttery/Kitchen project, repayable in 2032. In addition to the interest costs of £162k (2021-22: £182k), capital repayments of £270k were made (2021-22: £251k). The remaining balance on the loan at the end of the year was £3.07m (30 June 2022: £3.34m).

The College issued two private placement bonds, one for £11.58m in 2013 and one for £7.00m in 2014, with three repayment dates in 2043, 2044 and 2053, and the combined coupon (interest) payments come to £825k per year. These are set out in Note 30.

The proceeds of these private placements were used to part-fund the new Dorothy Garrod Building and its associated fixtures and fittings, which cost a combined total of £34.87m. The coupon payments on these two private placements will therefore remain £825k per year until 2043 (when the first £6.43m of capital has to be repaid). Reduced coupon payments will then continue until 2053 (when the final £5.15m of capital has to be repaid).

4.3 Contribution to the Colleges Fund

The Colleges Fund is a scheme whereby the wealth of all 31 colleges is assessed each year. The better-endowed colleges pay into a central fund, which is then disbursed to the less-well-endowed colleges. Note 23 shows that Newnham College's contribution to this fund was £22k, which was a return to normal levels after the previous year's contribution of £63k as a result of including two years' worth of contributions in the one financial year.

OPERATING AND FINANCIAL REVIEW (continued)

5. SOCIE: GAIN/(LOSS) ON INVESTMENTS

The total 'Gain/(loss) on investments' in the year shows a gain in value of £5.47m (compared with an exceptional loss in 2021-22 of -£17.86m), as shown in Note 3. The College's total return policy smooths the distribution across a five-year period to acknowledge that there will be peaks and troughs of investment performance, as illustrated across these two years. The College is a perpetual investor, taking a very long-term view of its investment portfolio, and such shorter-term increases and decreases in value are to be expected.

One-year shifts in the gain/loss on investments can obscure the true financial picture. If one compares the line 'Total income before donations and endowments' showing £10.33m (2021-22: £9.33m) with the line 'Total operating expenditure' showing £14.24m (2021-22: £12.73m), this shows a deficit of £3.91m and one starts to understand clearly that there is a fundamental mismatch between operating income and operating expenditure. The College's economic model relies on investment gains and philanthropy to bridge that gap. The total return policy that calculates the annual drawdown from the College's investments is set out in 2.3 above (£3.81m in this year), and it is this regular, annual drawdown that allows the College to carry an operational deficit each year. Hence the bottom line of the SOCIE – 'Total comprehensive income for the year' – needs to be interrogated closely for a true understanding of the College's finances, especially in a year when there is an exceptional 'Unrealised surplus on the revaluation of fixed assets' of £15.53m (2021-22: £0) contributing to 'Total comprehensive income for the year' of £23.94m (2021-22: -£19.13m). The latter figure could easily be misinterpreted.

Investments are considered in more detail in 7.2 below.

6. CAPITAL EXPENDITURE

The Statement of Comprehensive Income and Expenditure (SOCIE) is not in fact comprehensive in terms of expenditure, since capital expenditure is excluded. It is to the first line of the Balance Sheet, and its related Note 24 (Fixed Assets), that one turns to see the capital expenditure in the year. This shows Additions of £2.07m (2021-22: £985k) including £1.35m on the major refurbishment of two postgraduate houses (Eva Smith and Whitstead); £0.6m on Peile Hall; with the remainder on the Rare Books Library, IT/AV equipment, library books and preparatory work for a new temporary boathouse.

7. BALANCE SHEET AND RESERVES

After the SOCIE, the next two statements in the accounts are the Statement of Changes in Reserves and the Balance Sheet. Starting with the Balance Sheet:

7.1 Fixed assets

Note 24 sets out the movements in this asset class. The capital expenditure in the Additions line has been explained in section 7 above. The Disposals figure of £9k (2021-22: £22k) was for the writing-off of library books.

7.2 Investments

Note 25 shows investments of £124.40m (2021-22: £112.68m), with £111.63m (90%) held in quoted equities (2021-22: £100.64m). The unit value in the investment portfolio (see 2.3 above) at 30 June 2023 was £20.24, an increase of 2.5% on the opening unit value of £19.74.

OPERATING AND FINANCIAL REVIEW (continued)

The total investment portfolio (including directly-owned property) was made up follows:

	30 June 2023	30 June 2022
Equities	69.5%	69.3%
Bonds	2.4%	2.1%
Property	11.2%	11.7%
Private equity	9.9%	10.7%
Absolute return	7.0%	6.2%
Total	100%	100%

As at 30 June 2023, 31% (2022: 30%) of the portfolio was passively managed, and 69% (2022: 70%) was actively managed. The passive part of the portfolio was held in two funds managed by State Street Global Advisors; and the active part of the portfolio was managed by the following: Baillie Gifford (Sustainable Growth Fund), Cambridge University Endowment Fund (CUEF), Partners Capital, Cambridge Associates (Cambridge University Feeder Fund) and Savills (Charity Property Fund).

The total return on the investment portfolio (excluding directly-owned property) was 5.9%.

7.3 Statement of Changes in Reserves

The Balance Sheet and the Statement of Changes in Reserves show total reserves increasing from £235.26m (at 30 June 2022) to £260.47m (at 30 June 2023). This increase is mainly attributed to the unrealised surplus on the revaluation of fixed assets (buildings).

8. CASH FLOW

The fourth and final statement in the accounts is the Cash Flow Statement. This shows a decrease of £2.40m in cash over the year from £5.04m to £2.64m. The cash flow is explained in detail in Notes 34 to 36.

9. RESERVES POLICY

Newnham's unrestricted reserves at the year end amounted to £167.83m (2022: £152.96m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. Restricted reserves at the year end amounted to £91.32m (2022: £82.30m) and are represented in the balance sheet by endowment funds for a number of educational purposes, as set out in Notes 32 and 33. The College Council believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The College Council is mindful to maintain an equitable balance between the interests of current members of the College and future generations ('intergenerational equity').

10. PRINCIPAL RISKS AND UNCERTAINTIES

As this report is written in the Michaelmas term 2023, a fresh intake of undergraduate and postgraduate students has arrived, and a new term has started.

In recent years, students have been affected not only by Covid-19 but also by industrial action by members of the University & College Union (UCU). This has taken various forms: a marking and

OPERATING AND FINANCIAL REVIEW (continued)

assessment boycott has recently been called off, meaning that students (both undergraduate and postgraduate) who were due to graduate in the summer of 2023 will now be able to do so in the autumn. A boycott of the undergraduate supervision system had also been threatened, but was subsequently suspended. However, industrial relations in the sector remain fragile. One positive bit of news has been the improved funding position of the USS pension scheme, which had been the initial cause of the original industrial action: this will result in a combination of improved benefits and lower contribution rates.

Inflation has remained high – but falling – over the past year, and CPI stood at 6.7% in the year to August 2023, down from 10.1% the year before. High inflation affects every member of the College community (and their families), and every aspect of the College’s operations. There are limits to the pay increases the College can offer as an employer, and there are limits to the increases in charges that the College can pass on to its consumers, in particular its students.

Uncertainty over energy costs has affected everyone including organisations such as Newnham College, and although the College is part of an intercollegiate buying consortium which negotiates a mixture of fixed-price contracts and traded contracts, all this achieves is short-term certainty rather than any long-term immunity from significant price increases. The College’s plans to degasify the estate become even more pressing and have continued with another (a third) postgraduate house being degasified and moved on to our air-source heat pumps; however the focus of this strategy is more about reducing our carbon footprint than reducing costs. The real challenge in relation to the degasification strategy is how best to approach the various Champneys buildings from the late Victorian and Edwardian eras, both in terms of reducing the demand (through improved insulation) and changing the heat source (from gas boilers to either air-source or ground-source heat pumps, or indeed exploring other heat sources).

The regulated fee paid by most of our undergraduates has remained at £9,250 per year since 2017, having been £9,000 since 2012. This means that the value has eroded in real terms each year, against a background of rising costs for the university sector. This remains a key risk to the whole sector. From the perspective of students, the maintenance loans available have not kept up with inflation, and do not come close to covering the annual living costs of being a student.

11. FUTURE PLANS

The major ‘Shaping Newnham’s Future’ £25m fundraising campaign during the remainder of Alison Rose’s Principalship continues. The three themes of the campaign are: (i) supporting academic learning and research; (ii) supporting our students; and (iii) achieving carbon net zero.

The programme of refurbishment of the College’s buildings continues, with a focus on energy conservation and energy supply. Three postgraduate houses have now been degasified by switching to air-source heat pumps, and this represents the first step in a long-term programme of energy-efficiency projects, which will be supported by funds raised under theme (iii) of the campaign as above. Such refurbishment projects are not solely about energy, however, and are equally about improving the College as an environment in which to live, work and study.



Mr Christopher Lawrence
Bursar

16 November 2023

CORPORATE GOVERNANCE

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

The College is a registered charity (registered number 1137512) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.

The Trustees are advised in carrying out their duties by a number of Committees, including: Academic Planning, Buildings Estate, Development, Environmental & Sustainability, Finance, Grants & Awards, IT, Library, Safety, and Stipends & Benefits.

The principal College officers are the Principal, Vice-Principal, Senior Tutor and Bursar.

It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of the external Auditor; to consider reports submitted by the Auditor; to monitor the implementation of recommendations made by the Auditor; to monitor risk management and control arrangements; and to make regular reports to the Trustees by way of minutes of its meetings. Membership of the Finance Committee includes all the principal College officers, the Domestic Bursar, and other members of the Governing Body.

There is a Register of Interests of Trustees. Declarations of interest are made systematically at all Governing Body, Council and Committee meetings. The College's Trustees during the year ended 30 June 2023 are set out on page 5.

STATEMENT OF INTERNAL CONTROL

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

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

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 up to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the system of internal control.

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

RESPONSIBILITIES OF THE COLLEGE COUNCIL AND THE GOVERNING BODY

The College Council is responsible for preparing the financial statements each year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by Recommended Cambridge College Accounts. The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In accordance with the College's Statutes, the College Council is responsible for the administration and management of the College's affairs. It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept which disclose with reasonable accuracy at any time the financial position of the College.

Statute XIX ('Accounts and Audit') in the College's Statutes sets out the Governing Body's responsibilities in relation to the accounts, including the appointment of the auditors. Clause 5 of Statute XIX states: "A meeting of the Governing Body shall be called to pass the accounts as soon as may be convenient in the Michaelmas Term."

In causing the financial statements to be prepared, the College Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The College Council is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The College Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud and other irregularities. Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY

For the Year Ended 30 June 2023

Opinion

We have audited the financial statements of Newnham 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).

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 Governing Body's 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 Governing Body with respect to going concern are described in the relevant sections of this report.

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 Governing Body is 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

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY (continued)

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 the Governing Body

As explained more fully in the Governing Body's responsibilities statement set out on page 20, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is 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 Governing Body either intends to liquidate the group or the College or to cease operations, or has 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.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY (continued)

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:

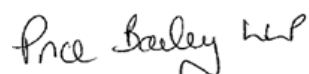
- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed minutes of Finance, College Council and Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organisation.
- 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.

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 Governing Body 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: 05 December 2023

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Consolidated 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 7.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings are set out in Note 38. Intra-group balances are eliminated on consolidation. The activities of student societies have not been consolidated.

A separate balance sheet and related notes for the College are not included in the accounts because the subsidiary companies donate their profits to the College each year. The balance sheet for the College alone would not be materially different from the one included in the accounts.

Recognition of income

Academic fees

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

Grant income

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

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

Donations and Endowments

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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

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

Legacy Income

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the College is aware that probate has been granted and either: the estate has been finalised, final estate accounts have been received and notification has been made by the executors to the College that a distribution will be made; or when a notification has been made by the executors to the College of an intention to make a distribution prior to the end of the financial year and subsequently that distribution is received from the estate after the year end. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income and change in value of investment assets

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

Total return

A total return policy is applied to the College's investment in securities. A unitised approach is taken with the investment portfolio, and the units are revalued each quarter taking account of investment performance. Under this total return policy, the average of the unit values at the end of each quarter for the preceding five years is calculated. 3.5% of this average unit value is applied to the number of units held at 1 July, and this is the amount of endowment return transferred shown as income in the Statement of Comprehensive Income and Expenditure. The whole total return is shown in the same statement as the gain/(loss) on investments.

Other income

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

Cambridge Bursary Scheme and CBS Top-up Bursary Scheme

In 2022-23, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received contributions from the University of Cambridge and from Trinity College towards this payment. There is also a Top-up Bursary Scheme, also supported by Trinity College.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The net payment by the College of £142k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	(Note 1)	£250k	(2021-22: £268k)
Expenditure	(Note 9)	£392k	(2021-22: £392k)

Foreign currency translation

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

Tangible fixed assets*Land and buildings*

The buildings on the College's main site have been treated as tangible fixed assets and valued on the basis of their depreciated replacement cost. A valuation on 30 June 2023 was carried out by Gerald Eve LLP. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 65 years (previously this was 100 years). On revaluation, the expected life of a building is re-set to 65 years. Freehold land is not depreciated and the value of the land comprising the College's main site is included in the balance sheet.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

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

Maintenance of properties

The cost of routine maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred.

Furniture and equipment

Furniture and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Books, equipment, furniture and fittings	5%, 10% and 25% per annum
Catering heating and ventilation equipment	5% per annum
Major computer software	10% per annum
Computer equipment	25% per annum

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)*Heritage Assets*

The College holds and conserves a number of collections, artefacts and other assets of historical, artistic or scientific interest. Heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt, to the extent to which they are material. Heritage assets have not been depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

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

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

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

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

Financial Liabilities

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

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

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

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

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

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Taxation**

The College is a registered charity (number 1135712) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

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

Pension schemes

The College participates in the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The schemes are both defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The assets and liabilities of the CCFPS are held separately. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The assets of the USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Employment benefits

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

Reserves

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Critical Accounting Estimates and Judgements**

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in Note 9.

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Notes 42a and 42b.

Management are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 42b. It should be noted, however, that the early indications from the 2023 valuation (not yet completed) are that such a provision will not be necessary in next year's accounts.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the Universities Superannuation Scheme. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Going concern

The College's Finance Committee and Council have reviewed the budget for 2023-24 and also a five-year projection through to 2028-29. At the start of the 2023-24 academic year, student numbers are largely on target, and therefore both fee income and accommodation income are on target. Conference business is back at pre-Covid levels.

As a result of its assessment of the College's overall financial situation, the College Council has confirmed the College's ability to continue in operation and on that basis it has adopted the going concern assumption within these financial statements. The College Council confirms the College's ability to continue as a going concern.

Consolidated Statement of Comprehensive Income and Expenditure
Year Ended 30 June 2023

Income	Note	2022-23			2021-22				
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Academic fees and charges	1	3,357	314	-	3,670	3,300	268	-	3,568
Accommodation, catering and conferences	2	4,737	-	-	4,737	4,090	-	-	4,090
Investment income	3	1,755	-	-	1,755	1,212	-	-	1,212
Endowment return transferred	3	1,684	2,128	(3,811)	-	1,514	1,942	(3,456)	-
Other income	4	171	-	-	171	462	-	-	462
Total income before donations and endowments		11,703	2,441	(3,811)	10,333	10,578	2,210	(3,456)	9,332
Donations	5	884	1,652	-	2,536	3,425	253	-	3,678
New endowments	5	-	-	5,766	5,766	-	-	905	905
Total donations and endowments		884	1,652	5,766	8,302	3,425	253	905	4,583
Total income		12,587	4,093	1,955	18,635	14,003	2,463	(2,551)	13,915
Expenditure									
Education	6,7,8,9	3,861	2,997	-	6,857	3,839	2,167	-	6,006
Accommodation, catering and conferences	6,10,11,14	6,909	-	-	6,909	5,978	-	-	5,978
Other expenditure	6,12,13	474	-	-	474	746	-	-	746
Total operating expenditure		11,244	2,997	-	14,240	10,563	2,167	-	12,730
Movement to pension provisions	21,31	276	-	-	276	1,818	-	-	1,818
Loan interest payable	22	987	-	-	987	1,006	-	-	1,006
Contribution to Colleges Fund under Statute G,II	23	22	-	-	22	63	-	-	63
Total expenditure		12,529	2,997	-	15,526	13,450	2,167	-	15,617
Surplus/(Deficit) before other gains and losses		58	1,097	1,955	3,109	553	296	(2,551)	(1,702)
Gain/(loss) on investments	3	(374)	377	5,469	5,473	(9,091)	(2,739)	(6,029)	(17,859)
(Deficit)/Surplus for year		(316)	1,474	7,424	8,582	(8,539)	(2,443)	(8,580)	(19,562)
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		15,531	-	-	15,531	-	-	-	-
Actuarial (loss)/gain in respect of pension schemes	21,31	(173)	-	-	(173)	436	-	-	436
Total comprehensive income for the year		15,043	1,474	7,424	23,940	(8,102)	(2,443)	(8,580)	(19,125)

The notes on pages 36 to 59 form part of these accounts.

Consolidated Statement of Changes in Reserves**Year Ended 30 June 2023**

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted £000	Restricted £000	Endowment £000		
At 1 July 2022	65,661	15,277	67,023	87,298	235,259
(Deficit)/surplus from income and expenditure statement	(316)	1,474	7,424	-	8,582
Other comprehensive expenditure	(173)	-	-	-	(173)
Revaluation of fixed assets	2,066	-	-	13,466	15,531
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	894	-	-	(894)	-
Movement between Funds	(122)	122	-	-	-
At 30 June 2023	67,960	16,874	74,447	99,869	259,150
At 1 July 2021	72,939	17,720	75,603	88,173	254,435
(Deficit) from income and expenditure statement	(8,539)	(2,443)	(8,580)	-	(19,562)
Other comprehensive income	436	-	-	-	436
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	875	-	-	(875)	-
At 30 June 2022	65,661	15,277	67,023	87,298	235,258

Consolidated Balance Sheet**At 30 June 2023**

	Note	2023 £000	2022 £000
Non-current assets			
Fixed assets	24	158,696	142,807
Investments	25	124,404	112,679
Total non-current assets		<u>283,100</u>	<u>255,486</u>
Current assets			
Stocks	26	89	80
Trade and other receivables	27	856	1,794
Cash and cash equivalents	28	2,637	5,038
Total current assets		<u>3,582</u>	<u>6,912</u>
Creditors: amounts falling due within one year	29	(1,779)	(1,543)
Net current assets		<u>1,803</u>	<u>5,369</u>
Total assets less current liabilities		<u>284,903</u>	<u>260,855</u>
Creditors: amounts falling due in more than one year	30	(21,362)	(21,654)
Provisions			
Pension provisions	31	(4,391)	(3,942)
Total net assets		<u><u>259,150</u></u>	<u><u>235,259</u></u>
Restricted reserves			
Income and expenditure reserve - endowment reserve	32	74,447	67,023
Income and expenditure reserve - restricted reserve	33	16,874	15,277
		<u>91,321</u>	<u>82,300</u>
Unrestricted reserves			
Income and expenditure reserve - unrestricted		67,960	65,661
Revaluation reserve		99,869	87,298
		<u>167,829</u>	<u>152,959</u>
Total reserves		<u><u>259,150</u></u>	<u><u>235,259</u></u>

These financial statements were approved by Newnham College Governing Body on 16 November 2023 and signed on its behalf by:

Miss Alison Rose (Principal)



Mr Christopher Lawrence (Bursar)



The notes on pages 36 to 59 form part of these accounts.

Consolidated Cash Flow Statement

Year Ended 30 June 2023

	Note	2022-23	2021-22
		£000	£000
Net cash inflow from operating activities	34	5,388	669
Cash flows from investing activities	35	(6,532)	3,332
Cash flows from financing activities	36	(1,257)	(1,257)
(Decrease)/increase in cash and cash equivalents in the year		(2,401)	2,744
Cash and cash equivalents at beginning of the year		5,038	2,294
Cash and cash equivalents at end of the year		2,637	5,038

The notes on pages 36 to 59 form part of these accounts.

Notes to the Accounts

1. ACADEMIC FEES AND CHARGES		2022-23	2021-22
		£000	£000
College fees:			
Fee income received at the Regulated Undergraduate rate (a)		1,569	1,562
Fee income received at the Unregulated Undergraduate rate (b)		675	670
Fee income received at the Postgraduate rate (c)		1,009	961
		<u>3,253</u>	<u>3,193</u>
Recoveries from other Colleges - teaching		53	61
Recoveries - shared appointments		50	46
Contribution towards Cambridge Bursary & Top-up Schemes		250	268
Contribution towards Foundation Year Scheme		64	-
		<u>3,670</u>	<u>3,568</u>
(a) fee per student: £4,625 for undergraduates starting since 2017-18			
(a) fee per student: £10,475 for undergraduates starting in 2022-23 (2021-22: £9,975; 2020-21: £9,500; 2019-20: £8,700)			
(c) fee per student: £4,761 (2021-22: £4,472)			
2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES		2022-23	2021-22
		£000	£000
Accommodation	College members	3,224	3,102
	Conferences	411	141
Catering	College members	796	708
	Conferences	306	139
		<u>4,737</u>	<u>4,090</u>
3. INVESTMENT RETURN AND INVESTMENT INCOME		2022-23	2021-22
		£000	£000
3a. Analysis			
Total return contribution (see note 3b)		3,811	3,456
Quoted securities		-	-
CUEF distributions		1,522	1,110
Freehold land and buildings		177	100
Interest		56	2
Less: Excess of total return over investment income received		(3,811)	(3,456)
		<u>1,755</u>	<u>1,212</u>
3b. Summary of total return			
Income from:			
Freehold land and buildings		177	100
Quoted and other securities and cash		1,578	1,112
		<u>1,755</u>	<u>1,212</u>
Gains on investment assets			
Quoted and other securities (see note 25)		5,199	(17,832)
Properties		311	-
Revaluation of USD bank account		(1)	2
Investment management costs - quoted securities (see note 3c)		(36)	(29)
		<u>5,473</u>	<u>(17,859)</u>
Total return for the year		<u>7,227</u>	<u>(16,648)</u>
Total return transferred to income and expenditure reserve (see note 3a)		(3,811)	(3,456)
Total return for year included within Statement of Comprehensive Income and Expenditure		<u>3,416</u>	<u>(20,104)</u>

Notes to the Accounts

3. INVESTMENT RETURN AND INVESTMENT INCOME (continued)	2022-23	2021-22		
	£000	£000		
3c. Investment management costs				
Quoted securities	36	29		
Freehold land and buildings	21	19		
4. OTHER INCOME	2022-23	2021-22		
	£000	£000		
Roll & Development events	34	77		
Contribution towards salary costs	47	83		
VAT recoverable	79	52		
Research grant from DfID/FCDO	-	189		
Other	11	61		
	172	461		
5. DONATIONS, LEGACIES AND NEW ENDOWMENTS	2022-23	2021-22		
	£000	£000		
Unrestricted donations	833	3,374		
Release from deferred capital grants	51	51		
Restricted donations	1,652	253		
New endowments	5,766	905		
	8,302	4,583		
Legacies	2,965	1,969		
Donations	5,286	2,563		
Release from deferred capital grants	51	51		
	8,302	4,583		
6a. OPERATING EXPENDITURE - 2022-23	Education	Accomm,	Other	Total
	(see note 7a)	Catering and	(see notes 12 &	
		conferences	13)	
		(see notes 10,11		
		& 14)		
	£000	£000	£000	£000
Staff - direct	1,735	1,078	139	2,952
Staff - indirect (see note 18)	1,284	1,948	147	3,379
Total staff	3,019	3,025	286	6,331
Non-staff - direct	2,490	842	54	3,387
Non-staff - indirect (see note 19)	920	1,799	91	2,809
Depreciation	428	1,243	43	1,714
Total non-staff	3,838	3,884	188	7,909
Total	6,857	6,909	474	14,240

Notes to the Accounts

6b. OPERATING EXPENDITURE - 2021-22	Education (see note 7b)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
	£000	£000	£000	£000
Staff - direct	1,512	894	266	2,672
Staff - indirect (see note 18)	1,153	1,746	137	3,036
Total staff	2,665	2,640	403	5,708
Non-staff - direct	2,050	597	217	2,864
Non-staff - indirect (see note 19)	872	1,525	84	2,481
Depreciation	419	1,216	42	1,677
Total non-staff	3,341	3,338	343	7,022
Total	6,006	5,978	746	12,730

7a. EDUCATION EXPENDITURE - 2022-23	Staff direct (see note 8) £000	Staff indirect £000	Non-staff direct (see note 9) £000	Non-staff indirect £000	Dep'n £000	Total £000
Teaching	1,008	512	197	406	214	2,337
Tutorial	140	356	90	230	129	945
Admissions	206	179	123	135	51	694
Research	372	120	119	56	17	684
Scholarships and awards	-	-	1,923	-	-	1,923
Other educational facilities	9	118	38	93	17	275
Total	1,735	1,285	2,490	920	428	6,858

7b. EDUCATION EXPENDITURE - 2021-22	Staff direct (see note 8) £000	Staff indirect £000	Non-staff direct (see note 9) £000	Non-staff indirect £000	Dep'n £000	Total £000
Teaching	940	456	115	366	210	2,087
Tutorial	106	319	72	223	126	846
Admissions	197	164	93	127	50	631
Research	262	109	58	74	17	520
Scholarships and awards	-	-	1,671	-	-	1,671
Other educational facilities	7	105	41	82	16	251
Total	1,512	1,153	2,050	872	419	6,006

Notes to the Accounts

8. EDUCATION EXPENDITURE - STAFF-DIRECT	2022-23	2021-22
	£000	£000
Directors of Studies, College Lecturers, Supervisors	663	625
Library staff	139	134
Research Fellows	364	255
Senior Tutor, Admissions Tutors, Tutors	311	237
Tutorial & Admissions Office staff	193	190
Other	65	71
Total	1,735	1,512
9. EDUCATION EXPENDITURE - NON-STAFF-DIRECT	2022-23	2021-22
	£000	£000
Awards		
Cambridge Bursary & Top-up Schemes (funded by the College)	142	124
Cambridge Bursary & Top-up Schemes (funded by the Collegiate University)	250	268
Foundation Year Bursary Scheme	64	-
Laidlaw Scholars Programme	33	-
Bursaries (mainly for undergraduates)	246	297
Studentships (mainly for postgraduates)	978	801
Travel, Book and other grants	195	152
Prizes	16	28
Total awards	1,924	1,670
Other		
Admissions	123	93
Tutorial	43	30
Research	119	58
Library	31	21
Contribution towards UTO	140	83
Counselling	47	53
Grants to clubs and societies	33	39
Miscellaneous	30	3
	567	380
Total	2,490	2,050
10. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - STAFF-DIRECT	2022-23	2021-22
	£000	£000
Catering	979	809
Conferences	99	85
Total	1,078	894

Notes to the Accounts

11. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - NON-STAFF-DIRECT		2022-23	2021-22	
		£000	£000	
Catering		780	558	
Conferences		62	39	
Total		842	597	
12. OTHER EXPENDITURE - STAFF-DIRECT		2022-23	2021-22	
		£000	£000	
The Skilliter Centre for Ottoman Studies		45	43	
The Margaret Anstee Centre for Global Studies		64	133	
Research grant from DfID/FCDO		-	40	
Laidlaws Scholars Programme		17	2	
Academic support		13	48	
Total		139	266	
13. OTHER EXPENDITURE - NON-STAFF-DIRECT		2022-23	2021-22	
		£000	£000	
The Skilliter Centre for Ottoman Studies		8	4	
The Margaret Anstee Centre for Global Studies		9	8	
Research grant from DfID/FCDO		(8)	138	
Laidlaws Scholars Programme		5	-	
Investment management and advice		30	38	
Other		10	29	
Total		54	217	
14. ACCOMMODATION, CATERING, AND CONFERENCES EXPENDITURE		2022-23	2021-22	
		£000	£000	
Accommodation	College members	4,837	4,333	
	Conferences	138	45	
Catering	College members	1,727	1,495	
	Conferences	207	105	
Total		6,909	5,978	
15a. ANALYSIS OF 2022-23 EXPENDITURE BY ACTIVITY	Staff costs	Other operating expenses	Dep'n	Total
	£000	£000	£000	£000
Education (see note 6a)	3,019	3,410	428	6,857
Accommodation, catering and conferences (see note 6a)	3,025	2,641	1,243	6,909
Other	286	145	43	474
Movement to pension provisions	-	276	-	276
Loan interest payable	-	987	-	987
Contribution to Colleges Fund under Statute G,II	-	22	-	22
	6,330	7,481	1,714	15,525

Notes to the Accounts**15b. ANALYSIS OF 2021-22 EXPENDITURE BY ACTIVITY**

	Staff costs	Other operating expenses	Dep'n	Total
	£000	£000	£000	£000
Education (see note 6b)	2,665	2,922	419	6,006
Accommodation, catering and conferences (see note 6b)	2,640	2,122	1,216	5,978
Other	403	301	42	746
Movement to pension provisions	-	1,818	-	1,818
Loan interest payable	-	1,006	-	1,006
Contribution to Colleges Fund under Statute G,II	-	63	-	63
	5,708	8,232	1,677	15,617

16. ANALYSIS OF EXPENDITURE

	2022-23	2021-22
	£000	£000
Operating expenses include:		
Audit fee payable to the College's external auditors	20	23
Cost of fundraising	384	370
Investment management costs - commercial property	21	19
Investment management costs - securities and cash	36	30

17a. STAFF COSTS 2022-23

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,735	1,284	3,019
Accommodation, catering and conferences	1,078	1,948	3,026
Other	139	147	286
	2,952	3,379	6,331

17b. STAFF COSTS 2021-22

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,512	1,153	2,665
Accommodation, catering and conferences	894	1,746	2,640
Other	266	137	403
	2,672	3,036	5,708

Notes to the Accounts

18. ANALYSIS OF STAFF INDIRECT EXPENDITURE	2022-23	2021-22
	£000	£000
Housekeeping	834	637
Gardens	212	201
Maintenance	421	391
Porters' Lodge	435	421
Principal, Vice-Principal, Bursars	372	358
Bursary, HR, Principal's Secretary	436	458
IT	182	122
Development, Communications	413	410
Archive, Collections	63	61
CCFPS deficit recovery payment	9	9
Holiday accrual	2	(32)
Total	3,379	3,036

19. ANALYSIS OF NON-STAFF INDIRECT EXPENDITURE	2022-23	2021-22
	£000	£000
Housekeeping	364	303
Gardens	172	97
Maintenance	611	555
Porters' Lodge	12	8
Electricity	398	271
Gas	257	187
Water	68	60
Rates	16	49
Insurance	108	86
Administration, Regulatory Expenditure	146	168
Office of Intercollegiate Services Levies	159	170
IT	179	175
Development, Communications	317	349
Archive, Collections	2	3
Other	-	1
Total	2,809	2,482

Notes to the Accounts**20. STAFF COSTS**

	Academic	Non-Academic	Total
	£000	£000	£000
2022-23			
Staff Costs			
Salaries	924	3,910	4,834
National Insurance	71	305	376
Pension costs	184	676	860
External teaching costs	261	-	261
	1,440	4,891	6,331
2021-22			
Staff Costs			
Salaries	838	3,484	4,322
National Insurance	60	278	338
Pension costs	169	612	781
External teaching costs	267	-	267
	1,334	4,374	5,708
	Academic	Non-Academic	Total
Average staff numbers (non-FTE) - 2022-23	54	170	224
Average staff numbers (non-FTE) - 2021-22	54	161	215
The figures above show the average number of people paid through the College payroll, irrespective of the hours worked.			
Average non-academic staff numbers (FTE) - 2022-23	n/a	129	129
Average non-academic staff numbers (FTE) - 2021-22	n/a	124	124
The figures above show the average number of FTE persons paid through the payroll.			
Average number of Fellows - 2022-23	60	4	64
Average number of Fellows - 2021-22	57	10	67
Number of Fellows as at 1 October 2023	58	3	61
Number of Fellows as at 1 October 2022	63	4	67
Number of Fellows as at 1 October 2021	57	10	67

Non-academic staff who are Fellows (i.e. Domestic Bursar, Development Director, Librarian) are included in the Fellows' figures. The Principal is not included in the Fellows' figures.

During the financial year 2022-23, 51 Fellows received remuneration (2021-22: 57).

The number of officers or employees of the College, including the Principal, who received remuneration in the following ranges was:

	2022-23	2021-22
£120,000 - £130,000	-	1
£130,000 - £140,000	1	1
£140,000 - £150,000	1	-

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

Notes to the Accounts**20. STAFF COSTS (continued)****Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are the Principal, Vice-Principal, Senior Tutor and Bursar. The aggregated remuneration paid to key management personnel consists of salary, employer's national insurance contributions, employer's pension contributions, plus any taxable benefits paid, payable or provided, gross of any salary sacrifice arrangements.

	2022-23	2021-22
	£000	£000
Aggregated remuneration	370	337

The total remuneration for persons who served as Trustees (members of the College Council) in 2022-23 was £525k (2021-22: £490k).

21. PENSION COSTS OF CCFPS & USS

	CCFPS	USS	Total
	£000	£000	£000
2022-23			
Brought Forward	772	3,170	3,942
Contributions	(55)	(860)	(915)
Charge to Income and Expenditure	80	1,111	1,191
Net charge to Income and Expenditure	25	251	276
Charge to Other comprehensive income	173	-	173
Carried Forward	970	3,421	4,391
2021-22			
Brought Forward	1,177	1,384	2,561
Contributions	(63)	(749)	(812)
Charge to Income and Expenditure	94	2,536	2,630
Net charge to Income and Expenditure	31	1,786	1,817
Charge to Other comprehensive income	(436)	-	(436)
Carried Forward	772	3,170	3,942

22. LOAN INTEREST PAYABLE

	2022-23	2021-22
	£000	£000
Bank loan	162	182
Private placement 1	512	511
Private placement 2	313	313
Total	987	1,006

Further information on the bank loan and private placements can be found in note 30.

Notes to the Accounts**23. CONTRIBUTION TO COLLEGES FUND UNDER STATUTE G,II**

	2022-23	2021-22
	£000	£000
Contribution	22	63

Every College in the University is required to make an annual contribution based on the value of its assessable assets.

24. FIXED ASSETS

	College	College	Furniture &	2022-23	2021-22
	Land	Buildings	Equipment	Total	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 July 2022	50,342	94,829	3,222	148,393	147,431
Additions	-	2,020	52	2,072	985
Disposals	-	-	(9)	(9)	(22)
Revaluation during the year	7,699	2,508	-	10,207	-
	58,041	99,357	3,265	160,663	148,394
Depreciation					
At 1 July 2022	-	3,835	1,751	5,586	3,932
Charge for the year	-	1,490	224	1,714	1,677
Eliminated on disposals	-	-	(9)	(9)	(22)
Written back on revaluation	-	(5,325)	-	(5,325)	-
	-	-	1,967	1,967	5,587
Net Book value					
At 30 June 2023	58,041	99,357	1,298	158,696	142,808
At 1 July 2022	50,342	90,994	1,471	142,807	143,500

A valuation of College properties was carried out by Gerald Eve, Chartered Surveyors, at 30 June 2023 on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolescence.

The freehold College buildings at 30 June 2023 were insured at reinstatement costs of £119.2m.

Notes to the Accounts

25. INVESTMENTS	2022-23	2021-22
	£000	£000
At 1 July 2022	112,679	133,617
Additions	7,000	7,500
Disposals	(786)	(10,605)
Gain/(loss)	5,511	(17,833)
At 30 June 2023	<u><u>124,404</u></u>	<u><u>112,679</u></u>
Represented by:		
Estate properties (held directly)	3,836	3,525
Properties (held indirectly via funds)	7,086	5,793
Quoted securities - equities (held indirectly via funds)	111,630	100,639
Unquoted (held indirectly via funds)	1,752	2,622
Cash held for reinvestment	100	100
	<u><u>124,404</u></u>	<u><u>112,679</u></u>

At 30 June 2023, a valuation of the investment properties was carried out by on an open market value for existing use basis by Gerald Eve, Chartered Surveyors and Carter Jonas, Chartered Surveyors. The Trustees have in place a policy to revalue professionally periodically, but consider each year whether the market value of the properties has materially changed. Any material change in market value will be reflected in a revaluation movement in the year in question.

26. STOCKS AND WORK IN PROGRESS	2022-23	2021-22
	£000	£000
Food and drink	43	26
Wine	25	30
Cleaning materials and other	21	24
	<u><u>89</u></u>	<u><u>80</u></u>

27. TRADE AND OTHER RECEIVABLES	2022-23	2021-22
	£000	£000
Taxes due from government departments	22	49
Grants receivable	-	1
Other receivables	114	104
Prepayments and accrued income	720	1,640
	<u><u>856</u></u>	<u><u>1,794</u></u>

Notes to the Accounts

28. CASH AND CASH EQUIVALENTS	2022-23	2021-22
	£000	£000
Current accounts	2,636	5,037
Cash in hand	1	1
	<u>2,637</u>	<u>5,038</u>
29. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022-23	2021-22
	£000	£000
Trade creditors	372	274
Loan repayments	286	264
Taxes and social security costs	7	35
Student deposits and accounts	159	159
Accruals and deferred income	955	811
	<u>1,779</u>	<u>1,543</u>
30. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2022-23	2021-22
	£000	£000
Bank loan	2,782	3,074
Private placement 1 liability	11,580	11,580
Private placement 2 liability	7,000	7,000
	<u>21,362</u>	<u>21,654</u>
<p>The bank loan is secured on certain College freehold properties and is subject to interest fixed under a swap agreement at 5.24% for 25 years from 2007. Repayments commenced in 2007 and will be made over the 25 years to June 2032.</p> <p>The first private placement bond of £11,580,000 is repayable in two tranches, of £6,433,333 on 30 October 2043 and £5,146,667 on 30 October 2053 and is subject to a fixed rate of interest of 4.40%.</p> <p>The second private placement bond of £7,000,000 is repayable on 31 January 2044 and is subject to a fixed rate of interest of 4.45%.</p>		
31. PENSION PROVISIONS	2022-23	2021-22
	£000	£000
At 1 July 2022	3,942	2,561
Movement in year:		
Current service cost including life assurance	1,191	2,629
Contributions	(915)	(812)
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	173	(436)
At 30 June 2023	<u>4,391</u>	<u>3,942</u>

Notes to the Accounts**32. ENDOWMENT FUNDS**

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Total 2022-23 £000
2022-23			
At 1 July 2022	47,579	19,444	67,023
New donations and endowments	5,766	-	5,766
Transfer between funds	-	-	-
Increase in market value of investments	1,226	432	1,658
At 30 June 2023	54,571	19,876	74,447

Analysis by type of purpose:

Fellowship Funds	22,995	-	22,995
Scholarship Funds	8,258	-	8,258
Prize Funds	413	-	413
Hardship Funds	6,455	-	6,455
Research Funds	14,479	-	14,479
Book Funds	1,012	-	1,012
Other Funds	959	-	959
General Endowments	-	19,876	19,876
	54,571	19,876	74,447

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Total 2021-22 £000
2021-22			
At 1 July 2021	55,288	20,315	75,603
New donations and endowments	905	-	905
Transfer between funds	-	-	-
Decrease in market value of investments	(8,614)	(871)	(9,485)
At 30 June 2022	47,579	19,444	67,023

Analysis by type of purpose:

Fellowship Funds	17,914	-	17,914
Scholarship Funds	7,251	-	7,251
Prize Funds	403	-	403
Hardship Funds	6,039	-	6,039
Research Funds	14,114	-	14,114
Book Funds	923	-	923
Other Funds	935	-	935
General Endowments	-	19,444	19,444
	47,579	19,444	67,023

Notes to the Accounts**32. ENDOWMENT FUNDS (continued)**

	Endowment	Unapplied	Total
	£000	total return	£000
		£000	
At 1 July 2022	45,702	21,321	67,023
Gift of Endowment funds	5,766	-	5,766
Investment returns: dividends and interest	-	299	299
Gains on investments	-	1,359	1,359
Net movement before application of income	5,766	1,658	7,424
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	5,766	1,658	7,424
At 30 June 2023	51,468	22,979	74,447
At 1 July 2021	44,797	30,806	75,603
Gift of Endowment funds	905	-	905
Investment returns: dividends and interest	-	569	569
(Loss) on investments	-	(10,054)	(10,054)
Net movement before application of income	905	(9,485)	(8,580)
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	905	(9,485)	(8,580)
At 30 June 2022	45,702	21,321	67,023

Notes to the Accounts**33. RESTRICTED RESERVES**

Reserves with restrictions are as follows:

	Permanent unspent £000	Restricted expendable endowment £000	2022-23 £000
2022-23			
At 30 June 2022	3,525	11,752	15,277
New grants and donations	-	1,652	1,652
Investment income	1,746	382	2,128
Expenditure	(1,058)	(1,625)	(2,683)
Transfer between funds	-	124	124
Increase in market value of investments	89	288	377
At 30 June 2023	4,303	12,572	16,875
Analysis by type of purpose:			
Fellowship Funds	1,560	3,477	5,036
Scholarship Funds	1,042	1,270	2,311
Prize Funds	114	139	252
Hardship Funds	489	4,078	4,567
Research Funds	872	120	992
Book Funds	92	1,785	1,878
Other Funds	134	1,704	1,838
	4,303	12,572	16,875
2021-22			
At 30 June 2021	3,589	14,131	17,720
New grants and donations	-	253	253
Investment income	1,569	373	1,942
Expenditure	(1,076)	(823)	(1,899)
Decrease in market value of investments	(557)	(2,182)	(2,739)
At 30 June 2021	3,525	11,752	15,277
Analysis by type of purpose:			
Fellowship Funds	1,237	3,352	4,589
Scholarship Funds	1,009	1,270	2,279
Prize Funds	98	139	237
Hardship Funds	454	4,078	4,532
Research Funds	517	120	637
Book Funds	73	1,785	1,858
Other Funds	137	1,008	1,145
	3,525	11,752	15,277

Notes to the Accounts**33. RESTRICTED RESERVES (continued)**

	Endowment	Unapplied total return	Total
	-	-	-
At 1 July 2022	11,425	3,852	15,277
Gift of Endowment funds	(1,032)	-	(1,032)
Investment returns: dividends and interest	-	377	377
Transfer between funds	-	124	124
Net movement before application of income	<u>(1,032)</u>	<u>501</u>	<u>(531)</u>
Unapplied total return allocated to income in the year	-	2,128	2,128
Net movement in the year	(1,032)	2,629	1,597
At 30 June 2023	<u>10,393</u>	<u>6,481</u>	<u>16,874</u>
At 1 July 2021	12,271	5,449	17,720
Gift of Endowment funds	(846)	-	(846)
Investment returns: dividends and interest	-	164	164
	-	(2,903)	(2,903)
Net movement before application of income	<u>(846)</u>	<u>(2,739)</u>	<u>(3,585)</u>
Unapplied total return allocated to income in the year	-	1,142	1,142
Net movement in the year	(846)	(1,597)	(2,443)
At 30 June 2022	<u>11,425</u>	<u>3,852</u>	<u>15,277</u>

Notes to the Accounts

34. RECONCILIATION OF CONSOLIDATED SURPLUS FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2022-23 £000	2021-22 £000	
Surplus for the year	8,582	(19,562)	
Adjustment for non-cash items			
Depreciation and movements to Revaluation Reserve	1,714	1,677	
(Gain)/Loss on endowments, donations and investment property	(5,510)	17,832	
Decrease in stocks	(9)	13	
(Increase) in trade and other receivables	939	(933)	
Increase in creditors	214	81	
Increase/(decrease) in provisions	449	1,381	
Pension costs less contributions payable	(173)	436	
Release of deferred capital grants	(51)	(51)	
Adjustment for investing or financing activities			
Investment income receivable	(1,755)	(1,212)	
Interest payable	987	1,006	
Net cash inflow/(outflow) from operating activities	5,388	669	
35. CASH FLOWS FROM INVESTING ACTIVITIES	2022-23 £000	2021-22 £000	
Non-current investment disposal	786	10,604	
Investment income received	1,755	1,212	
Endowment funds invested	(7,000)	(7,500)	
Payments made to acquire non-current assets	(2,072)	(985)	
Total cash flows from investing activities	(6,532)	3,332	
36. CASH FLOWS FROM FINANCING ACTIVITIES	2022-23 £000	2021-22 £000	
Interest paid	(987)	(1,006)	
Repayments of amounts borrowed	(270)	(251)	
Total cash flows from financing activities	(1,257)	(1,257)	
37. CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT	At 1 July 2022 £000	Cash Flows £000	At 30 June 2023 £000
Cash and cash equivalents	5,038	(2,401)	2,637
Borrowings: amounts falling due within one year			
Secured loans	(264)	(22)	(286)
Borrowings: amounts falling due after more than one year			
Secured loans	(21,654)	292	(21,362)
	(16,880)	(2,131)	(19,011)

Notes to the Accounts

38. RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of the College Council and Governing Body it is inevitable that transactions will take place with organisations in which a member of the College Council or Governing Body may have an interest. All transactions involving organisations in which a member of the College Council or Governing Body may have an interest are conducted at arms 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 or Governing Body has a material interest in a College matter they are required to declare that fact.

During the year Newnham College received £45,238 (2021-22: £42,819) from the Sir Isaac Newton Trust in relation to fellowship funding and Dr Laurie Friday is a Director of this Trust and a member of the College Council.

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

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

The salaries paid to Trustees (after salary exchange) in the year are summarised in the table below.

From	To	2022-23 Number	2021-22 Number
£0	£10,000	6	5
£10,001	£20,000	4	5
£20,001	£30,000	-	-
£30,001	£40,000	-	1
£40,001	£50,000	-	1
£50,001	£60,000	2	-
£60,001	£70,000	-	-
£70,001	£80,000	-	-
£80,001	£90,000	-	-
£90,001	£100,000	1	2
£100,001	£110,000	1	-
Total		14	14

The total Trustee salaries (after salary exchange) were £399k for the year (2021-22: £369k).

The trustees were also paid other benefits (including associated employer National Insurance contributions and employer contributions to pensions) and other taxable benefits which totalled £126k (2021-22: £121k).

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 £9,119k (2021-22: £9,017k). During the year the College paid the University from these fees sums totalling £6,577k (2021-22: £6,494k) and kept £2,542k (2021-22: £2,523k) 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 Newnham College made a contribution under Statute Gil of £22k (2021-22 £63k) into the Colleges Fund. 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. Newnham College administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £313k to this scheme (2021-22: £268k). In the course of its charitable activities, Newnham College also pays the University of Cambridge for printing, network and other services. In addition, Newnham College periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

Notes to the Accounts

39. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England & Wales), wholly-owned by the College, are as follows:

Company	Company Number	Principal Activity
Newnham College Management Ltd	02867403	Provision of maintenance and construction projects
Newnham College Ltd	02788626	Dormant

All subsidiary companies are incorporated in the United Kingdom.

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.

Newnham College Limited had no profit or loss in either 2022-23 or 2021-22 and its balance sheet is £2 (2021-22: £2).

Newnham College Management Limited incurred a loss of £3,690 (2021-22: £1,033) and its balance sheet is £2 (2021-22: £19,071)

40. FINANCIAL COMMITMENTS

At 30 June 2023 and 30 June 2022 the College had no annual commitments under non-cancellable operating leases. The College has committed to investing in various private equity funds over approximately the next two years as at June 2023.

	2022-23	2021-22
	£000	£000
Capital commitments at 30 June 2023 are as follows:		
Authorised and contracted for	1,465,000	1,207,258

41. CONTINGENT ASSETS

Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met at the year end, then the legacy is treated as a contingent asset. At the balance sheet date contingent legacy assets are estimated to be: £251,226 (2021-22: £135,885).

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit plan, the Cambridge Colleges' Federated Pension Scheme. At 30 June 2023 Newnham College had 3 active members participating in the plan.

The liabilities of the plan have been calculated, as at 30 June 2023, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2022-23	2021-22
	% p.a.	% p.a.
Discount rate	5.20	3.80
Increase in salaries	3.30	3.25
RPI assumption	3.40*	3.45*
CPI assumption	2.80*	2.75*
Pension increases in payment (RPI Max 5% p.a.)	3.30*	3.30
Pension increases in payment (CPI Max 2.5% p.a.)	2.05*	2.05

* For 1 year only, it has been assumed that RPI will be 9% and CPI will be 7%. The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2022: S3PA with CMI_2021 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male aged 65 now has life expectancy of 21.4 years (previously 21.9 years)
- Female aged 65 now has life expectancy of 23.9 years (previously 24.3 years)
- Male aged 45 now and retiring in 20 years has a life expectancy at 65 of 22.6 years (previously 23.2 years)
- Female aged 45 now and retiring in 20 years has a life expectancy at 65 of 25.3 years (previously 25.7 years)

Employee Benefit Obligations

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

	2022-23	2021-22
	£000	£000
Present value of plan liabilities	(4,791)	(5,416)
Market value of plan assets	3,822	4,644
Net defined benefit asset/(liability)	(969)	(772)

The amounts to be recognised in the Income and Expenditure for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2022-23	2021-22
	£000	£000
Current service cost	38	60
Administrative expenses	12	12
Interest on net defined benefit (asset)/liability	30	21
(Gain)/loss on plan changes	-	-
Curtailed (gain)/loss	-	-
Total	80	94

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

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

	2022-23	2021-22
	£000	£000
Present value of plan liabilities at the beginning of the year	5,416	6,865
Current service cost	38	60
Employee contributions	-	-
Benefits paid	(268)	(311)
Interest on plan liabilities	201	121
Actuarial (gains)/losses	(596)	(1,319)
(Gain)/loss on plan changes	-	-
Curtailement (gain)/loss	-	-
Present value of plan liabilities at the end of the year	4,791	5,416

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

	2022-23	2021-22
	£000	£000
Market value of plan assets at the beginning of the year	4,644	5,688
Contributions paid by the College (employer contribution)	43	51
Contributions paid by the College (employee contribution - salary exchange)	12	12
Contributions paid by the College (funding shortfall)	-	-
Contributions paid by the College (administration fee)	-	-
Benefits paid	(268)	(311)
Administrative expenses	(15)	(14)
Interest on plan assets	172	100
Return on assets, less interest included in Income and Expenditure	(766)	(881)
Market value of plan assets at the end of the year	3,822	4,644
Actual return on plan assets	(594)	(781)

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2022-23	2021-22
Equities	49%	52%
Bonds and cash	38%	34%
Property	13%	14%
Total	100%	100%

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

Analysis of the measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2022-23	2021-22
	£000	£000
Return on assets, less interest included in the Income and Expenditure	(766)	(881)
Expected less actual plan expenses	(3)	(2)
Experience gains and losses arising on plan liabilities	(403)	(371)
Changes in assumptions underlying the present value of plan liabilities	999	1,690
Remeasurement of net defined benefit liability recognised in OCI	(173)	436

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

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

	2022-23	2021-22
	£000	£000
Net defined benefit asset/(liability) at beginning of year	(772)	(1,177)
Recognised in Income and Expenditure	(80)	(94)
Contributions paid by the College	55	63
Remeasurement of net defined benefit liability recognised in OCI	(173)	436
Net defined benefit asset/(liability) at end of year	<u>(969)</u>	<u>(772)</u>

Funding Policy

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

The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

Annual contributions of not less than £9,244 per annum payable for the period from 1 July 2021 to 31 March 2027.

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

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Deficit recovery liability

The total cost charged to the income and expenditure account for the College and subsidiaries in 2022-23 is £251k (2021-22: £1,786k).

Deficit recovery contributions due within one year for the College are £210k (2021-22: £206k).

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

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

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

The key financial assumptions used in the 2020 valuation are described below.

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

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

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3FPA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

Notes to the Accounts**42. PENSION SCHEMES****(b) Universities Superannuation Scheme (continued)**

The current life expectancies on retirement at age 65 are:

	2022-23	2021-22
Males currently aged 65 (years)	23.9	23.9
Females currently aged 65 (years)	23.5	23.5
Males currently aged 45 (years)	25.9	25.9
Females currently aged 45 (years)	27.3	27.3

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

	2022-23	2021-22
Discount rate	3.31%	0.87%
Pensionable salary growth	3.00%	2.70%

THE PRINCIPAL AND FELLOWS OF NEWNHAM COLLEGE

England & Wales - Charity number 1137512

Accounts

**NEWNHAM COLLEGE
CAMBRIDGE**



**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2022**

Registered Charity No. 1137512

Contents	page
PART 1: ANNUAL REPORT	
Introduction and Summary Financial Results	3
Professional Advisers	4
Charity Trustees	5
Objects and Public Benefit	6
Operating and Financial Review	8
Corporate Governance and Statement of Internal Control	19
Responsibilities of the College Council and the Governing Body	20
Independent Auditor's Report	21
PART 2: FINANCIAL STATEMENTS	
Statement of Principal Accounting Policies	24
Consolidated Statement of Comprehensive Income and Expenditure	32
Consolidated Statement of Changes in Reserves	33
Consolidated Balance Sheet	34
Consolidated Cash Flow Statement	35
Notes to the Accounts	36

INTRODUCTION

Newnham College is one of the 31 colleges in the University of Cambridge. It was founded in 1871, and received its Royal Charter in 1917. According to the College's Charter, Statutes and Ordinances, only women can be admitted as junior members (students) or elected as senior members (Fellows). The College celebrated its 150th Anniversary in 2021-22.

The College admits full-time undergraduates studying for the University's Tripos degree courses; and postgraduates (predominantly full-time, but some part-time) studying for Masters, PhD and other postgraduate degrees, diplomas and certificates. The total number of full-time students as at 1 December 2021 was 651 (2020: 679), comprising 429 undergraduates and 222 postgraduates (2020: 429 and 222). The College's Governing Body had 66 Fellows as at 1 October 2022 (2021: 67), most of whom who are active in teaching and research within the University.

The College occupies a 17-acre site close to the centre of Cambridge, consisting of buildings built between 1875 and 2019, offering residential accommodation to more than 500 students, set in landscaped gardens. The buildings also house a library, teaching rooms, offices, shared eating spaces (dining hall, buttery, café), meeting rooms, common rooms and a gym.

The College is a Registered Charity, regulated by the Charity Commission; and is registered with the Fundraising Regulator.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which complies with the Further and Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

SUMMARY FINANCIAL RESULTS

The financial statements consolidate the activities of the College and the College's subsidiaries: Newnham College Management Ltd, Newnham College Library Company Ltd, and Newnham College Ltd. The latter two companies are inactive.

For a third successive financial year, the College's finances were affected by the Covid-19 pandemic, with reduced operational income, in particular in relation to lost conference business in the first three months of the financial year, July to September 2021.

Total operational income for the year was £9.33m (2020-21: £7.15m), which included £3.57m (2020-21: £3.55m) in academic fees; and £4.09m (2020-21: £2.16m) from accommodation, catering and conferences. In addition, £4.58m (2020-21: £2.34m) in donations and legacies was received; and £3.46m (2021-22: £6.59m) of endowment return, was transferred following the College's total return rule. (The 2020-21 figure of £6.59m included an exceptional distribution of £3.50m to mitigate against the lost income over two financial years, so the true comparative figure for 2020-21 would be £3.09m.) Whereas in 2020-21 the College reported a gain on investments of £28.60m, in 2021-22 the equivalent figure is a loss of £17.86m.

Total operational expenditure for the year before pension provisions and loan interest payments was £12.73m (2020-21: £11.52m) including depreciation, or £11.05m (2020-21: £9.86m) excluding depreciation of £1.68m (2020-21: £1.66m). Of this £11.05m, more than half (52%; £5.71m) was on staff costs (2020-21: 56%; £5.58m). The Statement of Comprehensive Income and Expenditure (SOCIE) shows total Expenditure of £15.62m (2020-21: £12.35m), including £1.82m (2020-21: -£202k) in movement to pension provisions, and £1.01m (2020-21: £1.02m) in loan interest payments. In addition, a further £0.99m (2020-21: £1.50m) of capital expenditure is included in the balance sheet.

The College's investment portfolio was valued at £112.68m as at 30 June 2022 (30 June 2021: £133.62m); and the balance sheet and the cash flow statement show £5.04m of cash as at the same date (30 June 2021: £2.29m).

PROFESSIONAL ADVISERS

Auditors

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

Bankers

NatWest Bank
Petty Cury Branch
21 Petty Cury
Cambridge
CB2 3NE

Investment Advisers

Stanhope Consulting (part of Stanhope Capital)
35 Portman Square
London
W1H 6LR

Property Managers

Carter Jonas LLP
One Station Square
Cambridge
CB1 2GA

Newnham College
Sidgwick Avenue
Cambridge
CB3 9DF

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Charity registration no. 1137512

CHARITY TRUSTEES

The members of the College Council act as the Trustees of the charity. The College Council meets at least nine times in a year (three times per term). In the financial year 2021-22 the following were members of the College Council:

Four College Officers *ex officio*

Miss Alison Rose	Principal; Chair of the Council
Dr Barbara Blacklaws	Vice-Principal
Professor Liba Taub	Senior Tutor
Mr Christopher Lawrence	Bursar; Secretary of the Council

Eight Fellows elected by the Governing Body

As at 1 July 2021:

Dr Christina Angelopoulos
 Dr Helen Bao
 Dr Kate Fleet
 Dr Laurie Friday
 Dr Jenny Mander
 Dr Emma Mawdsley
 Dr Delphine Mordey
 Dr Rachael Padman

As at 30 June 2022:

Dr Carol Atack
 Professor Helen Bao
 Dr Kate Fleet
 Dr Laurie Friday
 Dr Jenny Mander
 Professor Emma Mawdsley
 Dr Delphine Mordey
 Dr Sheila Watts

Three Junior Members elected by the MCR and JCR

As at 1 July 2021:

Fania Christodoulides (MCR)
 Lottie Mills (JCR)
 Alice Tort (JCR)

As at 30 June 2022:

Hanna Doherty (JCR)
 Sangeet Jain (MCR)
 Alice Wood (JCR)

Governing Body

The Governing Body, comprising all Fellows of the College in Categories A to E, is required by the College Statutes to be responsible for the approval of the annual audited accounts. The Governing Body, which meets at least five times in a year, is chaired by the Principal and a Fellow is the Secretary. There were 66 Governing Body Fellows as at 1 October 2022.

A full list of the Governing Body Fellows can be found on the College website at:

www.newn.cam.ac.uk/people

OBJECTS

The College's objects as they appear in the Royal Charter were revised in 2019 and read:

- (a) To further public benefit by providing a liberal education and promoting learning and research through the provision of a college for women within the University of Cambridge.
- (b) To do all such other things as are incidental or conducive to advancing education and learning among women in Cambridge and elsewhere.
- (c) For the purposes above to receive and apply donations from persons desiring to promote the objects of the College.
- (d) To invest the moneys of the College not immediately required in any securities or investments which may from time to time be authorised for the purpose by the Council.

PUBLIC BENEFIT

The Trustees on appointment are provided with a link to the Charity Commission document 'Charities and Public Benefit: Summary Guidance for Charity Trustees', and are reminded at least annually of its recommendations and requirements. The College provided in 2021-22 an education for 651 (2020-21: 679) full-time undergraduate and postgraduate women students, in conjunction with the University of Cambridge, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group academic supervision for undergraduates;
- pastoral, administrative and academic support for all students through its tutorial and mentor systems; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research mainly by:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics both from other UK institutions and from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including special collections), thus providing a valuable resource for students and senior members of the College, members of other Colleges and the University of Cambridge more widely, and external scholars and researchers.

The Trustees are satisfied that the College remains compliant with its duty in regard to public benefit. The primary beneficiaries are the resident members of the College, both students and academic staff, all of whom are directly engaged in education, learning or research. Other beneficiaries include: students and academic staff from other colleges in Cambridge and the

PUBLIC BENEFIT (continued)

University of Cambridge more widely, visiting academics from other higher education institutions, and visiting schoolchildren and alumnae of the College who have an opportunity to attend educational events at the College or use its academic facilities. Members of the general public are also able to attend various educational activities in the College (such as public lectures).

As a College in the University of Cambridge the primary beneficiaries are academics and students of the University, all of whom need to meet high academic standards to be appointed or admitted and that requirement stands at the core of its nature. The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

OPERATING AND FINANCIAL REVIEW

Contents	page
1. Covid-19	9
2. Student numbers	9
3. SOCIE: Income	10
4. SOCIE: Operating expenditure	13
5. SOCIE: Other expenditure	14
6. SOCIE: Gain/(loss) on investments	16
7. Capital expenditure	16
8. Balance sheet and Reserves	16
9. Cash flow	17
10. Reserves policy	17
11. Principal risks and uncertainties	17
12. Future plans	18

References in the text below to 'Notes' are to the 'Notes to the Accounts' on pages 36 to 59.

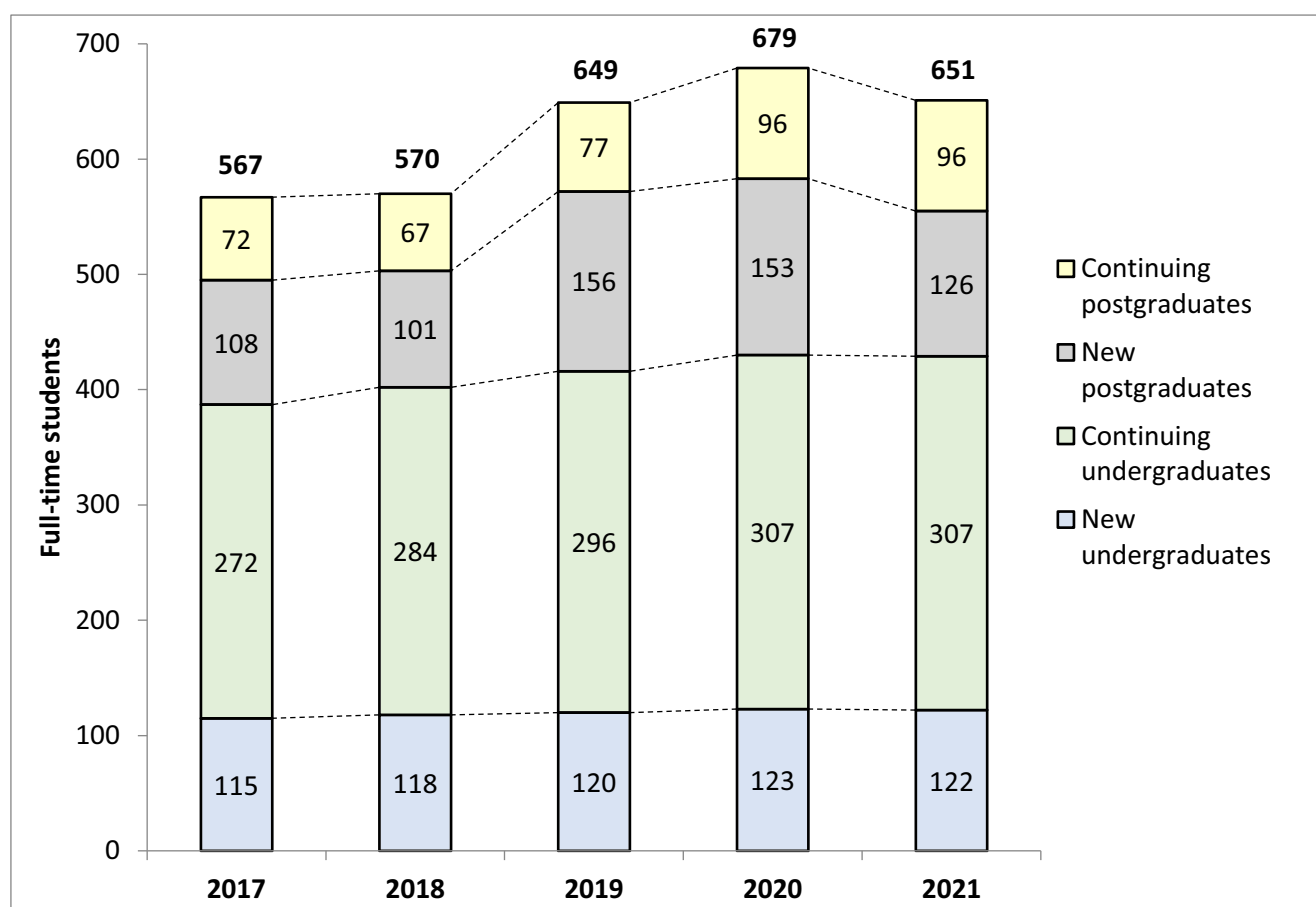
OPERATING AND FINANCIAL REVIEW

1. COVID-19

For a third successive financial year, the College’s finances were affected by the Covid-19 pandemic, with 2018-19 being the last financial year unaffected by Covid-19. However, the impact was much more limited than in the previous financial year, with the conference business in the first three months of the financial year (July to September 2021) being the main casualty of the continuing effects of the pandemic.

2. STUDENT NUMBERS

The biggest potential variable from one year to the next which affects both income and expenditure is the size of the student body. The College admits both undergraduate and postgraduate students, and has a target of 650 full-time fee-paying students, made up of 420 undergraduates and 230 postgraduates. The total number of full-time fee-paying students as at 1 December 2021 was 651, which represented a decrease from the previous year (679 in 2020) but almost exactly on target. This total comprised 429 undergraduates (430 in 2020), of whom 122 were new entrants (123 in 2020); and 222 full-time postgraduates (249 in 2020). The 222 postgraduates comprised 143 Doctoral students (132 in 2020), of whom 48 were new entrants (41 in 2020); and 79 non-Doctoral (predominantly Masters) students (117 in 2020). In addition there were 72 postgraduate students either writing up/under examination or part-time (76 in 2020).



All figures as at 1 December of each year.

The breakdown by fee status for 2020 and 2021 was as follows:

OPERATING AND FINANCIAL REVIEW (continued)

	2020	2021
Undergraduate - Home - New	101 (23%)	101 (24%)
Undergraduate - Home - Continuing	256 (60%)	252 (59%)
Undergraduate - International - New	22 (5%)	21 (5%)
Undergraduate - International - Continuing	51 (12%)	55 (13%)
Total	430	429
Postgraduate - Home - New	81 (33%)	55 (25%)
Postgraduate - Home - Continuing	59 (24%)	60 (27%)
Postgraduate - International - New	72 (29%)	71 (32%)
Postgraduate - International - Continuing	37 (15%)	36 (16%)
Total	249	222

Until 2020-21, EU students had the same fee status as UK students, known as 'Home'. As of the 2021-22 academic year new EU students are charged the (higher) International rate, whereas continuing EU students who started in 2020-21 or earlier are still charged the Home rate. The effect of this change in fee status for EU students can most clearly be seen in the reduction in New Postgraduates paying the Home fee, a decrease from 81 in 2020 to 55 in 2021.

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE (SOCIE)**3. SOCIE: INCOME**

The first of the four financial statements is the Statement of Comprehensive Income and Expenditure (SOCIE). All income appears in this statement. Total income before donations and endowments was £9.33m (2020-21: £7.15m), and total income including donations and endowments was £13.92m (2020-21: £9.49m). The treatment of investment income and endowment return should be noted as explained in 3.3 below.

3.1 Academic fees and charges

Of the total of £3.57m (2020-21: £3.55m) under this heading, £3.19m (2020-21: £3.21m) was derived from student fees. These are set out in Note 1 to the accounts.

UK (and previously EU) undergraduates who are eligible for fee loans from the government-owned Student Loans Company (SLC) pay a regulated fee, which is currently £9,250 per annum for students admitted since September 2017. 50% of these fees are transferred to the University, and the College retains the other 50% (£4,625 per student). The total income to the College from this source was £1.56m (2020-21: £1.57m).

Non-UK undergraduates – and UK (and previously EU) undergraduates who are not eligible for SLC loans (generally as a result of having a first degree already) – pay an unregulated College fee, set by the College, in addition to their University fee. For first-year undergraduates in 2021-22, this fee was £9,975 per annum, which remains unchanged for the duration of their course. The equivalent fees for undergraduates starting in prior years are: £9,500 (2020-21 starters) £8,700 (2019-20 starters), £8,100 (2018-19 starters) and £7,901 (2017-18 starters). The total income to the College from such students was £670k (2020-21: £652k).

Postgraduate students pay a variety of University fees, depending on fee status and on course choice. The 31 colleges collectively receive a share of the total postgraduate fees to the University (25%, up to a cap), which is redistributed on a per capita basis. This resulted in a fee of £4,475 per postgraduate student in 2021-22 (2020-21: £4,069), amounting to a total to the College of £961k (2020-21: £986k).

OPERATING AND FINANCIAL REVIEW (continued)

As well as student fees as set out above, the College received £107k (2020-21: £96k) from other colleges in return for Newnham academics supervising undergraduates from those colleges and for shared academic appointments. £268k (2020-21: £241k) was received as the external contribution to total awards of £392k (2020-21: £358k) paid through the Cambridge Bursary Scheme and the associated Top-Up Bursary Scheme.

3.2 Accommodation, catering and conferences

The total of this source of income was £4.09m, an increase on the previous year's Covid-affected income of £2.16m, as set out in Note 2 to the accounts. Despite this recovery, this still included a significant shortfall in commercial income as a result of the first three months of the financial year (July to September 2021) continuing to be affected by Covid-19, the period when the College normally hosts summer schools, weddings and conferences. The total for conference income of £280k in 2021-22 compares with £795k two years previously in 2019-20, a year only partially affected by Covid-19. So this represents a loss of income in the region of at least £500k.

The line in Note 2 'Accommodation – College members' shows the income from student rents. This shows a healthy increase from £1.87m in 2020-21 to £3.10m in 2021-22, representing a return to normal levels of occupancy after the reduced capacity and lock-down restrictions in place in the previous year. Undergraduate rents were £158 per week and postgraduate rents ranged from £135 to £165 per week.

In line with the return to normal room occupancy levels, the take-up of the College's catering offer (Buttery, Café, Formal Halls) by our students also returned to normal, as seen in the line in Note 2 'Catering – College members'. This shows income of £708k in 2021-22, compared with £276k in 2020-21.

3.3 Investment income and Endowment return transferred

The SOCIE has two lines for these sources of income, 'Investment income' and 'Endowment return transferred'. Note 3 sets out further detail. This is an area of the accounts which requires some explanation.

The first line 'Investment income' shows unrestricted income of £1.21m (2020-21: £641k). Note 3a shows that £1.11m came from distributions from the Cambridge University Endowment Fund (CUEF). The remaining £102k (2020-21: £135k) is from commercial rental income and bank interest.

The second line 'Endowment return transferred' requires explanation:

The total 'Gain/(loss) on investments' in the year is shown lower down the SOCIE and shows a reduction in value of -£17.86m (compared with an exceptional gain in 2020-21 of +£28.60m). The College operates a total return policy which smooths the distribution across a five-year period to acknowledge that there will be peaks and troughs of investment performance, as illustrated across these two years.

The total return policy makes available for spending an amount based on the average value of the units in the investment portfolio (excluding directly held investment properties) over the preceding five years, which allows for a smoothed approach to drawing down income. At 1 July 2021 there were 5,603,754 units held in the investment portfolio, with a unit value of £23.35 and a total value of £130.85m.

The average value of the units over the five years preceding 1 July 2021 was £17.62, so when the drawdown rate of 3.5% as stipulated in the policy was applied to this unit value (£17.62) and the

OPERATING AND FINANCIAL REVIEW (continued)

number of units held (5,603,754), the result was a return of £3.46m. (In 2020-21 the equivalent return was £3.09m; and a further £3.50m was taken as an exceptional distribution to mitigate against the lost income over two Covid-affected financial years.)

This figure of £3.46m is shown in the Income line in the SOCIE as ‘Endowment return transferred’, split between £1.51m Unrestricted and £1.94m Restricted. However, following an accounting requirement this £3.46m is excluded from the ‘Total income before donations and endowments’, by including a negative matching figure of £3.46m in the ‘Endowment’ column. Thus this ‘Endowment return transferred’ line is netted off to zero in the Income section of the SOCIE.

3.4 Other income

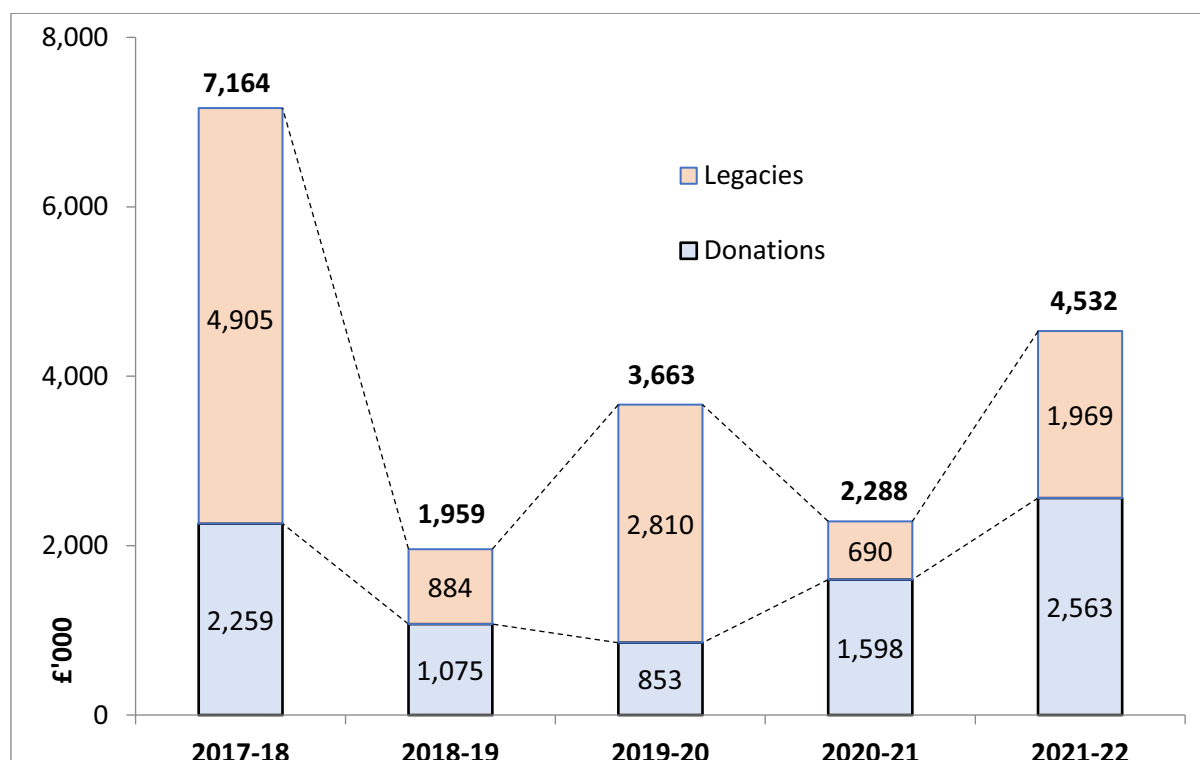
Other income of £462k (2020-21: £806k) is set out in detail in Note 4. For the third financial year in a row, there is a line ‘Coronavirus Job Retention Scheme grant’, which shows income of £1k (2020-21: £281k), which explains much of the decrease in this income line..

Another line is ‘Research grant from DfID/FCDO’ (previously the Department for International Development, now the Foreign, Commonwealth & Development Office) showing income of £189k (2020-21: 363k). This project, which was run out of the Margaret Anstee Centre for Global Studies based in the College, came to completion at the end of the 2021-22 financial year.

There was £78k of income relating to Roll & Development events (2020-21: £16k), as a result of increased activity after the previous Covid-affected year. In addition, £52k (2020-21: £55k) of VAT was recovered, and there was £142k (2020-21: £91k) of other income.

3.5 Donations and new endowments

Total donations and new endowments of £4.58m were received, as set out in Note 4. This was a increase on 2020-21 (£2.34m) as shown in this chart (which excludes an annual release from deferred capital grants of £51k):



OPERATING AND FINANCIAL REVIEW (continued)

This chart shows the unpredictability of donation and legacy income while also highlighting the importance of this source of income. The College has been very fortunate to benefit in this way from the generosity of alumnae, and remains very grateful for this support. Such philanthropic income underpins the College's continued ability to fulfil its mission: the advancement of education, learning and research.

4. SOCIE: OPERATING EXPENDITURE

The SOCIE shows operational expenditure, but excludes capital expenditure (see section 7 below). The categories of expenditure are prescribed by the RCCA format. Each line of expenditure includes a mix of Staff costs (direct and indirect) and Non-staff costs (direct and indirect). A series of breakdowns within Notes 6 to 19 sets out much of the detail.

Total operating expenditure for the year was £12.73m (2020-21: £11.52m), or £11.05m (2020-21: £9.86m) excluding depreciation of £1.68m (2020-21: £1.66m). The charge for depreciation (a non-cash item) increased significantly in 2020-21 as a result of a change in the depreciation policy, whereby buildings are now depreciated over 65 years rather than 100 years.

The total of £12.73m breaks down as £6.01m on Education (2020-21: £5.29m); £5.98m on Accommodation, catering and conferences (2020-21: £5.32m); and £746k on Other (2020-21: £900k). Notes 6a and 6b set out the detail.

4.1 Education

Notes 7 to 9 give detailed breakdowns of the £6.01m of expenditure on education. A significant part of the College's education costs relate to the teaching of undergraduates, in particular undergraduate supervisions, the small-group teaching that is a feature of Cambridge (whereas the costs of providing lectures fall to the University), and Note 7a shows a total cost for Teaching of £2.09m (2020-21: £1.92m). The next biggest element of education expenditure was on Scholarships and awards (for both undergraduates and postgraduates), which came to £1.68m (2020-21: £1.36m). The College is fortunate to be in a financial position to make such awards, which are largely funded by philanthropy. Note 9 gives a useful breakdown of such awards.

All students, both undergraduate and postgraduate, have a personal Tutor who is responsible for providing non-academic support. The cost of such Tutors is included within the line 'Tutorial' and the total cost of the Tutorial and Admissions activities as shown in Note 7a came to £1.48m (2020-21: £1.34m). Research costs come under the heading of Education, and such costs came to £520k (2020-21: £448k), which includes the employment costs of stipendiary Junior Research Fellows.

4.2 Accommodation, catering and conferences

Note 6a shows how the total costs of £5.98m (2020-21: £5.32m) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Direct staff costs are split between Catering and Conferences in Note 10, and direct non-staff costs are split between Catering and Conferences in Note 11. Accommodation-related costs such as Housekeeping staff are included within the indirect staff costs, because these costs are split across more than one activity. The increase in costs relates mainly to a return to more normal levels of provision following the Covid-affected previous year.

4.3 Other expenditure

Note 6a shows how total costs of £746k (2020-21: £900k) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Note 12 gives a breakdown of the direct staff

OPERATING AND FINANCIAL REVIEW (continued)

costs, which mainly relate to the Margaret Anstee Centre, including the research project for the Foreign, Commonwealth & Development Office (FDCO), the income relating to which was referred to in section 3.4 above. Note 13 shows the direct non-staff costs, most of which also relate to the FDCO project.

4.4 Staff costs

Staff costs include salaries, National Insurance, and pension costs.

The three expenditure areas (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct staff costs and indirect staff costs. Staff costs are analysed in various ways in the Notes. Notes 6a and 17a show how total staff costs of £5.71m (2020-21: £5.58m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 8 (Education), Note 10 (Accommodation, catering and conferences) and Note 12 (Other) on the direct staff costs in each of those expenditure areas. It is to Note 18 that the reader must turn to understand all the other elements of staff costs which are allocated across the three expenditure areas. Note 18 shows the cost of departments such as Housekeeping, Maintenance, Porters' Lodge, Gardens, Bursary, Development and Communications.

Further analysis is given in Note 20, which shows pensions costs of £781k (2020-21: £780k) and National Insurance costs of £338k (2020-21: £328k), on top of salary costs of £4.32m (2020-21: £4.21m). Headcount figures (both FTE and non-FTE) are shown. These include casual staff as well as permanent staff: a reduction in casual staff had been seen in 2020-21, with an increase back to more normal levels in 2021-22.

4.5 Non-staff costs

The three lines (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct non-staff costs and indirect non-staff costs. Non-staff costs are analysed in various ways in the Notes. Note 6a shows how total non-staff costs of £7.02m (including depreciation of £1.68m) (2020-21: £5.94m, including depreciation of £1.66m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 9 (Education), Note 11 (Accommodation, catering and conferences) and Note 13 (Other) on the direct non-staff costs in each of those expenditure areas. Note 19 sets out the totals for the indirect non-staff costs.

Among the indirect non-staff costs of £2.48m (2020-21: £2.01m), the largest area of expenditure was maintenance, at £555k (2020-21: £688k). This excludes capital expenditure, which does not appear in the SOCIE but is shown in Note 24 to the Balance Sheet.

The next largest cost was utilities (electricity, gas, water) at £517k (2020-21: £369k). The College buys its gas and electricity through a consortium of colleges, with price fixes and hedges in place to counter fluctuations in prices. Even with such purchasing strategies in place, and despite the large (40%) increase from 2020-21 to 2021-22 already, energy costs are expected to increase significantly in 2022-23.

5. SOCIE: OTHER EXPENDITURE

As well as £12.73m (2020-21: £11.52m) of operating expenditure, the total expenditure of £15.62m (2020-21: £12.35m) includes three other lines as described below.

OPERATING AND FINANCIAL REVIEW (continued)

5.1 Movement to pension provisions

The College participates in two defined benefit pension schemes, the Cambridge Colleges Federated Pension Scheme (CCFPS), and the Universities Superannuation Scheme (USS). As at 30 June 2022 there were 3 active members in CCFPS and 136 active members in USS (30 June 2021: 4 in CCFPS, 156 in USS). The funding position of these two schemes are set out in detail in notes 42a (CCFPS) and 42b (USS). Pensions represent a significant cost to the College: employer contributions of £781k were made in the year (see Note 21) (2020-21: £780k).

The total figure for the movement to pension provisions included under Expenditure in the SOCIE is +£1.82m (2020-21: -£202k). This comprises £31k for the CCFPS scheme and £1.79m for the USS scheme (2020-21: £45k for CCFPS, -£248k for USS).

In relation to CCFPS, the actuarial consultants Cartwright Group Ltd are engaged to report on the financial position of the scheme at the year end. They have calculated a total liability of £772k as at 30 June 2022 (30 June 2021: £1.18m). Of this increase of £405k, -£31k is recognised as expenditure (within the £1.82k as above) and £436k is recognised under 'Other comprehensive income'.

In relation to USS, the provision in this year's accounts is based on the 31 March 2020 actuarial valuation (which was the last formal completed actuarial valuation as at 30 June 2022) as the basis to use to model the liability as at the year end. This resulted in a provision of £3.17m (2020-21: £1.38m), an increase of £1.79m, which is recognised as expenditure.

The combined CCFPS and USS pension provision as shown on the balance sheet and in Notes 21 & 31 was £3.94m as at 30 June 2022, an increase of £1.38m on the equivalent figure of £2.56m at 30 June 2021.

5.2 Loan interest payable

The College needs to repay loan interest in the order of £1m every year for a number of years (see Notes 22 and 30). The figure of £1.01m for 2021-22 (2020-21: £1.02m) comprises £182k for the Buttery/Kitchen loan (2020-21: £197k) and £824k for the two private placement bonds (2020-21: £824k) as described below.

The College took out a 25-year bank loan in 2007 to fund the Buttery/Kitchen project, repayable in 2032. In addition to the interest costs of £182k (2020-21: £197k), capital repayments of £250k were made (2020-21: £236k). The remaining balance on the loan at the end of the year was £3.34m (30 June 2021: £3.59m).

The College issued two private placement bonds, one for £11.58m in 2013 and one for £7.00m in 2014, with three repayment dates in 2043, 2044 and 2053, and the combined coupon (interest) payments come to £824k per year. These are set out in Note 30.

The proceeds of these private placements were used to part-fund the new Dorothy Garrod Building and its associated fixtures and fittings, which cost a combined total of £34.87m. The coupon payments on these two private placements will therefore remain £824k per year until 2043 (when the first £6.43m of capital has to be repaid). Reduced coupon payments will continue until 2053 (when the final £5.15m of capital has to be repaid).

5.3 Contribution to the Colleges Fund

The Colleges Fund is a scheme whereby the wealth of all 31 colleges is assessed each year. The better-endowed colleges pay into a central fund, which is then disbursed to the less-well-endowed

OPERATING AND FINANCIAL REVIEW (continued)

colleges. Note 23 shows that Newnham College's contribution to this fund was £63k, which was an increase on the previous year's contribution of £16k as a result of including two years' worth of contributions in the one financial year (£27k for 2020-21 and £36k for 2021-22).

6. SOCIE: GAIN/(LOSS) ON INVESTMENTS

The total 'Gain/(loss) on investments' in the year shows a reduction in value of -£17.86m (compared with an exceptional gain in 2020-21 of +£28.60m), as shown in Note 3. The College's total return policy smooths the distribution across a five-year period to acknowledge that there will be peaks and troughs of investment performance, as illustrated across these two years. The College is a perpetual investor, taking a very long-term view of its investment portfolio, and such shorter-term increases and decreases in value are to be expected.

This investments line masks the deficit of -£1.70m incurred in the year ('Deficit before other gains and losses') (2020-21: -£2.86m). If one compares the line 'Total income before donations and endowments' showing £9.33m (2020-21: £7.15m) with the line 'Total operating expenditure' showing £12.73m (2020-21: £11.52m), then one starts to understand even more clearly that there is a fundamental mismatch between operating income and operating expenditure. The College's economic model relies on investment gains and philanthropy to bridge that gap. The total return policy that calculates the annual drawdown from the College's investments is set out in 3.3 above, and it is this regular, annual drawdown that allows the College to carry an operational deficit each year. Hence the bottom line of the SOCIE – 'Total comprehensive income for the year' – needs to be interrogated closely for a true understanding of the College's finances.

Investments are considered in more detail in 8.2 below.

7. CAPITAL EXPENDITURE

The Statement of Comprehensive Income and Expenditure (SOCIE) is not in fact comprehensive in terms of expenditure, since capital expenditure is excluded. It is to the first line of the Balance Sheet, and its related Note 24 (Fixed Assets), that one turns to see the capital expenditure in the year. This shows Additions of £985k (2020-21: £1.50m) including £766k on building refurbishment projects (Peile Hall and the postgraduate house at 6 Wordsworth Grove); £183k on IT network infrastructure; and £20k on books.

8. BALANCE SHEET AND RESERVES

After the SOCIE, the next two statements in the accounts are the Statement of Changes in Reserves and the Balance Sheet. Starting with the Balance Sheet:

8.1 Fixed assets

Note 24 sets out the movements in this asset class. The capital expenditure in the Additions line has been explained in section 7 above. The Disposals figure of £22k (2020-21: £204k) was for the writing-off of an old IT system and books.

8.2 Investments

Note 25 shows investments of £112.68m (2020-21: £133.62m), with £100.64m (89%) held in quoted equities (2020-21: £118.04m). The unit value in the investment portfolio (see 3.3 above) at 30 June 2022 was £19.74, a decrease of 15.5% on the opening unit value of £23.35.

The total investment portfolio (including directly-owned property) was made up follows:

OPERATING AND FINANCIAL REVIEW (continued)

	30 June 2022	30 June 2021
Equities	69.3%	74.5%
Bonds	2.1%	7.1%
Property	11.7%	8.2%
Private equity	10.7%	7.5%
Absolute return	6.2%	2.7%
Total	100%	100%

As at 30 June 2022, 30% of the portfolio was passively managed, and 70% was actively managed. The passive part of the portfolio was held in three funds (two equity funds and one bond fund, although the latter was sold in March 2022) managed by State Street Global Advisors; and the active part of the portfolio was managed by the following: Baillie Gifford (Stewardship Select Fund), Cambridge University Endowment Fund (CUEF), Partners Capital, Cambridge Associates (Cambridge University Feeder Fund) and Savills (Charity Property Fund).

The total return on the investment portfolio (excluding directly-owned property) was -12.8%, following an exceptional 24.0% the previous year.

8.3 Statement of Changes in Reserves

The Balance Sheet and the Statement of Changes in Reserves show total reserves decreasing from £254.44m (at 30 June 2021) to £235.26m (at 30 June 2022). This decrease is mainly attributed to the decrease in value of the investments portfolio.

9. CASH FLOW

The fourth and final statement in the accounts is the Cash Flow Statement. This shows an increase of £2.74m in cash over the year from £2.29m to £5.04m. The cash flow is explained in detail in Notes 34 to 36.

10. RESERVES POLICY

Newnham's unrestricted reserves at the year end amounted to £152.96m (2021: £161.11m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. Restricted reserves at the year end amounted to £82.30m (2021: £93.32m) and are represented in the balance sheet by endowment funds for a number of educational purposes, as set out in Notes 32 and 33. The College Council believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The College Council is mindful to maintain an equitable balance between the interests of current members of the College and future generations ('intergenerational equity').

11. PRINCIPAL RISKS AND UNCERTAINTIES

As this report is written in the Michaelmas term 2022, a fresh intake of undergraduate and postgraduate students has arrived and the College feels like it is returning to normal after the pandemic. A few individuals still choose to wear face coverings, and another round of Covid vaccinations is on offer, but all induction meetings and social events are in person and the College as a community is in evidence. However, Covid-19 is still present in the wider community as winter approaches, and nothing is being taken for granted. It is very much hoped that the College's objectives of 'education, learning and research' and its normal routines will not be affected

OPERATING AND FINANCIAL REVIEW (continued)

Uncertainty over energy costs (largely arising from the Russian invasion of Ukraine) is affecting everyone including organisations such as Newnham College, and although the College is part of an intercollegiate buying consortium which negotiates a mixture of fixed-price contracts and traded contracts, all this achieves is short-term certainty rather than any long-term immunity from significant price increases. The College's plans to degasify the estate become even more pressing in such a situation. In the meantime, a priority is to reduce the use of both gas and electricity wherever possible, and the whole College community has a role to play in achieving this aim.

At the time of writing, inflation is at 10.1% (CPI to September 2022), partly (but not wholly) fuelled by the impact of the Ukraine war. High inflation affects every member of the College community (and their families), and every aspect of the College's operations. There are limits to the pay increases the College can offer as an employer, and there are limits to the increases in charges that the College can pass on to its consumers, in particular its students. For example, rents for student bedrooms increased from 2021-22 to 2022-23 by 4.4%, accompanied by a 25% increase (from £20 to £25 per week) in the automatic rent bursary given to over a third of our undergraduates who are in receipt of bursary support.

The regulated fee paid by most of our undergraduates has remained at £9,250 per year since 2012, having been £9,000 since 2010. This means that the value has eroded in real terms each year, against a background of rising costs for the university sector. This remains a key risk to the whole sector.

The increasing costs of the main defined benefit pension scheme in which the College participates (USS) also continue to be a concern, and there remains unrest among the Unions which could lead to further industrial action.

The impact of Brexit continues to be felt acutely in terms of staffing in departments such as Housekeeping and Catering, where lots of EU staff have left, and vacancies have been very hard to fill. The College also continues to experience supply chain and delivery issues. All of this is creating pressure on the College's operations, as well as on pricing and costs. Fewer EU students are applying to study at British universities, and Cambridge is not immune, as can be seen in the reduction in new postgraduate students paying the 'Home' fee rate.

12. FUTURE PLANS

Celebrations of the College's 150th anniversary in 2021-22 have come to a close, and the College now turns towards a major fundraising campaign during the remainder of Alison Rose's Principalship. The three themes of the campaign are: (i) supporting academic learning and research; (ii) supporting our students; and (iii) achieving carbon net zero.

The programme of refurbishment of the College's buildings continues, with a focus on energy conservation and energy supply. Two postgraduate houses have now been degasified by switching to air-source heat pumps, and this represents the first step in a long-term programme of energy-efficiency projects, which will be supported by funds raised under theme (iii) of the campaign as above. Such refurbishment projects are not solely about energy, however, and are equally about improving the College as an environment in which to live, work and study.



Mr Christopher Lawrence
Bursar

17 November 2022

CORPORATE GOVERNANCE

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

The College is a registered charity (registered number 1137512) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.

The Trustees are advised in carrying out their duties by a number of Committees, including: Academic Planning, Buildings Estate, Development, Environmental & Sustainability, Finance, Grants & Awards, IT, Library, Safety, and Stipends & Benefits.

The principal College officers are the Principal, Vice-Principal, Senior Tutor and Bursar.

It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of the external Auditor; to consider reports submitted by the Auditor; to monitor the implementation of recommendations made by the Auditor; to monitor risk management and control arrangements; and to make regular reports to the Trustees by way of minutes of its meetings. Membership of the Finance Committee includes all the principal College officers, the Domestic Bursar, and other members of the Governing Body.

There is a Register of Interests of Trustees. Declarations of interest are made systematically at all Governing Body, Council and Committee meetings. The College's Trustees during the year ended 30 June 2022 are set out on page 5.

STATEMENT OF INTERNAL CONTROL

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

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

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 2021 and up to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the system of internal control.

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

RESPONSIBILITIES OF THE COLLEGE COUNCIL AND THE GOVERNING BODY

The College Council is responsible for preparing the financial statements each year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by Recommended Cambridge College Accounts. The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In accordance with the College's Statutes, the College Council is responsible for the administration and management of the College's affairs. It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept which disclose with reasonable accuracy at any time the financial position of the College.

Statute XIX ('Accounts and Audit') in the College's Statutes sets out the Governing Body's responsibilities in relation to the accounts, including the appointment of the auditors. Clause 5 of Statute XIX states: "A meeting of the Governing Body shall be called to pass the accounts as soon as may be convenient in the Michaelmas Term."

In causing the financial statements to be prepared, the College Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The College Council is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The College Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud and other irregularities. Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY**For the Year Ended 30 June 2022****Opinion**

We have audited the financial statements of Newnham College (the 'College') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and College's affairs as at 30 June 2022, and of 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.

Other information

The other information comprises the information included in the report of the College Council and 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

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY (continued)

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 College Council and 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 20, 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.

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY (continued)

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:

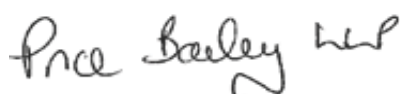
- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed key authorisation procedures and decision-making processes for any unusual or one-off transactions.
- 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 organisation.
- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the College Council.

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.

Use of our report

This report is made solely to the College Council and 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 College Council and 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: 14 December 2022

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Consolidated 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 7.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings are set out in Note 38. Intra-group balances are eliminated on consolidation. The activities of student societies have not been consolidated.

A separate balance sheet and related notes for the College are not included in the accounts because the subsidiary companies donate their profits to the College each year. The balance sheet for the College alone would not be materially different from the one included in the accounts.

Recognition of income

Academic fees

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

Grant income

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

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

Donations and Endowments

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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

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

Legacy Income

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the College is aware that probate has been granted and either: the estate has been finalised, final estate accounts have been received and notification has been made by the executors to the College that a distribution will be made; or when a notification has been made by the executors to the College of an intention to make a distribution prior to the end of the financial year and subsequently that distribution is received from the estate after the year end. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income and change in value of investment assets

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

Total return

A total return policy is applied to the College's investment in securities. A unitised approach is taken with the investment portfolio, and the units are revalued each quarter taking account of investment performance. Under this total return policy, the average of the unit values at the end of each quarter for the preceding five years is calculated. 3.5% of this average unit value is applied to the number of units held at 1 July, and this is the amount of endowment return transferred shown as income in the Statement of Comprehensive Income and Expenditure. The whole total return is shown in the same statement as the gain/(loss) on investments.

Other income

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

Cambridge Bursary Scheme and CBS Top-up Bursary Scheme

In 2021-22, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received contributions from the University of Cambridge and from Trinity College towards this payment. There is also a Top-up Bursary Scheme, also supported by Trinity College.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The net payment by the College of £124k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	(Note 1)	£268k
Expenditure	(Note 9)	£392k

Foreign currency translation

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

Tangible fixed assets*Land and buildings*

The buildings on the College's main site have been treated as tangible fixed assets and valued on the basis of their depreciated replacement cost. A valuation on 30 June 2019 was carried out by Gerald Eve LLP. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 65 years (previously this was 100 years). On revaluation, the expected life of a building is re-set to 65 years. Freehold land is not depreciated and the value of the land comprising the College's main site is included in the balance sheet.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

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

Maintenance of properties

The cost of routine maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred.

Furniture and equipment

Furniture and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Books, equipment, furniture and fittings	5%, 10% and 25% per annum
Catering heating and ventilation equipment	5% per annum
Major computer software	10% per annum
Computer equipment	25% per annum

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)*Heritage Assets*

The College holds and conserves a number of collections, artefacts and other assets of historical, artistic or scientific interest. Heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt, to the extent to which they are material. Heritage assets have not been depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

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

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

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

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

Financial Liabilities

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

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

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

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

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

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Taxation**

The College is a registered charity (number 1135712) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

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

Pension schemes

The College participates in the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The schemes are both defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The assets and liabilities of the CCFPS are held separately. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The assets of the USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Employment benefits

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

Reserves

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Critical Accounting Estimates and Judgements**

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in Note 9.

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Notes 42a and 42b.

Management are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 42b.

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Going concern**

The College's Finance Committee and Council have reviewed the budget for 2022-23 and also a five-year projection through to 2027-28. At the start of the 2022-23 academic year, student numbers are on target, and therefore both fee income and accommodation income are on target. Conference business is picking up once again, and the expectation is that it will be back to pre-Covid levels from the start of the 2022-23 financial year.

As a result of its assessment of the College's overall financial situation, the College Council has confirmed the College's ability to continue in operation and on that basis it has adopted the going concern assumption within these financial statements. The College Council confirms the College's ability to continue as a going concern.

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2022

	Note	2021-22				2020-21			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	3,300	268	-	3,568	3,306	241	-	3,547
Accommodation, catering and conferences	2	4,090	-	-	4,090	2,159	-	-	2,159
Investment income	3	1,212	-	-	1,212	641	-	-	641
Endowment return transferred	3	1,514	1,942	(3,456)	-	4,852	1,733	(6,585)	-
Other income	4	462	-	-	462	442	364	-	806
Total income before donations and endowments		10,578	2,210	(3,456)	9,332	11,400	2,338	(6,585)	7,153
Donations	5	3,425	253	-	3,678	1,474	401	-	1,875
New endowments	5	-	-	905	905	-	-	464	464
Total income		14,003	2,463	(2,551)	13,915	12,874	2,738	(6,122)	9,490
Expenditure									
Education	6,7,8,9	3,839	2,167	-	6,006	3,395	1,898	-	5,293
Accommodation, catering and conferences	6,10,11,14	5,978	-	-	5,978	5,322	-	-	5,322
Other expenditure	6,12,13	746	-	-	746	576	324	-	900
Total operating expenditure		10,563	2,167	-	12,730	9,293	2,222	-	11,515
Movement to pension provisions	21,31	1,818	-	-	1,818	(202)	-	-	(202)
Loan interest payable	22	1,006	-	-	1,006	1,021	-	-	1,021
Contribution to Colleges Fund under Statute G,II	23	63	-	-	63	16	-	-	16
Total expenditure		13,450	2,167	-	15,617	10,128	2,222	-	12,350
Surplus/(deficit) before other gains and losses		553	296	(2,551)	(1,702)	2,746	516	(6,122)	(2,860)
Gain/(loss) on investments	3	(9,091)	(2,739)	(6,029)	(17,859)	8,401	3,032	17,169	28,602
Surplus/(deficit) for the year		(8,539)	(2,443)	(8,580)	(19,562)	11,147	3,548	11,047	25,742
Other comprehensive income									
Actuarial gain in respect of pension schemes	21,31	436	-	-	436	484	-	-	484
Total comprehensive income for the year		(8,102)	(2,443)	(8,580)	(19,125)	11,631	3,548	11,047	26,226

The notes on pages 36 to 59 form part of these accounts.

Consolidated Statement of Changes in Reserves**Year Ended 30 June 2022**

	Income and expenditure reserve			Revaluation	Total
	Unrestricted	Restricted	Endowment	reserve	
	£000	£000	£000	£000	£000
At 1 July 2021	72,939	17,720	75,603	88,173	254,435
(Deficit) from income and expenditure statement	(8,539)	(2,443)	(8,580)	-	(19,562)
Other comprehensive income/(expenditure)	436	-	-	-	436
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	875	-	-	(875)	-
At 30 June 2022	65,661	15,277	67,023	87,298	235,258
At 1 July 2020	60,413	14,290	64,477	89,080	228,260
Surplus/(deficit) from income and expenditure statement	11,147	3,548	11,047	-	25,742
Other comprehensive income/(expenditure)	484	-	-	-	484
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	907	-	-	(907)	-
Movement between Funds	39	(118)	79	-	-
At 30 June 2021	72,939	17,720	75,603	88,173	254,435

Consolidated Balance Sheet**At 30 June 2022**

	Note	2022 £000	2021 £000
Non-current assets			
Fixed assets	24	142,807	143,499
Investments	25	112,679	133,617
Total non-current assets		255,486	277,116
Current assets			
Stocks	26	80	93
Trade and other receivables	27	1,794	860
Cash and cash equivalents	28	5,038	2,294
Total current assets		6,912	3,247
Creditors: amounts falling due within one year	29	(1,543)	(1,446)
Net current assets		5,369	1,801
Total assets less current liabilities		260,855	278,917
Creditors: amounts falling due in more than one year	30	(21,654)	(21,921)
Provisions			
Pension provisions	31	(3,942)	(2,561)
Total net assets		235,259	254,435
Restricted reserves			
Income and expenditure reserve - endowment reserve	32	67,023	75,603
Income and expenditure reserve - restricted reserve	33	15,277	17,720
		82,300	93,323
Unrestricted reserves			
Income and expenditure reserve - unrestricted		65,661	72,939
Revaluation reserve		87,298	88,173
		152,959	161,112
Total reserves		235,259	254,435

These financial statements were approved by Newnham College Governing Body on 17 November 2022 and signed on its behalf by:

Miss Alison Rose (Principal)



Mr Christopher Lawrence (Bursar)



The notes on pages 36 to 59 form part of these accounts. 34

Consolidated Cash Flow Statement

Year Ended 30 June 2022

	Note	2021-22 £000	2020-21 £000
Net cash inflow/(outflow) from operating activities	34	669	(1,326)
Cash flows from investing activities	35	3,332	572
Cash flows from financing activities	36	(1,257)	(1,257)
Increase/(Decrease) in cash and cash equivalents in the year		<u>2,744</u>	<u>(2,011)</u>
Cash and cash equivalents at beginning of the year		2,294	4,305
Cash and cash equivalents at end of the year		5,038	2,294

The notes on pages 36 to 59 form part of these accounts.

Notes to the Accounts

1. ACADEMIC FEES AND CHARGES		2021-22	2020-21
		£000	£000
College fees:			
Fee income received at the Regulated Undergraduate rate (a)		1,562	1,572
Fee income received at the Unregulated Undergraduate rate (b)		670	652
Fee income received at the Postgraduate rate (c)		961	986
		<u>3,193</u>	<u>3,210</u>
Recoveries from other Colleges - teaching		61	52
Recoveries - shared appointments		46	44
Contribution towards Cambridge Bursary & Top-up Schemes		268	241
		<u>3,568</u>	<u>3,547</u>
(a) fee per student: £4,625 for undergraduates starting since 2017-18			
(a) fee per student: £9,975 for undergraduates starting in 2021-22 (2020-21: £9,500) (2019-20: £8,700) (2018-19: £8,100)			
(c) fee per student: £4,475 (2020-21: £4,069)			
2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES		2021-22	2020-21
		£000	£000
Accommodation	College members	3,102	1,872
	Conferences	141	-
Catering	College members	708	276
	Conferences	139	11
		<u>4,090</u>	<u>2,159</u>
3. INVESTMENT RETURN AND INVESTMENT INCOME		2021-22	2020-21
		£000	£000
3a. Analysis			
Total return contribution (see note 3b)		3,456	6,585
Quoted securities		-	-
CUEF distributions		1,110	506
Freehold land and buildings		100	130
Interest		2	5
Less: Excess of total return over investment income received		(3,456)	(6,585)
		<u>1,212</u>	<u>641</u>
3b. Summary of total return			
Income from:			
Freehold land and buildings		100	130
Quoted and other securities and cash		1,112	511
		<u>1,212</u>	<u>641</u>
Gains on investment assets			
Quoted and other securities (see note 25)		(17,832)	28,639
Revaluation of USD bank account		2	-
Investment management costs - quoted securities (see note 3c)		(29)	(37)
		<u>(17,859)</u>	<u>28,602</u>
Total return for the year		<u>(16,648)</u>	<u>29,243</u>
Total return transferred to income and expenditure reserve (see note 3a)		(3,456)	(6,585)
Total return for year included within Statement of Comprehensive Income and Expenditure		<u>(20,104)</u>	<u>22,658</u>

Notes to the Accounts

3. INVESTMENT RETURN AND INVESTMENT INCOME (continued)	2021-22	2020-21		
	£000	£000		
3c. Investment management costs				
Quoted securities	29	37		
Freehold land and buildings	19	18		
4. OTHER INCOME	2021-22	2020-21		
	£000	£000		
Roll & Development events	77	16		
Contribution towards salary costs	83	51		
VAT recoverable	52	55		
Research grant from DfID/FCDO	189	363		
Coronavirus Job Retention Scheme grant	-	281		
Other	61	40		
	462	806		
5. DONATIONS, LEGACIES AND NEW ENDOWMENTS	2021-22	2020-21		
	£000	£000		
Unrestricted donations	3,374	1,423		
Release from deferred capital grants	51	51		
Restricted donations	253	401		
New endowments	905	464		
	4,583	2,339		
Legacies	1,969	690		
Donations	2,563	1,598		
Release from deferred capital grants	51	51		
	4,583	2,339		
6a. OPERATING EXPENDITURE - 2021-22	Education	Accomm,	Other	Total
	(see note 7a)	Catering and	(see notes 12 &	
		conferences	13)	
		(see notes 10,11		
		& 14)		
	£000	£000	£000	£000
Staff - direct	1,512	894	266	2,672
Staff - indirect (see note 18)	1,153	1,746	137	3,036
Total staff	2,665	2,640	403	5,708
Non-staff - direct	2,050	597	217	2,864
Non-staff - indirect (see note 19)	872	1,525	84	2,481
Depreciation	419	1,216	42	1,677
Total non-staff	3,341	3,338	343	7,022
Total	6,006	5,978	746	12,730

Notes to the Accounts**6b. OPERATING EXPENDITURE - 2020-21**

	Education (see note 7b)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
	£000	£000	£000	£000
Staff - direct	1,432	796	357	2,585
Staff - indirect (see note 18)	1,120	1,744	126	2,990
Total staff	2,552	2,540	483	5,575
Non-staff - direct	1,640	321	309	2,270
Non-staff - indirect (see note 19)	687	1,261	66	2,014
Depreciation	414	1,201	41	1,656
Total non-staff	2,741	2,782	417	5,940
Total	5,293	5,322	900	11,515

7a. EDUCATION EXPENDITURE - 2021-22

	Staff direct (see note 8)	Staff indirect	Non-staff direct (see note 9)	Non-staff indirect	Dep'n	Total
	£000	£000	£000	£000	£000	£000
Teaching	940	456	115	366	210	2,087
Tutorial	106	319	72	223	126	846
Admissions	197	164	93	127	50	631
Research	262	109	58	74	17	520
Scholarships and awards	-	-	1,671	-	-	1,671
Other educational facilities	7	105	41	82	16	251
Total	1,512	1,153	2,050	872	419	6,006

7b. EDUCATION EXPENDITURE - 2020-21

	Staff direct (see note 8)	Staff indirect	Non-staff direct (see note 9)	Non-staff indirect	Dep'n	Total
	£000	£000	£000	£000	£000	£000
Teaching	896	444	88	286	206	1,920
Tutorial	117	316	66	173	124	796
Admissions	174	156	62	99	50	541
Research	237	104	29	61	17	448
Scholarships and awards	-	-	1,359	-	-	1,359
Other educational facilities	8	100	36	68	17	229
Total	1,432	1,120	1,640	687	414	5,293

Notes to the Accounts

8. EDUCATION EXPENDITURE - STAFF-DIRECT	2021-22	2020-21
	£000	£000
Directors of Studies, College Lecturers, Supervisors	625	623
Library staff	134	124
Research Fellows	255	229
Senior Tutor, Admissions Tutors, Tutors	237	198
Tutorial & Admissions Office staff	190	215
Other	71	43
Total	1,512	1,432

9. EDUCATION EXPENDITURE - NON-STAFF-DIRECT	2021-22	2020-21
	£000	£000
Awards		
Cambridge Bursary & Top-up Schemes (funded by the College)	124	117
Cambridge Bursary & Top-up Schemes (funded by the Collegiate University)	268	241
Bursaries (mainly for undergraduates)	297	250
Studentships (mainly for postgraduates)	801	688
Travel, Book and other grants	152	51
Prizes	28	12
Total awards	1,670	1,359
Other		
Admissions	93	61
Tutorial	30	5
Research	58	29
Library	21	17
Contribution towards UTO	83	69
Counselling	53	63
Grants to clubs and societies	39	36
Miscellaneous	3	1
Total	2,050	1,640

10. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - STAFF-DIRECT	2021-22	2020-21
	£000	£000
Catering	809	725
Conferences	85	71
Total	894	796

Notes to the Accounts

11. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - NON-STAFF-DIRECT		2021-22	2020-21		
		£000	£000		
Catering		558	295		
Conferences		39	26		
Total		597	321		
12. OTHER EXPENDITURE - STAFF-DIRECT		2021-22	2020-21		
		£000	£000		
The Skilliter Centre for Ottoman Studies		43	41		
The Margaret Anstee Centre for Global Studies		133	145		
Research grant from DfID/FCDO		40	122		
Academic support		50	49		
Total		266	357		
13. OTHER EXPENDITURE - NON-STAFF-DIRECT		2021-22	2020-21		
		£000	£000		
The Skilliter Centre for Ottoman Studies		4	-		
The Margaret Anstee Centre for Global Studies		8	7		
Research grant from DfID/FCDO		138	202		
Investment management and advice		38	58		
Other		29	42		
Total		217	309		
14. ACCOMMODATION, CATERING, AND CONFERENCES EXPENDITURE		2021-22	2020-21		
		£000	£000		
Accommodation	College members	4,333	3,859		
	Conferences	45	40		
Catering	College members	1,495	1,330		
	Conferences	105	93		
Total		5,978	5,322		
15a. ANALYSIS OF 2021-22 EXPENDITURE BY ACTIVITY		Staff costs	Other operating expenses	Dep'n	Total
		£000	£000	£000	£000
Education (see note 6a)		2,665	2,922	419	6,006
Accommodation, catering and conferences (see note 6a)		2,640	2,122	1,216	5,978
Other		403	301	42	746
Movement to pension provisions		-	1,818	-	1,818
Loan interest payable		-	1,006	-	1,006
Contribution to Colleges Fund under Statute G,II		-	63	-	63
		5,708	8,232	1,677	15,617

Notes to the Accounts

15b. ANALYSIS OF 2020-21 EXPENDITURE BY ACTIVITY

	Staff costs	Other operating expenses	Dep'n	Total
	£000	£000	£000	£000
Education (see note 6b)	2,552	2,327	414	5,293
Accommodation, catering and conferences (see note 6b)	2,540	1,581	1,201	5,322
Other	483	376	41	900
Movement to pension provisions	-	(202)	-	(202)
Loan interest payable	-	1,021	-	1,021
Contribution to Colleges Fund under Statute G,II	-	16	-	16
	5,575	5,119	1,656	12,350

16. ANALYSIS OF EXPENDITURE

	2021-22	2020-21
	£000	£000
Operating expenses include:		
Audit fee payable to the College's external auditors	23	18
Cost of fundraising	370	373
Investment management costs - commercial property	19	19
Investment management costs - securities and cash	30	37

17a. STAFF COSTS 2021-22

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,512	1,153	2,665
Accommodation, catering and conferences	894	1,746	2,640
Other	266	137	403
	2,672	3,036	5,708

17b. STAFF COSTS 2020-21

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,432	1,120	2,552
Accommodation, catering and conferences	796	1,744	2,540
Other	357	126	483
	2,585	2,990	5,575

Notes to the Accounts**18. ANALYSIS OF STAFF INDIRECT EXPENDITURE**

	2021-22	2020-21
	£000	£000
Housekeeping	646	703
Gardens	201	178
Maintenance	391	389
Porters' Lodge	421	361
Principal, Vice-Principal, Bursars	358	352
Bursary, HR, Principal's Secretary	458	424
IT	122	99
Development, Communications	410	369
Archive, Collections	61	40
CCFPS deficit recovery payment	-	30
Holiday accrual	(32)	45
Total	3,036	2,990

19. ANALYSIS OF NON-STAFF INDIRECT EXPENDITURE

	2021-22	2020-21
	£000	£000
Housekeeping	303	180
Gardens	97	43
Maintenance	555	688
Porters' Lodge	8	5
Electricity	270	203
Gas	187	118
Water	60	48
Rates	49	30
Insurance	86	71
Administration, Regulatory Expenditure	168	125
Office of Intercollegiate Services Levies	170	146
IT	175	154
Development, Communications	349	201
Archive, Collections	3	2
Other	1	-
Total	2,481	2,014

Notes to the Accounts

20. STAFF COSTS

	Academic	Non-Academic	Total
	£000	£000	£000
2021-22			
Staff Costs			
Salaries	838	3,484	4,322
National Insurance	60	278	338
Pension costs	169	612	781
External teaching costs	267	-	267
	1,334	4,374	5,708
2020-21			
Staff Costs			
Salaries	763	3,442	4,205
National Insurance	60	268	328
Pension costs	149	631	780
External teaching costs	262	-	262
	1,234	4,341	5,575
	Academic	Non-Academic	Total
Average staff numbers (non-FTE) - 2021-22	54	161	215
Average staff numbers (non-FTE) - 2020-21	57	144	201
The figures above show the average number of people paid through the College payroll, irrespective of the hours worked.			
Average non-academic staff numbers (FTE) - 2021-22	n/a	124	124
Average non-academic staff numbers (FTE) - 2020-21	n/a	125	125
The figures above show the average number of FTE persons paid through the payroll.			
Average number of Fellows - 2021-22	57	10	67
Average number of Fellows - 2020-21	57	10	67
Number of Fellows as at 1 October 2022	56	10	66
Number of Fellows as at 1 October 2021	57	10	67
Number of Fellows as at 1 October 2020	58	10	68

Non-academic staff who are Fellows (i.e. Domestic Bursar, Development Director, Librarian) are included in the Fellows' figures. The Principal is not included in the Fellows' figures.

During the financial year 2021-22, 57 Fellows received remuneration (2020-21: 62).

The number of officers or employees of the College, including the Principal, who received remuneration in the following ranges was:

	2021-22	2020-21
£120,000 - £130,000	1	1
£130,000 - £140,000	1	1

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

Notes to the Accounts

20. STAFF COSTS (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are the Principal, Vice-Principal, Senior Tutor and Bursar. The aggregated remuneration paid to key management personnel consists of salary, employer's national insurance contributions, employer's pension contributions, plus any taxable benefits paid, payable or provided, gross of any salary sacrifice arrangements.

	2021-22 £000	2020-21 £000
Aggregated remuneration	337	317

The total remuneration for persons who served as Trustees (members of the College Council) in 2021-22 was £490k (2020-21: £416k).

21. PENSION COSTS OF CCFPS & USS

	CCFPS £000	USS £000	Total £000
2021-22			
Brought Forward	1,177	1,384	2,561
Contributions	(63)	(749)	(812)
Charge to Income and Expenditure	94	2,536	2,630
Net charge to Income and Expenditure	31	1,786	1,817
Charge to Other comprehensive income	(436)	-	(436)
Carried Forward	772	3,170	3,942
2020-21			
Brought Forward	1,616	1,632	3,248
Contributions	(57)	(721)	(778)
Charge to Income and Expenditure	102	473	575
Net charge to Income and Expenditure	45	(248)	(203)
Charge to Other comprehensive income	(484)	-	(484)
Carried Forward	1,177	1,384	2,561

22. LOAN INTEREST PAYABLE

	2021-22 £000	2020-21 £000
Bank loan	182	197
Private placement 1	511	511
Private placement 2	313	313
Total	1,006	1,021

Further information on the bank loan and private placements can be found in note 29.

Notes to the Accounts

23. CONTRIBUTION TO COLLEGES FUND UNDER STATUTE G,II	2021-22 £000	2020-21 £000
Contribution	63	16

Every College in the University is required to make an annual contribution based on the value of its assessable assets.

24. FIXED ASSETS	College Land £000	College Buildings £000	Furniture & Equipment £000	2021-22 Total £000	2020-21 Total £000
Cost or valuation					
At 1 July 2021	50,342	94,062	3,027	147,431	146,136
Additions	-	767	218	985	1,499
Disposals	-	-	(22)	(22)	(204)
	50,342	94,829	3,223	148,394	147,431
Depreciation					
At 1 July 2021	-	2,376	1,556	3,932	2,480
Charge for the year	-	1,459	218	1,677	1,656
Eliminated on disposals	-	-	(22)	(22)	(204)
	-	3,835	1,752	5,587	3,932
Net Book value					
At 30 June 2022	50,342	90,994	1,471	142,807	143,499
At 1 July 2021	50,342	91,686	1,471	143,499	143,656

A valuation of College properties was carried out by Gerald Eve, Chartered Surveyors, at 30 June 2019 on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolescence.

The freehold College buildings at 30 June 2022 were insured at reinstatement costs of £119.2m.

Notes to the Accounts

25. INVESTMENTS	2021-22	2020-21
	£000	£000
At 1 July 2021	133,617	106,409
Additions	7,500	24,000
Disposals	(10,605)	(25,431)
Gain/(loss)	(17,833)	28,639
At 30 June 2022	112,679	133,617
Represented by:		
Estate properties (held directly)	3,525	3,525
Properties (held indirectly via funds)	5,793	4,787
Quoted securities - equities (held indirectly via funds)	100,639	118,037
Quoted securities - fixed interest (held indirectly via funds)	-	3,880
Unquoted (held indirectly via funds)	2,622	3,288
Cash held for reinvestment	100	100
	112,679	133,617

At 30 June 2019, a valuation of the investment properties was carried out by on an open market value for existing use basis by Gerald Eve, Chartered Surveyors. The Trustees have in place a policy to revalue professionally periodically, but consider each year whether the market value of the properties has materially changed. Any material change in market value will be reflected in a revaluation movement in the year in question. The Trustees have considered the market value at the end of the current financial year and have deemed that the value has not materially moved since the previous professional valuation.

26. STOCKS AND WORK IN PROGRESS	2021-22	2020-21
	£000	£000
Food and drink	26	35
Wine	30	36
Cleaning materials and other	24	22
	80	93

27. TRADE AND OTHER RECEIVABLES	2021-22	2020-21
	£000	£000
Taxes due from government departments	49	24
Grants receivable	1	42
Other receivables	104	94
Prepayments and accrued income	1,640	700
	1,794	860

Notes to the Accounts

28. CASH AND CASH EQUIVALENTS	2021-22	2020-21
	£000	£000
Current accounts	5,037	2,293
Cash in hand	1	1
	<u>5,038</u>	<u>2,294</u>
	<u><u>5,038</u></u>	<u><u>2,294</u></u>
29. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021-22	2020-21
	£000	£000
Trade creditors	274	210
Loan repayments	264	248
Taxes and social security costs	35	-
Student deposits and accounts	160	250
Accruals and deferred income	810	738
	<u>1,543</u>	<u>1,446</u>
	<u><u>1,543</u></u>	<u><u>1,446</u></u>
30. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2021-22	2020-21
	£000	£000
Bank loan	3,074	3,341
Private placement 1 liability	11,580	11,580
Private placement 2 liability	7,000	7,000
	<u>21,654</u>	<u>21,921</u>
	<u><u>21,654</u></u>	<u><u>21,921</u></u>

The bank loan is secured on certain College freehold properties and is subject to interest fixed under a swap agreement at 5.24% for 25 years from 2007. Repayments commenced in 2007 and will be made over the 25 years to June 2032.

The first private placement bond of £11,580,000 is repayable in two tranches, of £6,433,333 on 30 October 2043 and £5,146,667 on 30 October 2053 and is subject to a fixed rate of interest of 4.40%.

The second private placement bond of £7,000,000 is repayable on 31 January 2044 and is subject to a fixed rate of interest of 4.45%.

31. PENSION PROVISIONS	2021-22	2020-21
	£000	£000
At 1 July 2021	2,561	3,248
Movement in year:		
Current service cost including life assurance	2,629	575
Contributions	(812)	(778)
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(436)	(484)
	<u>3,942</u>	<u>2,561</u>
At 30 June 2022	<u><u>3,942</u></u>	<u><u>2,561</u></u>

Notes to the Accounts

32. ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

2021-22	Restricted permanent endowments	Unrestricted permanent endowments	Total 2021-22
	£000	£000	£000
At 1 July 2021	55,288	20,315	75,603
New donations and endowments	905	-	905
Transfer between funds	-	-	-
(Decrease) in market value of investments	(8,614)	(871)	(9,485)
At 30 June 2022	47,579	19,444	67,023

Analysis by type of purpose:

Fellowship Funds	17,914	-	17,914
Scholarship Funds	7,251	-	7,251
Prize Funds	403	-	403
Hardship Funds	6,039	-	6,039
Research Funds	14,114	-	14,114
Book Funds	923	-	923
Other Funds	935	-	935
General Endowments	-	19,444	19,444
	47,579	19,444	67,023

2020-21	Restricted permanent endowments	Unrestricted permanent endowments	Total 2020-21
	£000	£000	£000
At 1 July 2020	45,129	19,348	64,477
New donations and endowments	464	-	464
Transfer between funds	79	-	79
Increase in market value of investments	9,616	967	10,583
At 30 June 2021	55,288	20,315	75,603

Analysis by type of purpose:

Fellowship Funds	20,497	-	20,497
Scholarship Funds	8,483	-	8,483
Prize Funds	476	-	476
Hardship Funds	6,944	-	6,944
Research Funds	16,692	-	16,692
Book Funds	1,091	-	1,091
Other Funds	1,105	-	1,105
General Endowments	-	20,315	20,315
	55,288	20,315	75,603

Notes to the Accounts

32. ENDOWMENT FUNDS (continued)

	Endowment £000	Unapplied total return £000	Total £000
At 1 July 2021	44,797	30,806	75,603
Gift of Endowment funds	905	-	905
Investment returns: dividends and interest	-	569	569
	-	(10,054)	(10,054)
Net movement before application of income	905	(9,485)	(8,580)
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	905	(9,485)	(8,580)
At 30 June 2022	45,702	21,321	67,023
At 1 July 2020	44,254	20,223	64,477
Gift of Endowment funds	543	-	543
Investment returns: dividends and interest	-	308	308
	-	10,275	10,275
Net movement before application of income	543	10,583	11,126
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	543	10,583	11,126
At 30 June 2021	44,797	30,806	75,603

Notes to the Accounts

33. RESTRICTED RESERVES

Reserves with restrictions are as follows:

2021-22	Permanent unspent £000	Restricted expendable endowment £000	2021-22 £000
At 30 June 2021	3,589	14,131	17,720
New grants and donations	-	253	253
Investment income	1,569	373	1,942
Expenditure	(649)	(151)	(800)
Transfer between funds	(427)	(672)	(1,099)
(Decrease) in market value of investments	(557)	(2,182)	(2,739)
At 30 June 2022	3,525	11,752	15,277

Analysis by type of purpose:

Fellowship Funds	1,237	3,352	4,589
Scholarship Funds	1,009	1,270	2,279
Prize Funds	98	139	237
Hardship Funds	454	4,078	4,532
Research Funds	517	120	637
Book Funds	73	1,785	1,858
Other Funds	137	1,008	1,145
	3,525	11,752	15,277

2020-21	Permanent unspent £000	Restricted expendable endowment £000	2020-21 £000
At 30 June 2020	2,522	11,768	14,290
New grants and donations	-	1,006	1,006
Investment income	1,392	341	1,733
Expenditure	(876)	(1,346)	(2,222)
Transfer between funds	6	(125)	(119)
Increase in market value of investments	545	2,487	3,032
At 30 June 2021	3,589	14,131	17,720

Analysis by type of purpose:

Fellowship Funds	1,174	3,913	5,087
Scholarship Funds	1,124	1,703	2,827
Prize Funds	104	163	267
Hardship Funds	442	5,002	5,444
Research Funds	487	138	625
Book Funds	75	2,070	2,145
Other Funds	183	1,142	1,325
	3,589	14,131	17,720

Notes to the Accounts**33. RESTRICTED RESERVES (continued)**

	Endowment	Unapplied total return	Total
	£000	£000	£000
At 1 July 2021	12,271	5,449	17,720
Gift of Endowment funds	(846)	-	(846)
Investment returns: dividends and interest	-	164	164
	-	(2,903)	(2,903)
Net movement before application of income	(846)	(2,739)	(3,585)
Unapplied total return allocated to income in the year	-	1,142	1,142
Net movement in the year	(846)	(1,597)	(2,443)
At 30 June 2022	11,425	3,852	15,277
At 1 July 2020	11,384	2,906	14,290
Gift of Endowment funds	887	-	887
Investment returns: dividends and interest	-	88	88
	-	2,944	2,944
Net movement before application of income	887	3,032	3,919
Unapplied total return allocated to income in the year	-	(489)	-
Net movement in the year	887	2,543	3,919
At 30 June 2021	12,271	5,449	17,720

Notes to the Accounts

34. RECONCILIATION OF CONSOLIDATED SURPLUS FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2021-22	2020-21	
	£000	£000	
Surplus for the year	(19,562)	25,742	
Adjustment for non-cash items			
Depreciation and movements to Revaluation Reserve	1,677	1,656	
(Gain)/Loss on endowments, donations and investment property	17,832	(28,639)	
Decrease in stocks	13	-	
(Increase) in trade and other receivables	(933)	(411)	
Increase in creditors	81	199	
Increase/(decrease) in provisions	1,381	(686)	
Pension costs less contributions payable	436	484	
Release of deferred capital grants	(51)	(51)	
Adjustment for investing or financing activities			
Investment income receivable	(1,212)	(641)	
Interest payable	1,006	1,021	
Net cash inflow/(outflow) from operating activities	669	(1,326)	
35. CASH FLOWS FROM INVESTING ACTIVITIES	2021-22	2020-21	
	£000	£000	
Non-current investment disposal	10,604	25,430	
Investment income received	1,212	641	
Endowment funds invested	(7,500)	(24,000)	
Payments made to acquire non-current assets	(985)	(1,499)	
Total cash flows from investing activities	3,332	572	
36. CASH FLOWS FROM FINANCING ACTIVITIES	2021-22	2020-21	
	£000	£000	
Interest paid	(1,006)	(1,021)	
Repayments of amounts borrowed	(251)	(236)	
Total cash flows from financing activities	(1,257)	(1,257)	
37. CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT	At 1 July	Cash	At 30 June
	2021	Flows	2022
	£000	£000	£000
Cash and cash equivalents	2,294	2,744	5,038
Borrowings: amounts falling due within one year			
Secured loans	(248)	(16)	(264)
Borrowings: amounts falling due after more than one year			
Secured loans	(21,921)	267	(21,654)
	(19,875)	2,995	(16,880)

Notes to the Accounts

38. RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of the College Council and Governing Body it is inevitable that transactions will take place with organisations in which a member of the College Council or Governing Body may have an interest. All transactions involving organisations in which a member of the College Council or Governing Body may have an interest are conducted at arms 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 or Governing Body has a material interest in a College matter they are required to declare that fact.

During the year Newnham College received £42,819 from the Sir Isaac Newton Trust in relation to fellowship funding and Dr Laurie Friday is a Director of this Trust and a member of the College Council.

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

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

The salaries paid to Trustees (after salary exchange) in the year are summarised in the table below.

From	To	2021-22 Number	2020-21 Number
£0	£10,000	5	4
£10,0001	£20,000	5	6
£20,0001	£30,000	-	-
£30,0001	£40,000	1	1
£40,0001	£50,000	1	-
£50,0001	£60,000	-	-
£60,0001	£70,000	-	-
£70,0001	£80,000	-	-
£80,0001	£90,000	-	-
£90,0001	£100,000	2	2
Total		14	13

The total Trustee salaries (after salary exchange) were £369k for the year (2020-21: £315k).

The trustees were also paid other benefits (including associated employer National Insurance contributions and employer contributions to pensions) and other taxable benefits which totalled £121k (2020-21: £101k).

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 2022 these fees total £9,017k (2020-21: £9,234k). During the year the College paid the University from these fees sums totalling £6,494k (2021: £6,676k) and kept £2,523k (2020-21: £2,558k) 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 Newnham College made a contribution under Statute Gil of £63k (2020-21: £16k) into the Colleges Fund. 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. Newnham College administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £268k to this scheme (2021: £241k). In the course of its charitable activities, Newnham College also pays the University of Cambridge for printing, network and other services. In addition, Newnham College periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

Notes to the Accounts

39. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England & Wales), wholly-owned by the College, are as follows:

Company	Company Number	Principal Activity
Newnham College Library Company Ltd	04077568	Inactive
Newnham College Management Ltd	02867403	Provision of maintenance and construction projects
Newnham College Ltd	02788626	Inactive

All subsidiary companies are incorporated in the United Kingdom.

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.

Newnham College Libray Limited and Newnhan College Limited had no profit or loss in either 2021-22 or 2020-21 and their balance sheet is £2 (2020-21: £2). Newnham College Management Limited incurred a loss of £1,033 (2020-21: £5,990) and a balance sheet of £19,071 (2020-21: £20,104)

40. FINANCIAL COMMITMENTS

At 30 June 2022 and 30 June 2021 the College had no annual commitments under non-cancellable operating leases. The College has committed to investing in various private equity funds over approximately the next two years as at June 2022. A total of £0m (2020-21: £0.7m) may be called up for investment at any point during that period, but this is not a liability, it would be a reclassification of College investments.

	2021-22 £000	2020-21 £000
Capital commitments at 30 June 2022 are as follows:		
Authorised and contracted for	1,207,258	670,558

41. CONTINGENT ASSETS

Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met at the year end, then the legacy is treated as a contingent asset. At the balance sheet date contingent legacy assets are estimated to be: £135,885 (2021: £676,825).

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit plan, the Cambridge Colleges' Federated Pension Scheme. At 30 June 2022 Newnham College had 3 active members participating in the plan.

The liabilities of the plan have been calculated, as at 30 June 2022, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2021-22	2020-21
	% p.a.	% p.a.
Discount rate	3.80	1.80
Increase in salaries	3.25	3.10
RPI assumption	3.45*	3.40
CPI assumption	2.75*	2.60
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.30
Pension increases in payment (CPI Max 2.5% p.a.)	2.05	1.95

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

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2021: S3PA with CMI_2020 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

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

Employee Benefit Obligations

The amounts recognised in the Balance Sheet as at 30 June 2022 (with comparative figures as at 30 June 2021) are as follows:

	2021-22	2020-21
	£000	£000
Present value of plan liabilities	-	-
Market value of plan assets	(5,416)	(6,865)
Net defined benefit asset/(liability)	4,644	5,688
	(772)	(1,177)

The amounts to be recognised in the Income and Expenditure for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2021-22	2020-21
	£000	£000
Current service cost	60	68
Administrative expenses	12	11
Interest on net defined benefit (asset)/liability	21	24
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	94	102

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

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

	2021-22	2020-21
	£000	£000
Present value of plan liabilities at the beginning of the year	6,865	7,074
Current service cost	60	68
Employee contributions	-	-
Benefits paid	(311)	(232)
Interest on plan liabilities	121	101
Actuarial (gains)/losses	(1,319)	(147)
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at the end of the year	5,416	6,865

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

	2021-22	2020-21
	£000	£000
Market value of plan assets at the beginning of the year	5,688	5,458
Contributions paid by the College (employer contribution)	51	45
Contributions paid by the College (employee contribution - salary exchange)	12	12
Contributions paid by the College (funding shortfall)	-	-
Contributions paid by the College (administration fee)	-	-
Benefits paid	(311)	(232)
Administrative expenses	(14)	(15)
Interest on plan assets	100	78
Return on assets, less interest included in Income and Expenditure	(881)	341
Market value of plan assets at the end of the year	4,644	5,688
Actual return on plan assets	(781)	419

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021-22	2020-21
Equities	52%	48%
Bonds and cash	34%	42%
Property	14%	10%
Total	100%	100%

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

Analysis of the measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2021-22	2020-21
	£000	£000
Return on assets, less interest included in the Income and Expenditure	(881)	341
Expected less actual plan expenses	(2)	(4)
Experience gains and losses arising on plan liabilities	(371)	64
Changes in assumptions underlying the present value of plan liabilities	1,690	83
Remeasurement of net defined benefit liability recognised in OCI	436	484

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

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

	2021-22	2020-21
	£000	£000
Net defined benefit asset/(liability) at beginning of year	(1,177)	(1,616)
Recognised in Income and Expenditure	(94)	(102)
Contributions paid by the College	63	57
Remeasurement of net defined benefit liability recognised in OCI	436	484
Net defined benefit asset/(liability) at end of year	<u>(772)</u>	<u>(1,177)</u>

Funding Policy

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

The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

Annual contributions of not less than £9,244 per annum payable for the period from 1 July 2021 to 31 March 2027.

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

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Deficit recovery liability

The total cost charged to the income and expenditure account for the College and subsidiaries in 2021-22 is £1,786k (2020-21: -£248k).

Deficit recovery contributions due within one year for the College are £206k (2020-21: £168k).

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

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

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

The key financial assumptions used in the 2020 valuation are described below.

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

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

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3FPA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme (continued)

The current life expectancies on retirement at age 65 are:

	2021-22	2020-21
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	23.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

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

The liability figures have been produced using the following assumptions:

	2021-22	2020-21
Discount rate	3.31%	0.87%
Pensionable salary growth	3.00%	2.70%

THE PRINCIPAL AND FELLOWS OF NEWNHAM COLLEGE

England & Wales - Charity number 1137512

Accounts

**NEWNHAM COLLEGE
CAMBRIDGE**



**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2021**

Registered Charity No. 1137512

Contents	page
PART 1: ANNUAL REPORT	
Introduction and Summary Financial Results	3
Professional Advisers	4
Charity Trustees	5
Objects and Public Benefit	6
Operating and Financial Review	8
Corporate Governance and Statement of Internal Control	20
Responsibilities of the College Council and the Governing Body	21
Independent Auditor's Report	22
PART 2: FINANCIAL STATEMENTS	
Statement of Principal Accounting Policies	25
Consolidated Statement of Comprehensive Income and Expenditure	33
Consolidated Statement of Changes in Reserves	34
Consolidated Balance Sheet	35
Consolidated Cash Flow Statement	36
Notes to the Accounts	37

INTRODUCTION

Newnham College is one of the 31 colleges in the University of Cambridge. It was founded in 1871, and received its Royal Charter in 1917. According to the College's Charter, Statutes and Ordinances, only women can be admitted as junior members (students) or elected as senior members (Fellows). The College celebrates its 150th Anniversary in 2021-22.

The College admits full-time undergraduates studying for the University's Tripos degree courses; and postgraduates (predominantly full-time, but some part-time) studying for Masters, PhD and other postgraduate degrees, diplomas and certificates. The total number of full-time students as at 1 December 2020 was 679, comprising 430 undergraduates and 249 postgraduates. The College's Governing Body had 67 Fellows as at 1 October 2021, most of whom who are active in teaching and research within the University.

The College occupies a 17-acre site close to the centre of Cambridge, consisting of buildings built between 1875 and 2019, offering residential accommodation to more than 500 students, set in landscaped gardens. The buildings also house a library, teaching rooms, offices, shared eating spaces (dining hall, buttery, café), meeting rooms, common rooms and a gym.

The College is a Registered Charity, regulated by the Charity Commission; and is registered with the Fundraising Regulator.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which complies with the Further and Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

SUMMARY FINANCIAL RESULTS

The financial statements consolidate the activities of the College and the College's subsidiaries: Newnham College Management Ltd, Newnham College Library Company Ltd, and Newnham College Ltd. The latter two companies are inactive.

For a second successive financial year, the College's finances were affected by the Covid-19 pandemic, with a significant reduction in operational income, largely in lost student rents and conference business.

Total operational income for the year was £7.15m (2019-20: £7.26m), which included £3.55m (2019-20: £3.31m) in academic fees (the increase being as a result of increased student numbers); and £2.16m (2019-20: £3.24m) from accommodation, catering and conferences. In addition, £2.29m (2019-20: £3.66m) in donations and legacies was received; and £6.59m (2019-20: £2.72m) of endowment return, out of a total of £28.60m (2019-20: £11.03m) of investment gains, was transferred following the College's total return rule plus an exceptional distribution of £3.50m (2019-20: £nil) to mitigate against the lost income over two financial years.

Total operational expenditure for the year before pension provisions and loan interest payments was £11.52m (2019-20: £11.49m) including depreciation, or £9.86m (2019-20: £10.37m) excluding depreciation of £1.66m (2019-20: £1.12m). Of this £9.86m, more than half (57%; £5.58m) was on staff costs. The Statement of Comprehensive Income and Expenditure (SOCIE) shows total Expenditure of £12.35m (2019-20: £12.31m), including £1.02m (2019-20: £1.04m) in loan interest payments. In addition, a further £1.50m (2019-20: £0.18m) of capital expenditure is included in the balance sheet.

The College's investment portfolio was valued at £133.62m as at 30 June 2021 (30 June 2020: £106.41m); and the balance sheet and the cash flow statement show £2.29m of cash as at the same date (30 June 2020: £4.31m).

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Auditors

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Cambridge Market Street Branch
23 Market Street
Cambridge
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Investment Advisers

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One Station Square
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CB1 2GA

Newnham College
Sidgwick Avenue
Cambridge
CB3 9DF

01223 335700
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Charity registration no. 1137512

CHARITY TRUSTEES

The members of the College Council act as the Trustees of the charity. The College Council meets at least nine times in a year (three times per term). In the financial year 2020-21 the following were members of the College Council:

Four College Officers *ex officio*

Miss Alison Rose	Principal; Chair of the Council
Dr Emma Mawdsley	Vice-Principal (to 5 February 2021)
Dr Barbara Blacklaws	Vice-Principal (from 6 February 2021)
Professor Liba Taub	Senior Tutor
Mr Christopher Lawrence	Bursar; Secretary of the Council

Eight Fellows elected by the Governing Body

As at 1 July 2020:

Dr Christina Angelopoulos
 Dr Helen Bao
 Dr Barbara Blacklaws
 Dr Laurie Friday
 Professor Susan Golombok
 Dr Jenny Mander
 Dr Delphine Mordey
 Dr Rachael Padman

As at 30 June 2021:

Dr Christina Angelopoulos
 Dr Helen Bao
 Dr Kate Fleet
 Dr Laurie Friday
 Dr Jenny Mander
 Dr Emma Mawdsley
 Dr Delphine Mordey
 Dr Rachael Padman

Three Junior Members elected by the MCR and JCR

As at 1 July 2020:

Tatiana Pignon (MCR)
 Rosie Stevenson (JCR)
 Roma Ellis (JCR)

As at 30 June 2021:

Fania Christodoulides (MCR)
 Lottie Mills (JCR)
 Alice Tort (JCR)

Governing Body

The Governing Body, comprising all Fellows of the College in Categories A to E, is required by the College Statutes to be responsible for the approval of the annual audited accounts. The Governing Body, which meets at least five times in a year, is chaired by the Principal and a Fellow is the Secretary. There were 67 Governing Body Fellows as at 1 October 2021.

A full list of the Governing Body Fellows can be found on the College website at:
www.newn.cam.ac.uk/people

OBJECTS

The College's objects as they appear in the Royal Charter were revised in 2019 and read:

- (a) To further public benefit by providing a liberal education and promoting learning and research through the provision of a college for women within the University of Cambridge.
- (b) To do all such other things as are incidental or conducive to advancing education and learning among women in Cambridge and elsewhere.
- (c) For the purposes above to receive and apply donations from persons desiring to promote the objects of the College.
- (d) To invest the moneys of the College not immediately required in any securities or investments which may from time to time be authorised for the purpose by the Council.

PUBLIC BENEFIT

The Trustees on appointment are provided with a link to the document 'Charities and Public Benefit: Summary Guidance for Charity Trustees', and are reminded at least annually of its recommendations and requirements. The College provided in 2020-21 an education for 679 (2019-20: 649) full-time undergraduate and postgraduate women students, in conjunction with the University of Cambridge, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision for undergraduates, as well as pastoral, administrative and academic support through its tutorial and mentor systems; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research mainly by:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics both from other UK institutions and from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including special collections), thus providing a valuable resource for students and senior members of the College, members of other Colleges and the University of Cambridge more widely, and external scholars and researchers.

The Trustees are satisfied that the College remains compliant with its duty in regard to public benefit. The primary beneficiaries are the resident members of the College, both students and academic staff, all of whom are directly engaged in education, learning or research. Other beneficiaries include: students and academic staff from other colleges in Cambridge and the

PUBLIC BENEFIT (continued)

University of Cambridge more widely, visiting academics from other higher education institutions, and visiting schoolchildren and alumnae of the College who have an opportunity to attend educational events at the College or use its academic facilities. Members of the general public are also able to attend various educational activities in the College (such as public lectures).

As a College in the University of Cambridge the primary beneficiaries are academics and students of the University, all of whom need to meet high academic standards to be appointed or admitted and that requirement stands at the core of its nature. The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

OPERATING AND FINANCIAL REVIEW

Contents	page
1. Covid-19	9
2. Student numbers	9
3. SOCIE: Income	10
4. SOCIE: Operating expenditure	13
5. SOCIE: Other expenditure	15
6. SOCIE: Gain on investments	16
7. Capital expenditure	16
8. Balance sheet and Reserves	16
9. Cash flow	17
10. Reserves policy	18
11. Principal risks and uncertainties	18
12. Future plans	18

References in the text below to 'Notes' are to the 'Notes to the Accounts' on pages 37 to 58.

OPERATING AND FINANCIAL REVIEW

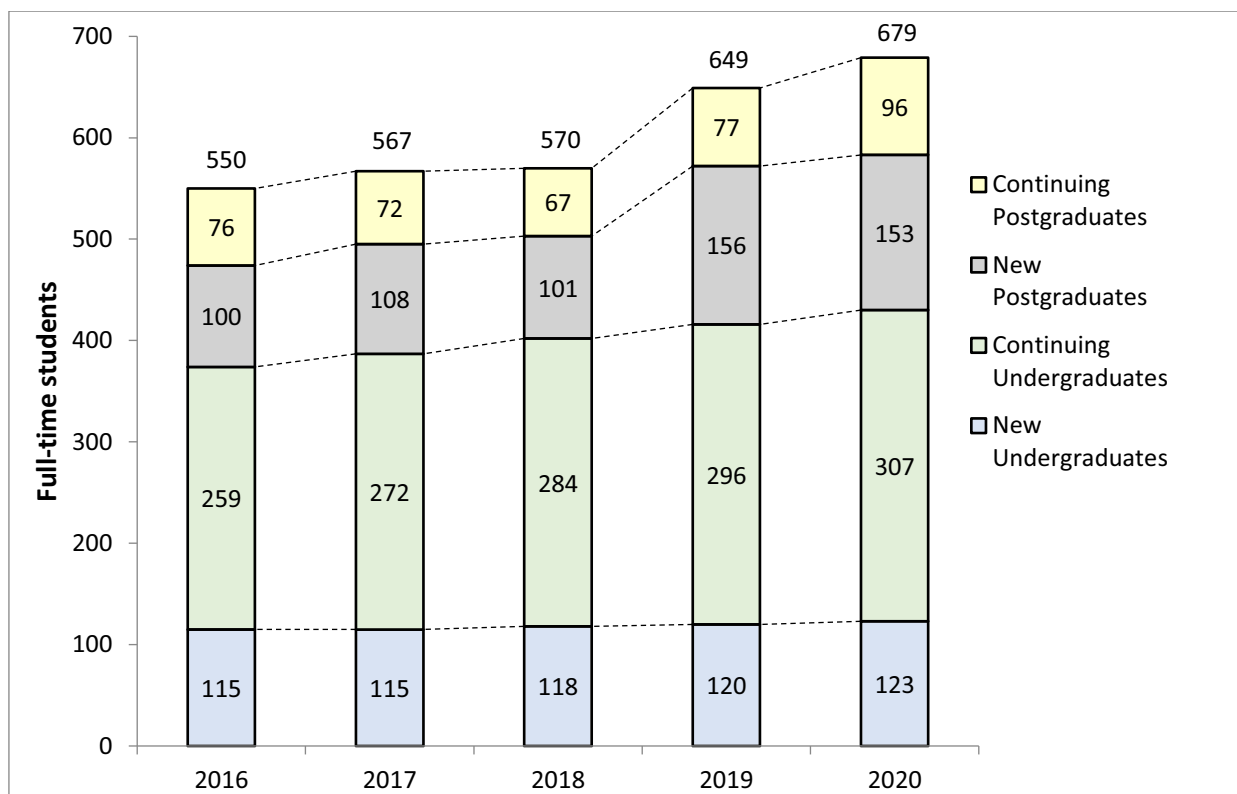
1. COVID-19

For a second successive financial year, the College’s finances were affected by the Covid-19 pandemic, with 2018-19 being the last financial year unaffected by Covid-19. There were three national lockdowns, with severe restrictions on normal life. Following a first national lockdown from 26 March to 4 July 2020, various restrictions continued throughout the summer of 2020, with a second national lockdown from 5 November to 2 December 2020 and then a third national lockdown starting on 5 January 2021, which was released gradually through a series of steps over several months, finally ending on 19 July 2021. Between each of these national lockdowns there were still significant restrictions, with some areas operating under the highest Tier 4 restrictions, which were at the same level as a national lockdown. Cambridge moved into Tier 4 on 26 December 2020, but this was soon superseded by the national lockdown that started on 5 January 2021. The uncertainty around the duration of these various lockdowns and periods of restrictions had a major impact on the College and its business. This is reflected in the narrative that follows.

2. STUDENT NUMBERS

The biggest potential variable from one year to the next which affects both income and expenditure is the size of the student body. The College admits both undergraduate and postgraduate students, and has a target of 640 full-time fee-paying students, made up of 420 undergraduates and 220 postgraduates. The total number of full-time fee-paying students as at 1 December 2020 was 679, which represented an increase on the previous year (649 in 2019). This total comprised 430 undergraduates (416 in 2019), of whom 123 were new entrants (120 in 2019); and 249 full-time postgraduates (233 in 2019). The 249 postgraduates comprised 132 Doctoral students (125 in 2019), of whom 41 were new entrants (49 in 2019); and 117 non-Doctoral (predominantly Masters) students (108 in 2019). In addition there were 67 postgraduate students either writing up/under examination or part-time (52 in 2019).

The following chart shows the figures for full-time fee-paying students over the past five years as at 1 December each year, showing new entrants and continuing students separately:



OPERATING AND FINANCIAL REVIEW (continued)

The breakdown by fee status was as follows:

	2020	2019
Undergraduate - UK	326 (76%)	311 (75%)
Undergraduate - EU	31 (7%)	37 (9%)
Undergraduate - Overseas	73 (17%)	68 (16%)
Total	430	416
Postgraduate - UK	81 (33%)	74 (32%)
Postgraduate - EU	59 (24%)	62 (27%)
Postgraduate - Overseas	109 (44%)	97 (42%)
Total	249	233

New EU students are now (starting from 1 October 2021) charged the same (higher) fees as Overseas students. Although this is likely to affect the composition of the non-UK student body, this may or may not have an impact on total student numbers, and this will need to be monitored carefully in the future.

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE (SOCIE)**3. SOCIE: INCOME**

The first of the four financial statements is the Statement of Comprehensive Income and Expenditure (SOCIE). All income appears in this statement. Total income before donations and endowments was £7.15m (2019-20: £7.26m), and total income including donations and endowments was £9.49m (2019-20: £10.98m). The treatment of investment income and endowment return should be noted as explained in 3.3 below.

3.1 Academic fees and charges

Of the total of £3.55m (2019-20: £3.31m) under this heading, £3.21m (2019-20: £3.06m) was derived from student fees. These are set out in Note 1 to the accounts.

UK/EU undergraduates who are eligible for fee loans from the government-owned Student Loans Company (SLC) pay a regulated fee, which is currently £9,250 per annum for students admitted since September 2017. 50% of these fees are paid to the University, and the College retains the other 50% (£4,625 per student). The total income to the College from this source was £1.57m (2019-20: £1.55m).

Non-UK/EU undergraduates – and UK/EU undergraduates who are not eligible for SLC loans (generally as a result of having a first degree already) – pay an unregulated College fee, set by the College, in addition to their University fee. For first-year undergraduates in 2020-21, this fee was £9,500 per annum, which remains unchanged for the duration of their course. The equivalent fees for undergraduates starting in prior years are £8,700 (2019-20 starters), £8,100 (2018-19 starters) and £7,901 (2017-18 starters). The total income to the College from such students was £652k (2019-20: £554k).

Postgraduate students pay a variety of University fees, depending on fee status (UK/EU v. non-UK/EU) and on course choice. The 31 colleges collectively receive a share of the total postgraduate fees to the University (25%, up to a cap), which is redistributed on a per capita basis. This resulted in a fee of £4,069 per postgraduate student in 2020-21 (2019-20: £3,909), amounting to a total to the College of £986k (2019-20: £950k).

OPERATING AND FINANCIAL REVIEW (continued)

As well as student fees as set out above, the College received £96k (2019-20: £67k) from other colleges in return for Newnham academics supervising undergraduates from those colleges and for shared academic appointments. £241k (2019-20: £192k) was received as the external contribution to total awards of £358k (2019-20: £329k) paid through the Cambridge Bursary Scheme and the associated Top-Up Bursary Scheme.

3.2 Accommodation, catering and conferences

The total of this source of income was £2.16m, significantly down on the previous year's income of £3.24m, as set out in Note 2 to the accounts. This source of income was hit hard by the effects of Covid-19. In 2018-19, the last financial year unaffected by Covid-19, this source generated £3.78m of income, so the 2020-21 figure of £2.16m represents a loss in income of over £1.60m.

The line in Note 2 'Accommodation – College members' shows the income from student rents. In 2018-19 this had been £2.58m whereas in 2020-21 it shows £1.87m, a significant reduction (following the reduction to £1.95m in 2019-20). At the start of the 2020-21 academic year, the College consciously reduced its capacity to about 90% to aid social-distancing in response to Covid-19. A national lockdown part-way through the Michaelmas term, followed by a further national lockdown for the whole of the Lent term, followed by continuing restrictions in the Easter term, all of this together affected the level of occupancy dramatically, which is illustrated by this drop in income (because the College did not charge any rent to those not physically present, irrespective of the terms of their room licences). For those who were present, undergraduate rents were £157 per week and postgraduate rents ranged from £132 to £159 per week.

As a result of these absences, there was much less use of the College's catering facilities by our students, as shown in the line in Note 2 'Catering – College members'. This shows income of £276k in 2020-21, compared with £497k in 2019-20, and compared with £528k in Covid-free 2018-19. Although there were reductions in the costs of food purchases, and in the use of casual staff, no permanent staff were made redundant and the core costs of the Catering department remained unchanged.

But the area of income that was hit most dramatically was in relation to 'Conferences', which includes all income from weddings, dinners, receptions, bed-and-breakfast accommodation, summer schools as well as from actual conferences. In 2019-20 the total for this income was £795k, in a year only partially affected by Covid-19 because the bulk of such income is generated in the summer months of July to September, the first three months of the financial year. But in 2020-21, the summer business was lost altogether to Covid-19, and the total income for the whole financial year was just £10k. The 2021-22 financial year will also be hit hard in respect of this income line, because another summer was largely lost, other than a few weddings – none of the regular summer school business was able to return in 2021. This will be reflected in next year's accounts.

3.3 Investment income and Endowment return transferred

The SOCIE has two lines for these sources of income, 'Investment income' and 'Endowment return transferred'. Note 3 sets out further detail. This is an area of the accounts which requires some explanation.

The first line 'Investment income' shows unrestricted income of £641k (2019-20: £175k). Note 3a shows that £506k came from distributions from the Cambridge University Endowment Fund (CUEF). Previously such distributions had been included within the 'Gain on investments' line lower down in the SOCIE (effectively rolled up with the capital gains on the units held), and hence the comparative figure for 2019-20 was zero. The College has increased its investment in the CUEF considerably and is therefore receiving more significant distributions, which has now led to the decision to account for

OPERATING AND FINANCIAL REVIEW (continued)

them under 'Investment income'. The remaining £135k (2019-20: £175k) is from commercial rental income and bank interest.

The second line 'Endowment return transferred' requires explanation:

The total 'Gain on investments' in the year is shown lower down the SOCIE and comes to a total of £28.60m (2019-20: £11.03m). This represents an exceptional return on the College's investments, which are explained in more detail in section 8.2 of this Financial Review. Against the background of unprecedented losses in operational income due to the effects of Covid-19, this investment performance has allowed the College to continue to plan with confidence.

Of this £28.60m, £6.59m (2019-20: £2.72m) was taken as income, shown on the line 'Endowment return transferred' and divided between £4.85m (2019-20: £1.23m) as unrestricted income and £1.73m (2019-20: £1.49m) as restricted income. However, following an accounting requirement this £6.59m is excluded from the 'Total income before donations and endowments', by including a negative matching figure of £6.59m in the 'Endowment' column. Thus this 'Endowment return transferred' line is netted off to zero in the Income section of the SOCIE, but the £6.59m is included in the full amount of the gain on investments after the Expenditure section of the SOCIE.

The figure of £6.59m is made up of two figures: £3.09m was derived from the College's total return policy; and a further £3.50m was an exceptional distribution to mitigate against the lost income over two financial years. The total return policy makes available for spending an amount based on the average value of the units in the investment portfolio (excluding directly held investment properties) over the preceding five years, which allows for a smoothed approach to drawing down income. At 1 July 2020 there were 5,495,615 units held in the investment portfolio, with a unit value of £19.25 and a total value of £105.8m. The average value of the units over the preceding five years was £16.04, so when the drawdown rate of 3.5% as stipulated in the policy was applied to this unit value and the number of units held, the result was a return of £3.09m.

3.4 Other income

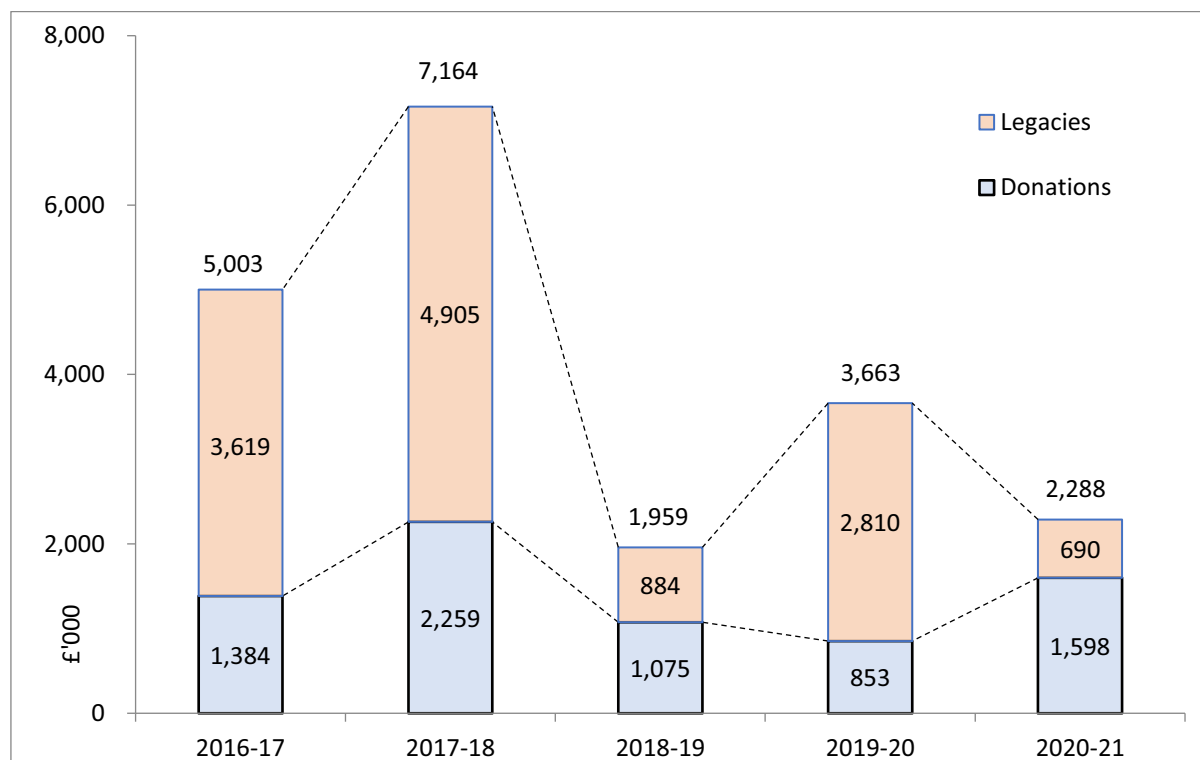
Other income of £807k (2019-20: £534k) is set out in detail in Note 4. For the second financial year in a row, there is a line 'Coronavirus Job Retention Scheme grant', which shows income of £281k (2019-20: £230k). This was the one source of Government support the College was able to call upon, and this helped the College to avoid making any staff redundancies.

Another line is 'Research grant from DfID/FCDO' (previously the Department for International Development, now the Foreign, Commonwealth & Development Office) showing income of £364k (2019-20: 151k). This project, which is run out of the Margaret Anstee Centre for Global Studies based in the College, is due to complete at the end of the 2021-22 financial year.

In addition, £55k (2019-20: £51k) of VAT was recovered, and there was £107k (2019-20: £102k) of other income.

3.5 Donations and new endowments

Total donations and new endowments of £2.34m were received, as set out in Note 4. This was a decrease from 2019-20 (£3.71m) as shown in the following chart (which excludes an annual release from deferred capital grants of £51k):

OPERATING AND FINANCIAL REVIEW (continued)

This chart shows the unpredictability of donation and legacy income while also highlighting the importance of this source of income. The College has been very fortunate to benefit in this way from the generosity of alumnae, and remains very grateful for this support. Such philanthropic income underpins the College's continued ability to fulfil its mission: the advancement of education, learning and research.

4. SOCIE: OPERATING EXPENDITURE

The SOCIE shows operational expenditure, but excludes capital expenditure (see section 7 below). The categories of expenditure are prescribed by the RCCA format. Each line of expenditure includes a mix of Staff costs (direct and indirect) and Non-staff costs (direct and indirect). A series of breakdowns within Notes 6 to 18 sets out much of the detail.

Total operating expenditure for the year was £11.52m (2019-20: £11.49m), or £9.86m (2019-20: £10.37m) excluding depreciation of £1.66m (2019-20: £1.12m). The charge for depreciation (a non-cash item) in 2020-21 increased significantly as a result of a change in the depreciation policy, whereby buildings are now depreciated over 65 years rather than 100 years.

The total of £11.52m breaks down as £5.29m on Education (2019-20: £5.33m); £5.32m on Accommodation, catering and conferences (2019-20: £5.59m); and £900k on Other (2019-20: £568k). Note 6a sets out the detail.

4.1 Education

Notes 7 to 9 give detailed breakdowns of the £5.29m of expenditure on education. Although Covid-19 affected the ability of many students to remain in Cambridge throughout the academic year in 2020-21, teaching continued at all times, through a mix of in-person and online provision, with no reduction in costs. The College's education costs mainly relate to undergraduate supervisions, the small-group teaching that is a feature of Cambridge (whereas the costs of providing lectures fall to the University), and Note 7a shows a total cost for Teaching of £1.92m (2019-20: £1.86m). The next biggest element of education expenditure was on Scholarships and awards (for both undergraduates

OPERATING AND FINANCIAL REVIEW (continued)

and postgraduates), which came to £1.36m (2019-20: £1.44m). The College is fortunate to be in a financial position to make such awards, which are largely funded by philanthropy. Note 9 gives a useful breakdown of such awards.

All students, both undergraduate and postgraduate, have a personal Tutor who is responsible for providing non-academic support. The cost of such Tutors is included within the line 'Tutorial' and the total cost of the Tutorial and Admissions activities as shown in Note 7a came to £1.34m (2019-20: £1.39m). Research costs come under the heading of Education, and such costs came to £447k (2019-20: £427k), which includes the employment costs of stipendiary Junior Research Fellows.

4.2 Accommodation, catering and conferences

Note 6a shows how the total costs of £5.32m (2019-20: £5.59m) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Direct staff costs are split between Catering and Conferences in Note 10, and direct non-staff costs are split between Catering and Conferences in Note 11. Accommodation-related costs such as Housekeeping staff are included within the indirect staff costs, because these costs are split across more than one activity.

The effects of Covid-19 can be seen in these figures. The direct staff costs for Catering and Conferences fell from £954k in 2019-20 to £795k in 2020-21 as the result of a reduction in the use of casual staff for serving food at formal dinners and through the buttry. However, no permanent staff were made redundant, despite the significant drop in catering activity. The direct non-staff costs dropped by half from £646k in 2019-20 to £321k in 2020-21 mainly as a result of purchasing much less food.

4.3 Other expenditure

Note 6a shows how total costs of £900k (2019-20: £568k) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Note 12 gives a breakdown of the direct staff costs, which mainly relate to the Margaret Anstee Centre, including the research project for the Foreign, Commonwealth & Development Office (FDCO), the income relating to which was referred to in section 3.4 above. Note 13 shows the direct non-staff costs, most of which also relate to the Margaret Anstee Centre and the FDCO project.

4.4 Staff costs

Staff costs include salaries, National Insurance, and pension costs.

The three expenditure areas (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct staff costs and indirect staff costs. Staff costs are analysed in various ways in the Notes. Notes 6a and 17a show how total staff costs of £5.58m (£5.33m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 8 (Education), Note 10 (Accommodation, catering and conferences) and Note 12 (Other) on the direct staff costs in each of those expenditure areas. It is to Note 18 that the reader must turn to understand all the other elements of staff costs which are allocated across the three expenditure areas. Note 18 shows the cost of departments such as Housekeeping, Maintenance, Porters' Lodge, Gardens, Bursary, Development and Communications.

Further analysis is given in Note 19, which shows pensions costs of £780k (2019-20: £733k) and National Insurance costs of £328k (2019-20: £307k), on top of salary costs of £4.21m (2019-20: £4.03m). Headcount figures (both FTE and non-FTE) are shown. These include casual staff as well as permanent staff, and a reduction is shown from 2019-20 as a result of the effects of Covid-19, with many fewer hours of casual work required in the catering department in particular.

OPERATING AND FINANCIAL REVIEW (continued)

4.5 Non-staff costs

The three lines (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct non-staff costs and indirect non-staff costs. Non-staff costs are analysed in various ways in the Notes. Note 6a shows how total non-staff costs of £5.94m (including depreciation of £1.66m) (2019-20: £6.16m, including depreciation of £1.12m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 9 (Education), Note 11 (Accommodation, catering and conferences) and Note 13 (Other) on the direct non-staff costs in each of those expenditure areas.

Among the indirect non-staff costs, the largest area of expenditure was maintenance, at £687k. The figure for 2019-20 was £1.24m, but this does not represent a reduction in such work: instead, more of such work is now treated as capital expenditure, which does not appear in the SOCIE. The next largest cost was utilities (gas, electricity, water) at £370k (2019-20: £360k). The College buys its gas and electricity through a consortium of colleges, with hedges in place to counter fluctuations in prices.

5. SOCIE: OTHER EXPENDITURE

As well as £11.52m (2019-20: £11.49m) of operating expenditure, the total expenditure of £12.35m (2019-20: £12.31m) includes three other lines as described below.

5.1 Movement to pension provisions

The College participates in two defined benefit pension schemes, the Cambridge Colleges Federated Pension Scheme (CCFPS), and the Universities Superannuation Scheme (USS). As at 30 June 2021 there were 4 active members in CCFPS and 156 active members in USS (30 June 2020: 5 in CCFPS, 149 in USS). The funding position of these two schemes are set out in detail in notes 42a (CCFPS) and 42b (USS). Pensions represent a significant cost to the College: employer contributions of £780k were made in the year (see Note 19) (2019-20: £733k).

The total figure for the movement to pension provisions included under Expenditure in the SOCIE is -£202k (2019-20: -£217k). This comprises £45k for the CCFPS scheme and -£248k for the USS scheme (2019-20: £21k for CCFPS, -£238k for USS).

In relation to CCFPS, the actuarial consultants Cartwright Group Ltd are engaged to report on the financial position of the scheme at the year end. They have calculated a total liability of £1.18m as at 30 June 2021, which is a £439k decrease on the liability shown at the start of the year (£1.62m). Of this £439k, £45k is recognised as expenditure (within the -£202k as above) and -£484k is recognised under 'Other comprehensive income'.

In relation to USS, the provision in this year's accounts is based on the 31 March 2018 actuarial valuation, which was the last formal completed actuarial valuation as at 30 June 2021. This resulted in a provision of £1.38m (2019-20: £1.63m), a decrease of £248k, which is recognised as expenditure (the -£248k as above).

The combined CCFPS and USS pension provision as shown on the balance sheet and in Notes 20 & 30 was £2.56m as at 30 June 2021 (£3.25m at 30 June 2020).

However, since the year end, a USS valuation as at 31 March 2020 has been completed with an effective date of 1 October 2021. This increases the USS provision from £1.38m to £3.85m. This counts as a post-balance sheet event and is explained in Note 41, which also sets out the circumstances in which the provision could increase yet further to £6.16m.

OPERATING AND FINANCIAL REVIEW (continued)

5.2 Loan interest payable

The College needs to repay loan interest in the order of £1m every year for a number of years. The figure of £1.02m for 2020-21 (2019-20: £1.04m) comprises £197k for the Buttery/Kitchen loan (2019-20: £211k) and £824k for the two private placement bonds (2019-20: £824k) as described below.

The College took out a 25-year bank loan in 2007 to fund the Buttery/Kitchen project, repayable in 2032. In addition to the interest costs of £197k, capital repayments of £236k were made (2019-20: £275k). The remaining balance on the loan at the end of the year was £3.59m (30 June 2020: £3.83m).

The College issued two private placement bonds, one for £11.58m in 2013 and one for £7.00m in 2014, with three repayment dates in 2043, 2044 and 2053, and the combined coupon (interest) payments come to £824k per year. These are set out in Note 29.

The proceeds of these private placements were used to part-fund the new Dorothy Garrod Building and its associated fixtures and fittings, which cost a combined total of £34.87m. The coupon payments on these two private placements will therefore remain £824k per year until 2043 (when the first £6.43m of capital has to be repaid). Reduced coupon payments will continue until 2053 (when the final £5.15m of capital has to be repaid).

5.3 Contribution to the Colleges Fund

The Colleges Fund is a scheme whereby the wealth of all 31 colleges is assessed each year. The better-endowed colleges pay into a central fund, which is then disbursed to the less-well-endowed colleges. Newnham College's contribution to this fund was £16k. Although the 2019-20 equivalent figure in the accounts is shown as £nil, this is merely a timing issue, and the College has been an annual contributor to the Colleges Fund for several years.

6. SOCIE: GAIN ON INVESTMENTS

The gain on investments was £28.60m (2019-20: £11.03m), as shown in Note 3. This exceptional gain on investments masks the deficit of -£2.86m incurred in the year ('Deficit before other gains and losses') (2019-20: -£1.33m). If one compares the line 'Total income before donations and endowments' showing £7.15m (2019-20: £7.26m) with the line 'Total operating expenditure' showing £11.52m (2019-20: £11.49m), then one starts to understand even more clearly that there is a fundamental mismatch between operating income and operating expenditure. The College's economic model relies on investment gains and philanthropy to bridge that gap. The total return policy that calculates the annual drawdown from the College's investments is set out in 3.3 above, and it is this regular, annual drawdown that allows the College to carry an operational deficit each year. Hence the bottom line of the SOCIE – 'Total comprehensive income for the year' – needs to be interrogated closely for a true understanding of the College's finances.

Investments are considered in more detail in 8.2 below.

7. CAPITAL EXPENDITURE

The Statement of Comprehensive Income and Expenditure (SOCIE) is not in fact comprehensive in terms of expenditure, since capital expenditure is excluded. It is to the first line of the Balance Sheet, and its related Note 23 (Fixed Assets), that one turns to see the capital expenditure in the year. This shows Additions of £1.50m (2019-20: £181k) including £1.19m on building refurbishment projects (2 Clare Road, 8 Clare Road, 2 Wordsworth Grove, 6 Wordsworth Grove, Old Hall); £247k in IT

OPERATING AND FINANCIAL REVIEW (continued)

infrastructure, largely to upgrade the College's WiFi network; and various other costs including £24k on a marquee specifically in response to Covid-19 to provide a well-ventilated space for various activities.

8. BALANCE SHEET AND RESERVES

After the SOCIE, the next two statements in the accounts are the Statement of Changes in Reserves and the Balance Sheet. Starting with the Balance Sheet:

8.1 Fixed assets

Note 23 sets out the movements in this asset class. The capital expenditure in the Additions line has been explained in section 7 above. Within Disposals of £204k (2019-20: £28k), £146k was for the writing-off of old IT infrastructure.

8.2 Investments

Note 24 shows investments of £133.62m (2019-20: £106.41m), with £118.04m (88%) held in quoted equities (2019-20: £90.64m). The unit value in the investment portfolio (see 3.3 above) at 30 June 2021 was £23.35, an increase of 21.3% on the opening unit value of £19.25.

The total investment portfolio (including property) was made up follows:

	30 June 2021	30 June 2020
Equities	74.5%	82.2%
Bonds	7.1%	4.7%
Property	8.2%	8.0%
Private equity	7.5%	4.7%
Absolute return	2.7%	0.4%
Total	100%	100%

As at 30 June 2021, 34% of the portfolio was passively managed, and 66% was actively managed. The passive part of the portfolio was held in three funds (two equity funds, one bond fund) managed by State Street Global Advisors; and the active part of the portfolio was managed by the following: Baillie Gifford (Stewardship Select Fund), Cambridge University Endowment Fund (CUEF), Partners Capital, Cambridge Associates (Cambridge University Feeder Fund) and Savills (Charity Property Fund).

The total return on the fund was an exceptional 28.0%. This was contributed to by the performance of four funds in particular over the 12 months to 30 June 2021: the Baillie Gifford fund reported a total return of 39.2%; the CUEF reported a total return of 24.1%; and the two State Street equity funds reported total returns of 41.3% and 24.8%.

8.3 Statement of Changes in Reserves

The Balance Sheet and the Statement of Changes in Reserves show total reserves increasing from £228.26m (at 30 June 2020) to £254.44m (at 30 June 2021). This increase is mainly attributed to the total return from investments (£27.21m) and donations and new endowments (£2.34m) offset by the loan interest payable (£1.02m).

OPERATING AND FINANCIAL REVIEW (continued)

9. CASH FLOW

The fourth and final statement in the accounts is the Cash Flow Statement. This shows a decrease of £2.01m in cash over the year from £4.31m to £2.29m. This is a direct consequence of the effects of Covid-19. The cash flow is explained in detail in Notes 33 to 35.

10. RESERVES POLICY

Newnham's unrestricted reserves at the year end amounted to £161.11m (2020: £149.49m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. Restricted reserves at the year end amounted to £93.32m (2020: £78.77m) and are represented in the balance sheet by endowment funds for a number of educational purposes, as set out in Notes 31 and 32. The College Council believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The College Council is mindful to maintain an equitable balance between the interests of current members of the College and future generations ('intergenerational equity').

11. PRINCIPAL RISKS AND UNCERTAINTIES

As this report is written in the Michaelmas term 2021, there is still a lot of uncertainty surrounding Covid-19, although the situation is significantly better than when writing a year ago in November 2020. Full cohorts of undergraduate and postgraduate students are in Cambridge in person, and most staff and students are double-vaccinated. However, testing continues and cases of Covid-19 are present in the University population. Despite this, it is very much hoped that 2021-22 will be as close to 'normal' as possible and that the impact on the College's finances will be much reduced – although the first three months of the new financial year 2021-22 (July to September 2021) have had very little in the way of commercial business (conferences and summer schools).

Until the onset of Covid-19, the biggest imminent uncertainty had been Brexit, and the nature of the exit deal. The impact of Brexit is now being felt most acutely in terms of staffing in departments such as Housekeeping and Catering, where lots of EU staff have left, and vacancies have been very hard to fill. There have also been supply chain and delivery issues. All of this is creating pressure on the College's operations, as well as on pricing and costs. Although fewer EU students are applying to study at British universities, Cambridge is still able to maintain its overall target student numbers, even if the composition of the non-UK student body is shifting gradually.

In this section in last year's accounts I referred to the following areas of uncertainty: the unpredictability of income from donations and legacies; the need to generate new income streams from the Dorothy Garrod Building to help meet the significant interest payments relating to the funding of the building; and the increasing costs of the two defined benefit pension schemes (USS and CCFPS) in which the College participates. These areas of uncertainty remain, but in particular I would highlight the USS once again as an increasingly major risk. The 2020 valuation of the scheme has highlighted a significant funding gap, which has led to the need for higher contributions by both employers and employees, and as well as a reduction in benefits. Union members are being balloted for industrial action this term, and if strikes were to take place once again, this would have a destabilising effect on the whole HE sector.

12. FUTURE PLANS

2020-21 was the first full financial year under the leadership of Alison Rose as the Principal. Celebrations of the College's 150th anniversary in 2021-22 have begun, and will lead on to a major fundraising campaign during the period of her Principalship.

OPERATING AND FINANCIAL REVIEW (continued)

A programme of refurbishment of the College's buildings is underway, with further plans to be developed on 'greening' the College estate, especially in relation to energy conservation, with a particular ambition to reduce the reliance on gas as an energy source. As a first step, one of the postgraduate houses was converted from using a gas boiler to an air source heat pump in the summer of 2021.

Returning the College to a sense of normality as the pandemic subsides is a task not without effort, and this is a priority for those responsible for the governance and running of the College.

A handwritten signature in black ink, appearing to read 'Christopher Lawrence', with a long horizontal flourish at the end.

Mr Christopher Lawrence
Bursar

15 November 2021

CORPORATE GOVERNANCE

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

The College is a registered charity (registered number 1137512) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.

The Trustees are advised in carrying out their duties by a number of Committees, including: Academic Planning, Buildings Estate, Development, Environmental & Sustainability, Finance, Grants & Awards, IT, Library, Safety, and Stipends & Benefits.

The principal College officers are the Principal, Vice-Principal, Senior Tutor and Bursar.

It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of the external Auditor; to consider reports submitted by the Auditor; to monitor the implementation of recommendations made by the Auditor; to monitor risk management and control arrangements; and to make regular reports to the Trustees by way of minutes of its meetings. Membership of the Finance Committee includes all the principal College officers, the Domestic Bursar, and other members of the Governing Body.

There is a Register of Interests of Trustees. Declarations of interest are made systematically at all Governing Body, Council and Committee meetings. The College's Trustees during the year ended 30 June 2021 are set out on page 5.

STATEMENT OF INTERNAL CONTROL

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

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

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 2021 and up to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the system of internal control.

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

RESPONSIBILITIES OF THE COLLEGE COUNCIL AND THE GOVERNING BODY

The College Council is responsible for preparing the financial statements each year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by Recommended Cambridge College Accounts. The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In accordance with the College's Statutes, the College Council is responsible for the administration and management of the College's affairs. It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept which disclose with reasonable accuracy at any time the financial position of the College.

Statute XIX ('Accounts and Audit') in the College's Statutes sets out the Governing Body's responsibilities in relation to the accounts, including the appointment of the auditors. Clause 5 of Statute XIX states: "A meeting of the Governing Body shall be called to pass the accounts as soon as may be convenient in the Michaelmas Term."

In causing the financial statements to be prepared, the College Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The College Council is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The College Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud and other irregularities. Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY**For the Year Ended 30 June 2021**

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

In our opinion the financial statements:

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

Other information

The other information comprises the information included in the report of the College Council and 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

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY (continued)

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 College Council and 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 21, 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. In relation to

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY (continued)

the College this included data protection, health and safety, employment law and financial reporting.

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, and evaluating the business rationale of significant transactions to identify large or unusual transactions.
- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- 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 organisation.
- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the trustees.


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.

Use of our report

This report is made solely to the College Council and 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 College Council and 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: 6 January 2022

Price Bailey LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Consolidated 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 7.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings are set out in Note 38. Intra-group balances are eliminated on consolidation. The activities of student societies have not been consolidated.

A separate balance sheet and related notes for the College are not included in the accounts because the subsidiary companies donate their profits to the College each year. The balance sheet for the College alone would not be materially different from the one included in the accounts.

Recognition of income

Academic fees

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

Grant income

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

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

Donations and Endowments

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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

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

Legacy Income

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the College is aware that probate has been granted and either: the estate has been finalised, final estate accounts have been received and notification has been made by the executors to the College that a distribution will be made; or when a notification has been made by the executors to the College of an intention to make a distribution prior to the end of the financial year and subsequently that distribution is received from the estate after the year end. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income and change in value of investment assets

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

Total return

A total return policy is applied to the College's investment in securities. A unitised approach is taken with the investment portfolio, and the units are revalued each quarter taking account of investment performance. Under this total return policy, the average of the unit values at the end of each quarter for the preceding five years is calculated. 3.5% of this average unit value is applied to the number of units held at 1 July, and this is the amount of endowment return transferred shown as income in the Statement of Comprehensive Income and Expenditure. The whole total return is shown in the same statement as the gain/(loss) on investments.

Other income

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

Cambridge Bursary Scheme and CBS Top-up Bursary Scheme

In 2020-21, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received contributions from the University of Cambridge and from Trinity College towards this payment. There is also a Top-up Bursary Scheme, also supported by Trinity College.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The net payment by the College of £117k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	(Note 1)	£241k
Expenditure	(Note 9)	£358k

Foreign currency translation

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

Tangible fixed assets*Land and buildings*

The buildings on the College's main site have been treated as tangible fixed assets and valued on the basis of their depreciated replacement cost. A valuation on 30 June 2019 was carried out by Gerald Eve LLP. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 65 years (previously this was 100 years). On revaluation, the expected life of a building is re-set to 65 years. Freehold land is not depreciated and the value of the land comprising the College's main site is included in the balance sheet.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

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

Maintenance of properties

The cost of routine maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred.

Furniture and equipment

Furniture and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Books, equipment, furniture and fittings	5%, 10% and 25% per annum
Catering heating and ventilation equipment	5% per annum
Major computer software	10% per annum
Computer equipment	25% per annum

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)*Heritage Assets*

The College holds and conserves a number of collections, artefacts and other assets of historical, artistic or scientific interest. Heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt, to the extent to which they are material. Heritage assets have not been depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

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

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

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

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

Financial Liabilities

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

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

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

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

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

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Taxation**

The College is a registered charity (number 1135712) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

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

Pension schemes

The College participates in the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The schemes are both defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The assets and liabilities of the CCFPS are held separately. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The assets of the USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Employment benefits

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

Reserves

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Critical Accounting Estimates and Judgements**

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in Note 9.

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Notes 42a and 42b.

Management are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 42b.

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Going concern**

Whereas when the 2019-20 accounts were being finalised in November 2020, there was a great deal of uncertainty surrounding the progress of the Covid-19 pandemic, there is now much more confidence in the outcome of the pandemic as a result of successful vaccination programmes throughout the world.

The College's Finance Committee and Council have reviewed the budget for 2021-22 and also a five-year projection through to 2026-27. At the start of the 2021-22 academic year, student numbers are on target, and therefore both fee income and accommodation income are on target. Conference business is picking up once again, and the expectation is that it will be back to pre-Covid levels by the start of the 2022-23 financial year.

As a result of its assessment of the effects of the pandemic and the recovery from those effects, the College Council has confirmed the College's ability to continue in operation and on that basis it has adopted the going concern assumption within these financial statements. The College Council confirms the College's ability to continue as a going concern.

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2021

	Note	2020-21				2019-20			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	3,305	241	-	3,546	3,122	192	-	3,314
Accommodation, catering and conferences	2	2,158	-	-	2,158	3,241	-	-	3,241
Investment income	3	641	-	-	641	175	-	-	175
Endowment return transferred	3	4,852	1,733	(6,585)	-	1,228	1,494	(2,722)	-
Other income	4	443	364	-	807	383	151	-	534
Total income before donations and endowments		11,400	2,338	(6,585)	7,153	8,149	1,837	(2,722)	7,264
Donations	5	1,474	401	-	1,875	1,544	692	-	2,236
New endowments	5	-	-	464	464	-	-	1,478	1,478
Total income		12,874	2,738	(6,122)	9,490	9,693	2,529	(1,244)	10,978
Expenditure									
Education	6,7,8,9	3,395	1,898	-	5,293	3,489	1,839	-	5,328
Accommodation, catering and conferences	6,10,11,14	5,322	-	-	5,322	5,592	-	-	5,592
Other expenditure	6,12,13	576	324	-	900	457	111	-	568
Total operating expenditure		9,294	2,222	-	11,515	9,538	1,950	-	11,488
Movement to pension provisions	20,30	(202)	-	-	(202)	(217)	-	-	(217)
Loan interest payable	21	1,021	-	-	1,021	1,036	-	-	1,036
Contribution to Colleges Fund under Statute G,II	22	16	-	-	16	-	-	-	-
Total expenditure		10,129	2,222	-	12,350	10,357	1,950	-	12,308
Deficit before other gains and losses		2,745	517	(6,122)	(2,860)	(664)	579	(1,244)	(1,329)
Gain on investments	3	8,401	3,032	17,169	28,602	3,389	1,095	6,550	11,034
Surplus before tax		11,146	3,549	11,047	25,742	2,725	1,674	5,305	9,705
Taxation		-	-	-	-	(1)	-	-	(1)
Surplus for the year		11,146	3,549	11,047	25,742	2,724	1,674	5,305	9,704
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		-	-	-	-	-	-	-	-
Actuarial gain/(loss) in respect of pension schemes	20,30	484	-	-	484	(274)	-	-	(274)
Total comprehensive income for the year		11,630	3,549	11,047	26,226	2,450	1,674	5,305	9,430

The notes on pages 37 to 58 form part of these accounts.

Consolidated Statement of Changes in Reserves**Year Ended 30 June 2021**

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted £000	Restricted £000	Endowment £000		
At 1 July 2020	60,413	14,290	64,477	89,080	228,260
Surplus from income and expenditure statement	11,146	3,549	11,047	-	25,742
Other comprehensive income/(expenditure)	484	-	-	-	484
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings	907	-	-	(907)	-
Movement between Funds	40	(119)	79	-	-
At 30 June 2021	72,939	17,720	75,603	88,173	254,435
At 1 July 2019	57,392	12,657	59,172	89,661	218,882
Surplus from income and expenditure statement	2,724	1,674	5,305	-	9,704
Other comprehensive income/(expenditure)	(274)	-	-	-	(274)
Release of deferred capital grants	(51)	-	-	-	(51)
Movement between Funds	622	(41)	-	(581)	-
At 30 June 2020	60,413	14,290	64,477	89,080	228,260

Consolidated Balance Sheet

At 30 June 2021

	Note	2021 £000	2020 £000
Non-current assets			
Fixed assets	23	143,499	143,656
Investments	24	133,617	106,409
Total non-current assets		<u>277,116</u>	<u>250,065</u>
Current assets			
Stocks	25	93	93
Trade and other receivables	26	860	449
Cash and cash equivalents	27	2,294	4,305
Total current assets		<u>3,247</u>	<u>4,847</u>
Creditors: amounts falling due within one year	28	(1,446)	(1,229)
Net current assets		<u>1,801</u>	<u>3,618</u>
Total assets less current liabilities		<u>278,917</u>	<u>253,683</u>
Creditors: amounts falling due in more than one year	29	(21,921)	(22,175)
Provisions			
Pension provisions	30	(2,561)	(3,248)
Total net assets		<u><u>254,435</u></u>	<u><u>228,260</u></u>
Restricted reserves			
Income and expenditure reserve - endowment reserve	31	75,603	64,477
Income and expenditure reserve - restricted reserve	32	17,720	14,290
		<u>93,323</u>	<u>78,767</u>
Unrestricted reserves			
Income and expenditure reserve - unrestricted		72,939	60,413
Revaluation reserve		88,173	89,080
		<u>161,112</u>	<u>149,493</u>
Total reserves		<u><u>254,435</u></u>	<u><u>228,260</u></u>

These financial statements were approved by Newnham College Governing Body on 15 November 2021 and signed on its behalf by:

Miss Alison Rose (Principal)



Mr Christopher Lawrence (Bursar)



The notes on pages 37 to 58 form part of these accounts.

Consolidated Cash Flow Statement**Year Ended 30 June 2021**

	Note	2020-21	2019-20
		£000	£000
Net cash (outflow) from operating activities	33	(1,326)	(548)
Cash flows from investing activities	34	572	1,205
Cash flows from financing activities	35	(1,257)	(1,311)
(Decrease) in cash and cash equivalents in the year		(2,011)	(654)
Cash and cash equivalents at beginning of the year		4,305	4,959
Cash and cash equivalents at end of the year		2,294	4,305

The notes on pages 37 to 58 form part of these accounts.

Notes to the Accounts

1. ACADEMIC FEES AND CHARGES		2020-21	2019-20
		£000	£000
College fees:			
Fee income received at the Regulated Undergraduate rate (a)		1,571	1,551
Fee income received at the Unregulated Undergraduate rate (b)		652	554
Fee income received at the Postgraduate rate (c)		986	950
		<u>3,209</u>	<u>3,055</u>
Recoveries from other Colleges - teaching		52	34
Recoveries from other Colleges - shared appointments		44	33
Contribution towards Cambridge Bursary & Top-up Schemes		241	192
		<u>3,546</u>	<u>3,314</u>
(a) fee per student: £4,625 for undergraduates starting since 2017-18			
(b) fee per student: £9,500 for undergraduates starting in 2020-21 (2019-20: £8,700) (2018-19: £8,100) (2017-18: £7,901)			
(c) fee per student: £4,069 (2019-20: £3,909)			
2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES		2020-21	2019-20
		£000	£000
Accommodation	College members	1,872	1,949
	Conferences	-	460
Catering	College members	276	497
	Conferences	10	335
		<u>2,158</u>	<u>3,241</u>
3. INVESTMENT RETURN AND INVESTMENT INCOME		2020-21	2019-20
		£000	£000
3a. Analysis			
Total return contribution (see note 3b)		6,585	2,722
Quoted securities		-	-
CUEF distributions		506	-
Freehold land and buildings		130	156
Interest		5	19
Less: Excess of total return over investment income received		(6,585)	(2,722)
		<u>641</u>	<u>175</u>
3b. Summary of total return			
Income from:			
Freehold land and buildings		130	156
Quoted and other securities and cash		511	19
		<u>641</u>	<u>175</u>
Gains on investment assets			
Quoted and other securities (see note 24)		28,639	11,070
Investment management costs - quoted securities (see note 3c)		(37)	(37)
		<u>28,602</u>	<u>11,033</u>
Total return for the year		<u>29,243</u>	<u>11,208</u>
Total return transferred to income and expenditure reserve (see note 3a)		(6,585)	(2,722)
Total return for year included within Statement of Comprehensive Income and Expenditure		<u>22,658</u>	<u>8,486</u>

Notes to the Accounts

3. INVESTMENT RETURN AND INVESTMENT INCOME (continued)	2020-21	2019-20		
	£000	£000		
3c. Investment management costs				
Quoted securities	37	37		
Freehold land and buildings	18	19		
4. OTHER INCOME	2020-21	2019-20		
	£000	£000		
Roll & Development events	16	35		
Contribution towards salary costs	51	41		
VAT recoverable	55	51		
Research grant from DfID/FCDO	364	151		
Coronavirus Job Retention Scheme grant	281	230		
Other	40	26		
	807	534		
5. DONATIONS, LEGACIES AND NEW ENDOWMENTS	2020-21	2019-20		
	£000	£000		
Unrestricted donations	1,423	1,493		
Release from deferred capital grants	51	51		
Restricted donations	401	692		
New endowments	464	1,478		
	2,339	3,714		
Legacies	690	2,810		
Donations	1,598	853		
Release from deferred capital grants	51	51		
	2,339	3,714		
6a. OPERATING EXPENDITURE - 2020-21	Education	Accomm,	Other	Total
	(see note 7a)	Catering and	(see notes 12 &	
		conferences	13)	
		(see notes 10,11	& 14)	
	£000	£000	£000	£000
Staff - direct	1,432	795	357	2,584
Staff - indirect (see note 18)	1,121	1,744	126	2,991
Total staff	2,553	2,539	483	5,575
Non-staff - direct	1,640	321	310	2,271
Non-staff - indirect	687	1,261	65	2,014
Depreciation	414	1,201	41	1,656
Total non-staff	2,740	2,783	417	5,940
Total	5,293	5,322	900	11,515

Notes to the Accounts**6b. OPERATING EXPENDITURE - 2019-20**

	Education (see note 7b)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
	£000	£000	£000	£000
Staff - direct	1,279	954	297	2,530
Staff - indirect (see note 18)	1,185	1,553	58	2,796
Total staff	2,464	2,507	355	5,326
Non-staff - direct	1,810	646	156	2,612
Non-staff - indirect	773	1,626	29	2,428
Depreciation	281	813	28	1,122
Total non-staff	2,864	3,085	213	6,162
Total	5,328	5,592	568	11,488

7a. EDUCATION EXPENDITURE - 2020-21

	Staff direct (see note 8) £000	Staff indirect £000	Non-staff direct (see note 9) £000	Non-staff indirect £000	Dep'n £000	Total £000
Teaching	897	445	87	286	207	1,923
Tutorial	117	316	66	173	124	796
Admissions	174	156	62	99	50	540
Research	237	104	29	61	17	447
Scholarships and awards	-	-	1,359	-	-	1,359
Other educational facilities	8	100	36	68	17	228
Total	1,433	1,121	1,639	687	415	5,293

7b. EDUCATION EXPENDITURE - 2019-20

	Staff direct (see note 8) £000	Staff indirect £000	Non-staff direct (see note 9) £000	Non-staff indirect £000	Dep'n £000	Total £000
Teaching	812	442	61	437	112	1,864
Tutorial	101	382	80	128	112	803
Admissions	170	161	130	95	34	590
Research	189	113	57	57	11	427
Scholarships and awards	-	-	1,437	-	-	1,437
Other educational facilities	7	88	46	54	11	207
Total	1,279	1,186	1,811	771	280	5,328

Notes to the Accounts

8. EDUCATION EXPENDITURE - STAFF-DIRECT	2020-21	2019-20
	£000	£000
Directors of Studies, College Lecturers, Supervisors	624	564
Library staff	124	125
Research Fellows	229	182
Senior Tutor, Admissions Tutors, Tutors	198	173
Tutorial & Admissions Office staff	215	201
Other (including Nurse)	43	34
Total	1,433	1,279
9. EDUCATION EXPENDITURE - NON-STAFF-DIRECT	2020-21	2019-20
	£000	£000
Awards		
Cambridge Bursary & Top-up Schemes (funded by the College)	117	137
Cambridge Bursary & Top-up Schemes (funded by the Collegiate University)	241	192
Bursaries (mainly for undergraduates)	250	314
Studentships (mainly for postgraduates)	688	723
Travel and Book grants	51	59
Prizes	12	12
Total awards	1,359	1,437
Other		
Admissions	61	123
Tutorial	5	66
Research	29	53
Library	17	34
Contribution towards UTO	69	6
Counselling	62	47
Grants to clubs and societies	36	42
Miscellaneous	1	3
	280	374
Total	1,639	1,811
10. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - STAFF-DIRECT	2020-21	2019-20
	£000	£000
Catering	724	865
Conferences	71	89
Total	795	954

Notes to the Accounts

11. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - NON-STAFF-DIRECT		2020-21	2019-20		
		£000	£000		
Catering		295	571		
Conferences		26	75		
Total		321	646		
12. OTHER EXPENDITURE - STAFF-DIRECT		2020-21	2019-20		
		£000	£000		
The Skilliter Centre for Ottoman Studies		41	41		
The Margaret Anstee Centre for Global Studies		145	137		
Research grant from DfID/FCDO		122	78		
Academic support		49	41		
Total		357	297		
13. OTHER EXPENDITURE - NON-STAFF-DIRECT		2020-21	2019-20		
		£000	£000		
The Skilliter Centre for Ottoman Studies		-	4		
The Margaret Anstee Centre for Global Studies		7	21		
Research grant from DfID/FCDO		202	33		
Investment management and advice		58	55		
Other		43	43		
Total		310	156		
14. ACCOMMODATION, CATERING, AND CONFERENCES EXPENDITURE		2020-21	2019-20		
		£000	£000		
Accommodation	College members	3,859	3,635		
	Conferences	40	168		
Catering	College members	1,330	1,398		
	Conferences	93	391		
Total		5,322	5,592		
15a. ANALYSIS OF 2020-21 EXPENDITURE BY ACTIVITY		Staff costs	Other operating expenses	Dep'n	Total
		£000	£000	£000	£000
Education (see note 6a)		2,553	2,326	414	5,293
Accommodation, catering and conferences (see note 6a)		2,539	1,582	1,201	5,322
Other		483	376	41	900
Movement to pension provisions		-	(202)	-	(202)
Loan interest payable		-	1,021	-	1,021
Contribution to Colleges Fund under Statute G,II		-	16	-	16
		5,575	5,119	1,656	12,350

Notes to the Accounts**15b. ANALYSIS OF 2019-20 EXPENDITURE BY ACTIVITY**

	Staff costs	Other operating expenses	Dep'n	Total
	£000	£000	£000	£000
Education (see note 6b)	2,465	2,582	281	5,328
Accommodation, catering and conferences (see note 6b)	2,506	2,271	815	5,592
Other	355	185	28	568
Movement to pension provisions	-	(217)	-	(217)
Loan interest payable	-	1,036	-	1,036
Contribution to Colleges Fund under Statute G,II	-	-	-	-
	5,326	5,857	1,124	12,307

16. ANALYSIS OF EXPENDITURE

	2020-21	2019-20
	£000	£000
Operating expenses include:		
Audit fee payable to the College's external auditors	18	19
Cost of fundraising	373	286
Investment management costs - commercial property	19	19
Investment management costs - securities and cash	37	37

17a. STAFF COSTS 2020-21

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,432	1,121	2,553
Accommodation, catering and conferences	795	1,744	2,539
Other	357	126	483
	2,584	2,991	5,575

17b. STAFF COSTS 2019-20

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,278	1,186	2,464
Accommodation, catering and conferences	954	1,553	2,507
Other	297	58	355
	2,529	2,797	5,326

Notes to the Accounts

18. ANALYSIS OF STAFF INDIRECT EXPENDITURE	2020-21	2019-20
	£000	£000
Housekeeping	703	725
Gardens	178	178
Maintenance	389	395
Porters' Lodge	362	330
Principal, Vice-Principal, Bursars	352	334
Bursary, HR, Principal's Secretary	424	366
IT	99	113
Development, Communications	369	299
Archive, Collections	40	33
CCFPS deficit recovery payment	30	24
Holiday accrual	45	-
Total	<u>2,991</u>	<u>2,797</u>

Notes to the Accounts

19. STAFF COSTS	Academic	Non-Academic	Total
	£000	£000	£000
2020-21			
Staff Costs			
Salaries	763	3,442	4,205
National Insurance	60	268	328
Pension costs	149	631	780
External teaching costs	262	-	262
	1,234	4,341	5,575
2019-20			
Staff Costs			
Salaries	667	3,358	4,025
National Insurance	44	263	307
Pension costs	133	600	733
External teaching costs	262	-	262
	1,106	4,221	5,327
	Academic	Non-Academic	Total
Average staff numbers (non-FTE) - 2020-21	57	144	201
Average staff numbers (non-FTE) - 2019-20	54	162	216
The figures above show the average number of people paid through the College payroll, irrespective of the hours worked.			
Average non-academic staff numbers (FTE) - 2020-21	n/a	125	125
Average non-academic staff numbers (FTE) - 2019-20	n/a	132	132
The figures above show the average number of FTE persons paid through the payroll.			
Average number of Fellows - 2020-21	60	7	67
Average number of Fellows - 2019-20	59	6	65
Number of Fellows as at 1 October 2021	60	7	67
Number of Fellows as at 1 October 2020	60	7	67
Number of Fellows as at 1 October 2019	57	6	63

Non-academic staff who are Fellows (i.e. Domestic Bursar, Development Director, Librarian) are included in the Fellows' figures. The Principal is not included in the Fellows' figures.

During the financial year 2020-21 62 Fellows received remuneration (2019-20: 55).

The number of officers or employees of the College, including the Principal, who received remuneration in the following ranges was:

	2020-21	2019-20
£100,000 - £110,000	-	1
£120,000 - £130,000	1	1
£130,000 - £140,000	1	-

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

Notes to the Accounts**19. STAFF COSTS (continued)****Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are the Principal, Vice-Principal, Senior Tutor and Bursar. The aggregated remuneration paid to key management personnel consists of salary, employer's national insurance contributions, employer's pension contributions, plus any taxable benefits paid, payable or provided, gross of any salary sacrifice arrangements.

	2020-21	2019-20
	£000	£000
Aggregated remuneration	317	307

The total remuneration for persons who served as Trustees (members of the College Council) in 2020-21 was £372k (2019-20: £364k).

20. PENSION COSTS OF CCFPS & USS

	CCFPS	USS	Total
	£000	£000	£000
2020-21			
Brought Forward	1,616	1,632	3,248
Contributions	(57)	(721)	(778)
Charge to Income and Expenditure	102	473	575
Net charge to Income and Expenditure	45	(248)	(203)
Charge to Other comprehensive income	(484)	-	(484)
Carried Forward	1,177	1,384	2,561
2019-20			
Brought Forward	1,321	1,870	3,191
Contributions	(87)	(647)	(734)
Charge to Income and Expenditure	108	409	517
Net charge to Income and Expenditure	21	(238)	(217)
Charge to Other comprehensive income	274	-	274
Carried Forward	1,616	1,632	3,248

21. LOAN INTEREST PAYABLE

	2020-21	2019-20
	£000	£000
Bank loan	197	212
Private placement 1	511	511
Private placement 2	313	313
Total	1,021	1,036

Further information on the bank loan and private placements can be found in note 29.

Notes to the Accounts

22. CONTRIBUTION TO COLLEGES FUND UNDER STATUTE G,II	2020-21	2019-20
	£000	£000

Contribution	16	-
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Every College in the University is required to make an annual contribution based on the value of its assessable assets.

23. FIXED ASSETS	College	College	Furniture &	2020-21	2019-20
	Land	Buildings	Equipment	Total	Total
	£000	£000	£000	£000	£000

Cost or valuation

At 1 July 2020	50,342	92,873	2,921	146,136	145,983
Additions	-	1,189	310	1,499	181
Disposals	-	-	(204)	(204)	(28)
	50,342	94,062	3,027	147,431	146,136

Depreciation

At 1 July 2020	-	929	1,551	2,480	1,384
Charge for the year	-	1,447	209	1,656	1,124
Eliminated on disposals	-	-	(204)	(204)	(28)
	-	2,376	1,556	3,932	2,480

Net Book value

At 30 June 2021	50,342	91,686	1,471	143,499	143,656
	50,342	91,944	1,370	143,656	144,599
At 1 July 2020	50,342	91,944	1,370	143,656	144,599

A valuation of College properties was carried out by Gerald Eve, Chartered Surveyors, at 30 June 2019 on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolescence.

The freehold College buildings at 30 June 2021 were insured at reinstatement costs of £105.2m.

Notes to the Accounts

24. INVESTMENTS	2020-21	2019-20
	£000	£000
At 1 July 2020	106,409	96,585
Additions	24,000	-
Disposals	(25,431)	(1,210)
Gain (see note 3b)	28,639	11,034
At 30 June 2021	133,617	106,409
Represented by:		
Estate properties (held directly)	3,525	3,525
Properties (held indirectly via funds)	4,787	4,472
Quoted securities - equities (held indirectly via funds)	118,037	90,638
Quoted securities - fixed interest (held indirectly via funds)	3,880	3,899
Unquoted (held indirectly via funds)	3,288	3,657
Cash held for reinvestment	100	218
	133,617	106,409

At 30 June 2019, a valuation of the investment properties was carried out by on an open market value for existing use basis by Gerald Eve, Chartered Surveyors. The Trustees have in place a policy to revalue professionally every 3-4 years, but consider each year whether the market value of the properties has materially changed. Any material change in market value will be reflected in a revaluation movement in the year in question. The Trustees have considered the market value at the end of the current financial year and have deemed that the value has not materially moved since the previous professional valuation.

25. STOCKS AND WORK IN PROGRESS	2020-21	2019-20
	£000	£000
Food and drink	35	25
Wine	36	41
Cleaning materials and other	22	27
	93	93

26. TRADE AND OTHER RECEIVABLES	2020-21	2019-20
	£000	£000
Taxes due from government departments	24	20
Grants receivable	42	120
Other receivables	94	53
Prepayments and accrued income	700	256
	860	449

Notes to the Accounts

27. CASH AND CASH EQUIVALENTS	2020-21	2019-20
	£000	£000
Current accounts	2,293	4,304
Cash in hand	1	1
	2,294	4,305
	2,294	4,305
28. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020-21	2019-20
	£000	£000
Trade creditors	210	123
Loan repayments	248	230
Taxes and social security costs	-	93
Student deposits and accounts	250	197
Accruals and deferred income	738	586
	1,446	1,229
	1,446	1,229
29. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020-21	2019-20
	£000	£000
Bank loan	3,341	3,595
Private placement 1 liability	11,580	11,580
Private placement 2 liability	7,000	7,000
	21,921	22,175
	21,921	22,175

The bank loan is secured on certain College freehold properties and is subject to interest fixed under a swap agreement at 5.24% for 25 years from 2007. Repayments commenced in 2007 and will be made over the 25 years to June 2032.

The first private placement bond of £11,580,000 is repayable in two tranches, of £6,433,333 on 30 October 2043 and £5,146,667 on 30 October 2053 and is subject to a fixed rate of interest of 4.40%.

The second private placement bond of £7,000,000 is repayable on 31 January 2044 and is subject to a fixed rate of interest of 4.45%.

30. PENSION PROVISIONS	2020-21	2019-20
	£000	£000
At 1 July 2020	3,248	3,190
Movement in year:		
Current service cost including life assurance	575	518
Contributions	(778)	(734)
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(484)	274
	2,561	3,248
At 30 June 2021	2,561	3,248

Notes to the Accounts**31. ENDOWMENT FUNDS**

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Total 2020-21 £000
2020-21			
At 1 July 2020	45,129	19,348	64,477
New donations and endowments	464	-	464
Transfer between funds	79	-	79
Increase in market value of investments	9,616	967	10,583
At 30 June 2021	55,288	20,315	75,603

Analysis by type of purpose:

Fellowship Funds	20,497	-	20,497
Scholarship Funds	8,483	-	8,483
Prize Funds	476	-	476
Hardship Funds	6,944	-	6,944
Research Funds	16,692	-	16,692
Book Funds	1,091	-	1,091
Other Funds	1,105	-	1,105
General Endowments	-	20,315	20,315
	55,288	20,315	75,603

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Total 2019-20 £000
2019-20			
At 1 July 2019	40,185	18,987	59,172
New donations and endowments	1,477	-	1,477
Increase in market value of investments	3,467	361	3,828
At 30 June 2020	45,129	19,348	64,477

Analysis by type of purpose:

Fellowship Funds	16,784	-	16,784
Scholarship Funds	6,855	-	6,855
Prize Funds	393	-	393
Hardship Funds	5,525	-	5,525
Research Funds	13,762	-	13,762
Book Funds	899	-	899
Other Funds	911	-	911
General Endowments	-	19,348	19,348
	45,129	19,348	64,477

Notes to the Accounts**32. RESTRICTED RESERVES**

Reserves with restrictions are as follows:

	Permanent unspent £000	Restricted expendable endowment £000	2020-21 £000
2020-21			
At 30 June 2020	2,522	11,768	14,290
New grants and donations		1,006	1,006
Investment income	1,392	341	1,733
Expenditure	(876)	(1,346)	(2,222)
Transfer between funds	6	(125)	(119)
Increase in market value of investments	545	2,487	3,032
At 30 June 2021	3,589	14,131	17,720
Analysis by type of purpose:			
Fellowship Funds	1,174	3,913	5,087
Scholarship Funds	1,124	1,703	2,827
Prize Funds	104	164	267
Hardship Funds	442	5,002	5,444
Research Funds	487	138	625
Book Funds	75	2,071	2,145
Other Funds	184	1,141	1,325
	3,589	14,131	17,720

The transfer between funds of £119k includes £40k College overhead recovery on the reasearch grant from DfID/FCDO, transferred to unrestricted funds.

	Permanent unspent £000	Restricted expendable endowment £000	2019-20 £000
2019-20			
At 30 June 2019	2,040	10,617	12,657
New grants and donations	-	1,036	1,036
Investment income	1,194	300	1,494
Expenditure	(890)	(1,061)	(1,951)
Transfer between funds	-	(40)	(40)
Increase in market value of investments	178	916	1,094
At 30 June 2020	2,522	11,768	14,290
Analysis by type of purpose:			
Fellowship Funds	816	3,178	3,994
Scholarship Funds	836	1,529	2,365
Prize Funds	74	143	217
Hardship Funds	292	4,194	4,486
Research Funds	319	111	430
Book Funds	53	1,668	1,721
Other Funds	132	945	1,077
	2,522	11,768	14,290

Notes to the Accounts

33. RECONCILIATION OF CONSOLIDATED SURPLUS FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2020-21 £000	2019-20 £000	
Surplus for the year	25,742	9,704	
Adjustment for non-cash items			
Depreciation and movements to Revaluation Reserve	1,656	1,124	
(Gain) on endowments, donations and investment property	(28,639)	(11,034)	
(Increase) in stocks	-	(1)	
(Increase)/decrease in trade and other receivables	(411)	8	
Increase/(decrease) in creditors	199	(942)	
(Decrease)/increase in provisions	(686)	57	
Pension costs less contributions payable	484	(274)	
Release of deferred capital grants	(51)	(51)	
Adjustment for investing or financing activities	-	-	
Investment income receivable	(641)	(175)	
Interest payable	1,021	1,036	
Net cash inflow/(outflow) from operating activities	(1,326)	(548)	
34. CASH FLOWS FROM INVESTING ACTIVITIES	2020-21 £000	2019-20 £000	
Non-current investment disposal	25,430	1,210	
Investment income received	641	175	
Endowment funds invested	(24,000)	-	
Payments made to acquire non-current assets	(1,499)	(181)	
Total cash flows from investing activities	572	1,204	
35. CASH FLOWS FROM FINANCING ACTIVITIES	2020-21 £000	2019-20 £000	
Interest paid	(1,021)	(1,036)	
Repayments of amounts borrowed	(236)	(275)	
Total cash flows from financing activities	(1,257)	(1,311)	
36. CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT	At 1 July 2020 £000	Cash Flows £000	At 30 June 2021 £000
Cash and cash equivalents	4,305	(2,011)	2,294
Borrowings: amounts falling due within one year			
Secured loans	(230)	(18)	(248)
Borrowings: amounts falling due after more than one year			
Secured loans	(22,175)	254	(21,921)
	(18,100)	(1,775)	(19,875)

Notes to the Accounts

37. RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of the College Council and Governing Body it is inevitable that transactions will take place with organisations in which a member of the College Council or Governing Body may have an interest. All transactions involving organisations in which a member of the College Council or Governing Body may have an interest are conducted at arms 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 or Governing Body has a material interest in a College matter they are required to declare that fact.

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

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

The salaries paid to Trustees (after salary exchange) in the year are summarised in the table below.

From	To	2020-21 Number	2019-20 Number
£0	£10,000	10	7
£10,0001	£20,000	-	2
£20,0001	£30,000	-	-
£30,0001	£40,000	1	1
£40,0001	£50,000	-	-
£50,0001	£60,000	-	-
£60,0001	£70,000	-	-
£70,0001	£80,000	-	1
£80,0001	£90,000	-	1
£90,0001	£100,000	2	-
Total		13	12

The total Trustee salaries (after salary exchange) were £276k for the year (2019-20: £251k).

The trustees were also paid other benefits (including associated employer National Insurance contributions and employer contributions to pensions) and other taxable benefits which totalled £96k (2019-20: £113k).

38. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England & Wales), wholly-owned by the College, are as follows:

Company	Principal Activity
Newnham College Library Company Ltd	Inactive
Newnham College Management Ltd	Provision of maintenance and construction projects
Newnham College Ltd	Inactive

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.

Notes to the Accounts

39. FINANCIAL COMMITMENTS

At 30 June 2021 and 30 June 2020 the College had no annual commitments under non-cancellable operating leases. The College has committed to investing in various private equity funds over approximately the next two years as at June 2021. A total of £0.7m (2020: £0.7m) may be called up for investment at any point during that period, but this is not a liability, it would be a reclassification of College investments.

	2020-21	2019-20
	£000	£000
Capital commitments at 30 June 2021 are as follows:		
Authorised and contracted for	670,558	-

40. CONTINGENT ASSETS

Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met at the year end, then the legacy is treated as a contingent asset. At the balance sheet date contingent legacy assets are estimated to be: £676,825 (2020: £350,735).

41. POST BALANCE SHEET EVENTS

Since the year end, following the completion of the 2020 USS actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed and become effective, post year end. This results in an increase of £2,470,086 in the provision for the obligation to fund the deficit on the USS pension which would instead be £3,854,247. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022.

If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £4,771,457 in the provision for the obligation to fund the deficit on the USS pension which would instead be £6,155,618.

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit plan, the Cambridge Colleges' Federated Pension Scheme. At 30 June 2021 Newnham College had 4 active members participating in the plan.

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

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

	2020-21	2019-20
	% p.a.	% p.a.
Discount rate	1.80	1.45
Increase in salaries	3.10	2.70
RPI assumption	3.40	3.10
CPI assumption	2.60	2.20
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.00
Pension increases in payment (CPI Max 2.5% p.a.)	1.95	1.80

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

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

Employee Benefit Obligations

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

	2020-21	2019-20
	£000	£000
Market value of plan assets	(6,865)	(7,074)
Net defined benefit asset/(liability)	5,688	5,458
	<u>(1,177)</u>	<u>(1,616)</u>

The amounts to be recognised in the Income and Expenditure for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2020-21	2019-20
	£000	£000
Current service cost	68	68
Administrative expenses	11	11
Interest on net defined benefit (asset)/liability	24	30
Total	<u>102</u>	<u>108</u>

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

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

	2020-21	2019-20
	£000	£000
Present value of plan liabilities at the beginning of the year	7,074	6,489
Current service cost	68	68
Benefits paid	(232)	(205)
Interest on plan liabilities	101	144
Actuarial (gains)/losses	(147)	578
Present value of plan liabilities at the end of the year	6,865	7,074

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

	2020-21	2019-20
	£000	£000
Market value of plan assets at the beginning of the year	5,458	5,168
Contributions paid by the College (employer contribution)	45	39
Contributions paid by the College (employee contribution - salary exchange)	12	13
Contributions paid by the College (funding shortfall)	-	24
Contributions paid by the College (administration fee)	-	11
Benefits paid	(232)	(205)
Administrative expenses	(15)	(15)
Interest on plan assets	78	115
Return on assets, less interest included in Income and Expenditure	341	308
Market value of plan assets at the end of the year	5,688	5,458
Actual return on plan assets	419	423

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2020-21	2019-20
Equities	48%	0%
Bonds and cash	42%	41%
Property	10%	10%
Total	100%	100%

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

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

	2020-21	2019-20
	£000	£000
Return on assets, less interest included in the Income and Expenditure	341	308
Expected less actual plan expenses	(4)	(4)
Experience gains and losses arising on plan liabilities	64	(60)
Changes in assumptions underlying the present value of plan liabilities	83	(518)
Remeasurement of net defined benefit liability recognised in OCI	484	(274)

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

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

	2020-21	2019-20
	£000	£000
Net defined benefit asset/(liability) at beginning of year	(1,616)	(1,321)
Recognised in Income and Expenditure	(102)	(108)
Contributions paid by the College	45	87
Remeasurement of net defined benefit liability recognised in OCI	484	(274)
Net defined benefit asset/(liability) at end of year	<u>(1,189)</u>	<u>(1,616)</u>

Funding Policy

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

The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

Contributions of £24,375 paid in January 2021 and £6,095 in April 2021;

Annual contributions of nil payable for the period 21 May 2021 to 30 June 2021; and

Annual contributions of not less than £9,244 per annum payable for the period from 1 July 2021 to 31 March 2027.

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

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Deficit recovery liability

The total cost charged to the income and expenditure account for the College and subsidiaries in 2019-20 is -£248k (2019-20: £1,394k).

As at 30 June 2021, the latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method.

Since the year end the valuation as at 31 March 2020 was signed and filed with the Pension Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022.

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

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

The key financial assumptions used in the 2018 valuation are described below.

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

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

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

Notes to the Accounts**42. PENSION SCHEMES****(b) Universities Superannuation Scheme (continued)**

The current life expectancies on retirement at age 65 are:

	2020-21	2019-20
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions.

	2020-21	2019-20
Discount rate	1.1%	1.1%
Pensionable salary growth	2.7%	2.7%