

# CLARE COLLEGE CAMBRIDGE

England & Wales - Charity number 1137531

## Details

---

Other names	CLARE COLLEGE
Status	Registered
Legal form	Other
Company number	<a href="#">02749139</a>
Registered	2010-08-17
Register	<a href="#">View on the Charity Commission register</a>

## Contact

---

Address	Clare College Trinity Lane Cambridge CB2 1TL
Phone	01223333200
Email	<a href="mailto:bursar@clare.cam.ac.uk">bursar@clare.cam.ac.uk</a>
Website	<a href="http://www.clare.cam.ac.uk">www.clare.cam.ac.uk</a>

## Activities

---

**Objects:** TO FURTHER PUBLIC GOOD BY PROMOTING LEARNING, STUDY AND TEACHING IN A COMMUNITY OF SCHOLARS IN THE UNIVERSITY OF CAMBRIDGE.

**Activities:** To further public good by promoting learning, study and teaching in a community of scholars in the University of Cambridge.

## Classification

---

- **How:** Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

## Geography

---

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

## Finances

---

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£21,269,000	£20,434,000	£385,545,000	229
2024-06-30	£18,741,000	£20,142,000	£363,568,000	236
2023-06-30	£18,990,000	£18,941,000	£336,044,000	234
2022-06-30	£16,438,000	£17,007,000	£322,962,000	214
2021-06-30	£14,460,000	£14,097,000	£317,067,000	229

## Trustees

Name	Role	Appointed
<b>Loretta Caroline Rose Minghella</b>	Chair	2021-10-01
Dr Alpa Parmar		2023-10-01
Dr Andrew Carter		2020-10-01
Dr Collin Smith		2025-10-01
Dr Darren Peterson		2025-10-01
Dr Juan Block		2023-10-01
Dr Matthew Kenzie		2023-10-01
Dr Ruth Watson		2025-10-01
Dr Toby Alexander Howard Wilkinson		2022-10-01
PROFESSOR ALAN DAVID CHAMBERS		2015-10-01
PROFESSOR JONATHAN MICHAEL GOODMAN		2016-10-01
PROFESSOR Jacqueline Anne Tasioulas		
PROFESSOR Maciej Dunajski		2024-10-01
PROFESSOR NEIL CLEMENT GREENHAM		2018-10-01
PROFESSOR Oliver Charles Henry Shorttle		2024-10-01
Professor Gordon Ogilvie		2025-10-01
Professor Roel Sterckx		2025-10-01
Professor Timothy Lewens		2025-10-01
Rev Mark Stephen Smith		2019-10-01

**CLARE COLLEGE CAMBRIDGE**

England & Wales - Charity number 1137531

---

# Accounts

---

# Clare College, Cambridge

Financial statements  
for the year ended 30 June 2025

<b>Contents</b>	2
Contact Information and Advisors	3
Governing Body	4
Aims and Objectives of the College	5
Operating and Financial Review	6 - 11
Reserves Policy	9
Principal Risks and Uncertainties	9
Public Benefit as a Charity	10
Statement of Corporate Governance	12
Statement of Internal Control	12
Statement of Responsibilities of the Trustees of the College	13
Independent Auditors' Report to the Trustees of the College	14 - 16
Statement of Principal Accounting Policies	17 - 22
Consolidated Statement of Comprehensive Income and Expenditure	23
Consolidated Statement of Change in Reserves	24
Consolidated and College Balance Sheets	25
Consolidated Cash Flow Statement	26
Notes to the Financial Statements	27 - 41

**Contact Information and Advisors**

**Address**

Clare College  
Trinity Lane  
Cambridge CB2 1TL

**Key officers**

Master:	Ms L R C Minghella, OBE
Senior Tutor:	Professor J A Tasioulas
Bursar:	Dr T A H Wilkinson (appointed 1 February 2025)
Interim Estates Bursar:	Dr T A H Wilkinson (until 31 January 2025)
Interim Domus Bursar:	Professor J A Tasioulas (until 31 January 2025)

**Registered charity number**

1137531

**VAT number**

125 4984 96

**Professional advisors:**

**Independent auditors**

PEM Audit Limited  
Salisbury House  
Station Road  
Cambridge CB1 2LA

**Principal bankers**

Barclays Bank plc  
9-11 St Andrew's Street  
Cambridge CB2 3AA

**Principal solicitors**

Mills & Reeve  
Botanic House  
Cambridge CB2 1PH

**Property managers**

Bidwells Property Consultants  
Trumpington Road  
Cambridge CB2 2LD

**Principal investment managers**

Amundi Asset Management  
91-93 Boulevard Pasteur  
75015 Paris, France

**Governing Body and Committees**

for the year ended 30 June 2025

**Status**

The College is a corporate body consisting of the Master, the Fellows and the Scholars of Clare College, Cambridge as provided by the College's charter in 1359 and Statutes that were updated in 2017. The College is a registered charity with registration number 1137531 and registered office at Clare College, Trinity Lane, Cambridge, CB2 1TL.

The names of the members of the Governing Body and the Committees charged with the governance of the College during the year ended 30 June 2025 including any changes up to the date of signing are as follows:

**Governing Body**

Master:	Ms L C R Minghella, OBE *
Senior Tutor:	Professor J A Tasioulas *
Bursar:	Dr T A H Wilkinson * (appointed 1 February 2025)
Interim Estates Bursar:	Dr T A H Wilkinson * (until 31 January 2025)
Interim Domus Bursar:	Professor J A Tasioulas * (until 31 January 2025)

Dr M Arenas	Dr K E Hughes	2024)
Professor N H Andrews	Dr G S Jacobs	The Rev'd Dr M S Smith *
Dr A A Berman	Professor H F Jahn	Professor R Sterckx
Dr J I Block *	Professor P H Jones	Dr J Sterling (GB Fellow from 1 October 2024)
Dr I R Burrows	Professor M Kenzie *	Dr A M Stillman
Professor W J Byrne	Professor M B M Lahr	Professor S D Stranks
Dr A Cabrera Serrenho	Professor H Laman *	Dr M Tatulea-Codrean
Professor R G Cacho	Professor R Lawson	Dr K Tilson
Professor J Carroll	Professor S M Lazar *	Professor A G Thomason (GB Fellow until 30 <sup>th</sup> September 2024)
Dr A P Carter *	Professor P F Leadlay	Professor H E Thompson
Professor A D Chambers *	Professor I C Lestas	Professor F M O Toxvaerd
Dr H Charman	Professor T M Lewens	Professor E C Turner
Dr T G Chesters	Professor Dame H M O Leyser	Dr L A van Holstein
Professor C J Clarke	Dr B Liu	Professor H W van Veen *
Professor N S Clayton	Dr S J Lockwood * (GB fellow until 30 September 2024)	Professor J E Vinuales
Professor R Collepardo-Guevara	Dr T Moore	Dr R I Watson
Dr O E Demuth (GB Fellow from 1 October 2024)	Professor G I Ogilvie	Dr M Weeks
Professor M Dunajski * (Trustee from 1 October 2024)	Dr G F Parker * (Trustee until 30 September 2024)	Dr C G Weiss
Professor P C Fletcher	Dr A Parmar *	Professor J M Wyburd
Dr E A Foyster	Professor L C Paulson	Mr P A Wesolowski (MCR President) (until 30 June 2025)
Professor S C Franklin	Dr D J Peterson (GB Fellow from 1 October 2024)	Ms C Leadbeater (MCR Vice-President) (until 30 June 2025)
Professor M Frolova-Walker	Professor R T Phillips (GB Fellow until 12 May 2025)	Mr N Markozanis (MCR President) (from 1 July 2025)
Professor J S Gibson	Professor A Philpott	Mr S Hatzopoulos (MCR Vice-President) (from 1 July 2025)
Professor J M Goodman *	Dr J Plant	Ms M da Costa (UCS President) (until 30 June 2025)
Professor N C Greenham *	Professor J C Prabhu	Ms M Richardson (UCS Vice-President) (until 30 June 2025)
Professor H Griffiths (GB Fellow until 30 September 2024)	Professor A M Preston	Mr M Eshelby (UCS President) (from 1 July 2025)
Dr J A Guy (GB Fellow until 30 September 2024)	Dr J Rempel	Ms I McNicholas (UCS Vice-President) (from 1 July 2025)
Dr R M Harris	Mr G A C Ross	
Professor S A Hartnoll	Professor D H Rowitch	
Professor R D Hedley	Professor H L Sanson	
Professor D A Hodell	Professor O C H Shorttle * (Trustee from 1 October 2024)	
Dr N B Holdstock	Dr C J Smith (GB Fellow from 1 October 2024)	
Professor D R Howarth		

All members of the Finance Committee and Council are trustees, except for the student members, and are given, on appointment, copies of the Statutes of the College, together with a note drawing attention to the policy for the management of conflicts of interest, and the requirements of the Charity Commission regarding such conflicts of interest. Trustees are indicated above by a \* after their name.

**Aims and Objectives of the College**  
for the year ended 30 June 2025

The College's Strategic Vision 2026–2036 sets out the College's core purposes in the context of national and global challenges as follows:

- Ensuring that the opportunity to study at Clare is open to all those with the ability and potential to thrive at Cambridge, irrespective of background.
- Providing a supportive environment for world-leading research, for the benefit of society and of the students whose education it informs and inspires.
- Equipping our students with the skills, aptitudes and knowledge to contribute to society.

Remaining an independent foundation within a collegiate University is fundamental to the College's long-term strategy. The College endorses the University's mission and core values and agrees that the partnership between the University and the Colleges is central to Cambridge's future development. The College will continue to play an active role in University bodies and in formulating University policy.

Within the collegiate University, Clare offers distinctive strengths. The College is committed to sustaining and enhancing its particular contribution to Cambridge and to society in general by:

- maintaining and developing its long-standing commitment to encouraging applications from the most talented students, irrespective of background, in tandem with a needs-blind admissions system supported by a comprehensive programme of financial assistance;
- building on the College's strong international links to provide students with opportunities for educational and cultural exchanges, recognising the importance of such exchanges in an increasingly global society;
- supporting active engagement by the College and its members in the local community and in community activities nationally and internationally; and
- fostering excellence in music, through support of the College Choir, the choral and organ scholarships, and instrumental awards.

## Operating and Financial Review for the year ended 30 June 2025

During the year, the College has continued to pursue its charitable aims in promoting learning, study, and teaching in a community of scholars in the University of Cambridge with 690 students (492 undergraduates and 198 postgraduates) undertaking learning and research in all subjects offered by the University more widely. The intense pressure on students to achieve the highest academic standards places corresponding demands on the College. Clare alumni, who were themselves taught by the leading academics of their generation in small group supervisions, understand those pressures and the need for financial resources to maintain this standard of education. Clare's financial resources are provided by our alumni and other sources, through donations which are increasingly important if we are to maintain our high standards, and also by our own operations as we recognise a need to run the College as an efficient organisation.

The challenges and pressures facing students today are greater than ever. The College is acutely aware of the enormous increase in the number of students that suffer with mental health issues. It is for this reason that the College employs two College nurses who, with additional support from the team of College Tutors, provide support and guidance to undergraduate and postgraduate students throughout the academic year. In response to this need a Health and Wellbeing Centre has been established to help support students with general health and mental health needs. We are extremely proud of the great work that our nurses and Tutors do.

Standards at the top of Higher Education are continuing to rise and Clare is determined to stay in the top echelon globally. During the year ended June 2025 this meant the College spent £12,732 (2024: £12,339) on the education of each undergraduate student, mainly on the intensive support provided by each student's Director of Studies, College Teaching Officers, supervisors and tutors. In addition, the College spent £6,238 (2024: £5,587) in educational support for postgraduate students. The total cost of educating 492 (2024: 472) undergraduates and supporting 198 (2024: 177) postgraduate students was £7.46m (2024: £7.32m). The College receives a contribution equating to £4,768 for each new undergraduate by way of the College Fee, but this leaves a shortfall of £7,964 (2024: £7,714) for each undergraduate student, amounting to 62.6% (2024: 62.5%) of the total cost. The increase in the cost of education in the year ending 30 June 2025 was due to the increase in the cost of overheads arising from inflationary pressures. The deficit in the cost of educating students remains, which can only be sustained through the generosity of benefactors.

Inflationary pressures continue to be felt in students' cost of living. In order to fulfil its charitable purposes, during the year the College made total bursaries and awards of £0.56m (2024: £0.56m) to undergraduate and postgraduate students. In addition to bursaries and other grants, the College offers subsidies on the cost of food and accommodation as extra undergraduate and postgraduate student support.

The College aims to raise sufficient funds from benefactors to preserve small-group teaching for undergraduates, provide bursaries in support of Clare undergraduates from low income backgrounds, support postgraduate study through scholarships and hardship grants, and provide a high level of pastoral support and extracurricular opportunities for all students. This entails a significant challenge in raising additional income, while continuing to exercise tight constraints on spending.

### Financial Results

The Statement of Comprehensive Income and Expenditure (SOCIE), on page 23, shows a surplus of £21.977m (2024: £27.52m). The SOCIE is a statement of all movements in the net assets of the College between one year and the next. It therefore takes account of all operating income and expenditure, investment gains and losses and other adjustments, including total return and pension provisions. The boxed sections (headed unrestricted) on page 23 is, in effect, the operating result on continuing operations before other gains and losses, but includes endowment drawdown and unrestricted spendable donations. On this "operating before other gains and losses" basis the College reported a surplus of £0.3m for 2025, compared to a deficit of £0.88m for 2024.

This operating surplus before other gains and losses was achieved after total unrestricted expenditure decreased by £0.68m to £15.78m and unrestricted income increased by £0.49m to £16.07m. The decrease in unrestricted expenditure was largely attributable to a re-allocation of relevant costs to restricted. Inflationary pressures relating to staffing costs in particular are however still relevant. The increase in unrestricted income was largely attributable to an increase in privately funded and postgraduate college fee income. The continuing restoration of the Old Court throughout the year continues to limit recovery of the Conference business to pre-COVID-19 levels.

The financial environment for the College remains challenging and it will be necessary to address a number of significant financial issues in the coming years, including the need to complete the funding of the restoration of Old Court, investing in a significant programme of works to move our estate to net zero carbon emissions, and continuing to grow external income generation to support the educational activities of the College. After remaining unchanged since 2018, undergraduate fees for UK students are due to increase by 3.1% in the 2025-26 academic and financial year. Without the generous support of our alumni and donors, the College's financial performance would be under considerable pressure.

## Operating and Financial Review

for the year ended 30 June 2025

### Benefactions and Donations

The College is very grateful for the many donations and bequests it has received over the past year from Clare members, corporate donors, trusts and foundations which totalled £5.26m (2024: £3.76m) including the recovery of Gift Aid. This sum included significant amounts towards the refurbishment of Old Court, student support, teaching and research. The College received £0.13m in unrestricted legacies, and 610 alumni (6.5% of living, addressable alumni) made donations to the College. We ran a telephone campaign in 2024-25 in which 282 alumni made a donation.

Total donation income and fundraising costs over the last five years are shown in the table below:

Year ended 30 June	2025	2024	2023	2022	2021
	£m	£m	£m	£m	£m
Donations					
Old Court	1.3	1.3	2.8	2.3	2.0
Other	<u>4.0</u>	<u>2.5</u>	<u>1.9</u>	<u>3.0</u>	<u>2.6</u>
	5.3	3.8	4.7	5.3	4.6
Fundraising costs	0.4	0.5	0.7	0.5	0.5
Costs as % of donations	10%	14%	13%	10%	11%

The College is registered with the Fundraising Regulator. All Clare fundraising activity meets or exceeds current standards, including protections for vulnerable people. This activity is administered by Clare or is under Clare's supervision and there have been no fundraising complaints during the last year.

### The College Endowment

The market value of the endowment investment portfolio at 30 June 2025 was £203.9m (2024: £187.5m) (note 10a) resulting in a total return of 8.6% (2024: 11.2%) before investment management costs. The allocation of assets within the portfolio was as follows:

Year ended 30 June	2025			2024	
	Change in portfolio (%)	Portfolio %	Valuation (£m)	Portfolio %	Valuation (£m)
Global Public Equities	4.8%	66%	134.5	67%	125.6
Other Public Equities	0.2%	0.5%	1.1	0.4%	0.7
Private Equities	0.6%	11.1%	22.6	11.4%	21.5
UK Commercial Property	3.5%	21.3%	43.4	19.7%	36.9
UK Corporate Bonds	0%	0.2%	0.4	0.2%	0.3
Cash and Fixed Interest	-0.3%	0.9%	<u>1.9</u>	1.3%	<u>2.5</u>
Total			203.9		187.5

The College's public equity investments are mainly held in equity tracker funds with 81% invested in the Amundi Global Low Carbon fund and with 4%, 13% and 2% invested in the UK, European and Japanese Amundi SRI funds respectively. The overall exposure to US equities within the public equity portfolio amounted to 54% and the exposure to UK and European equities amounted to 8% and 20% respectively. Foreign currency exposures are not hedged.

The value of the endowment and total returns over the last five years were:

Year ended 30 June	2025	2024	2023	2022	2021
	£m	£m	£m	£m	£m
Investment assets	203.9	187.5	166.8	161.0	156.8
Actual Net Income	3.3	2.6	3.2	3.4	2.7
Gains/(losses)	<u>14.2</u>	<u>18.3</u>	<u>5.8</u>	<u>2.5</u>	<u>25.1</u>
Total return (note 3a)	17.1	20.7	9.0	5.9	27.8
Endowment drawdown	<u>5.2</u>	<u>4.8</u>	<u>4.5</u>	<u>4.1</u>	<u>3.8</u>

The Endowment drawdown of £5.2m represented 3.0% of the average value of the Endowment over the three preceding years. The aim is to draw down sufficient funds each year to support the specific activities designated by the donors, while protecting the real value of the Endowment against inflation and preserving the capital for the future, consistent with the perpetual nature of the College Endowment.

## Operating and Financial Review for the year ended 30 June 2025

### Liquidity

The operational cash balances available at 30 June 2025 amounted to £10.32m (2024: £12.22m). These cash holdings were held in interest bearing accounts with the College's two principal banks. The level of cash held was relatively high, to take account both of construction plans (including current contract commitments) and further plans. It is expected that cash balances will reduce significantly during the 2025-26 financial year as Old Court is completed.

### Inflation Swap Investments

In October 2008 the College borrowed £15m in the form of a conventional loan from Santander and an inflation swap contract with HSBC, structured to provide 40 year index-linked funding. The £15m was invested in global equity tracker funds and will be left to accumulate over the 40 year period in a ring-fenced equity fund, over which HSBC has a security charge to cover the inflation liability. Based on historical experience, the Governing Body considered that this investment in global equity tracker funds should make a positive real return of more than 4% per annum compound, consistent with the performance of global equity markets over each 40 year period since 1900. The Governing Body considered that this positive return would represent a significant addition to the College's Endowment, helping to achieve the goal of financial independence in the long term, and that it outweighed the risks involved. In the event that changed economic circumstances make it appropriate, the College has the right to terminate the loan with Santander and the inflation swap with HSBC early at the prevailing cost of termination.

The interest payments on the Santander loan are set at 4.4% per annum and the HSBC swap contract converts this into a real rate of 1.1% per annum. The annual inflation adjustment to the value of the loan on repayment is capped at a rate of 7%. Through this structure the College was able to take advantage of its ability to invest over the very long term at a time of very low interest rates. The liability to Santander for the conventional loan of £15m is secured on the College's outlying operational properties, valued at £35m. During the year to 30 June 2025 the 2048 Fund generated a total return of 6.5% gross and 3.6% net of the increase in inflation-linked liabilities and interest payments. The resulting surplus of £3.28m was added to the Total Return reserves as set out in Note 22. The cumulative inflation swap investment net unapplied Total Return increased to £25.8m at 30 June 2025 (note 22).

During the first 16 years of the 40 year inflation swap (from October 2008 to June 2025) the level of RPI has risen by 86%, with the result that the College's liability to Santander and HSBC at June 2025 has increased to £25.7m. At June 2025 the market value of global equity tracker fund investments held in the 2048 Fund amounted to £53.1m and the outstanding cash balance stood at £0.79m. The total value of inflation swap investments amounted to £50.62m at 30 June 2025.

### Capital Expenditure and Buildings Refurbishment

During the 2024-25 financial year the College continued the Old Court project. As a result capital expenditure relating to buildings amounted to £14.55m, a decrease of £15.79m compared to the prior year. In addition a further £0.44m of equipment capital expenditure was made. It is the College's depreciation policy to start to depreciate as soon as the asset is brought into use.

The cost of refurbishing the College's historic buildings and other historic assets represents a substantial financial commitment and the Governing Body recognises the need to set aside adequate sums to ensure that the historic buildings are properly maintained over the long term. A professional survey of the condition of all College buildings has confirmed that more than £2.7m must be committed each year to maintain the College's historic fabric and buildings. The Finance Committee has approved a longer term target to spend a sum equal to 1.5% of the insurance replacement value of the College's operational buildings each year on the repair and maintenance of the operational estate.

### Safeguarding Policy

Clare College recognises that Fellows, staff and students of the College may sometimes work with children and other vulnerable individuals in the course of their duties. In this context, the College is committed to respecting the rights, wishes and well-being of individuals with whom it is working; taking all reasonable steps to protect them from physical, sexual and emotional abuse; promoting the welfare of children and adults at risk, and ensuring their protection within a relationship of trust. The full list of safeguarding policies is available on the College website.

The safeguarding policy has been established to support these commitments and to ensure that the College fulfils its obligations under the Safeguarding Vulnerable Groups Act 2006 and any subsequent legislation.

## Operating and Financial Review

for the year ended 30 June 2025

### Reserves Policy

At June 2025 the College had £230.5m (2024: £211.9m) of unrestricted reserves, of which £156.6m (2024: £156m) was represented by operational fixed assets and heritage assets which are illiquid and in some cases inalienable. The balance of £73.57m (2024: £65.07m) constitutes free reserves and is invested to support the operations of the College and for contingencies. The College seeks to maintain adequate free reserves to preserve its historic buildings and ensure longevity. For example a substantial part of the Old Court renovation project was financed through philanthropic support.

The College regularly reviews the level of free reserves. In doing this, the College takes into account the guidance offered by the Charity Commission in its publication Charity reserves: building resilience (CC19). The College considers the main considerations to be:

1. The financial risks of its operations, including potential loss of annual income (due to the economic environment and changes in funding of higher education), investment risks associated with the management of the endowment, funding of the pension scheme and possible unforeseen events; and
2. The responsibility to preserve the fabric of its historic buildings.

Many of these items are difficult to quantify precisely. The College considers the current level of reserves adequate, but aims to increase the level of reserves further over time to support its charitable objectives. Any new donations or bequests received during the year are added to unrestricted funds, unless the donor has made it clear that the funds are to be spent on a specific project.

### Principal Risks and Uncertainties

As part of its supervision of the College's activities, the Finance Committee, with input from Audit Committee, identifies and considers the major risks to which the College is exposed, and establishes procedures to manage those risks. There are three main types of risk, relating to:

- The safety of the College's buildings and facilities. These risks are mitigated primarily by management procedures, including compliance with relevant regulations, and alarm systems.
- The security of the College's assets. There are both physical security measures in place and established financial control procedures. Cyber security measures are also in place to protect information assets. Insurance arrangements are reviewed annually with professional advisers.
- Investment risks relating to the College's long-term investments. The main risk mitigation measures are an asset allocation policy which provides diversification by type of investment, management of investments by carefully selected professional managers and oversight of asset allocation and investment performance by the Investment Committee which includes both Trustees and experienced investment professionals.

There are, as always, uncertainties regarding the future external environment within which the College will operate, most notably regarding higher education policy and funding. The College prepares 5-10 year forecasts which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The Finance Committee considers however that the College will be able to respond effectively to changes in that environment.

The principal risks and uncertainties that the College faces may be briefly summarised:

- The failure of academic fees to keep up with the rise in academic costs, as well as the inevitable uncertainties due to the significant change in funding of universities in England, it means that the funding and costs associated with the College's core activity will need to be kept under constant review. To mitigate this risk the College will continue to work with the University and other organisations to achieve the fairest allocation of resources.
- The challenging economic situation may also adversely affect the College's conference activities which are a significant contributor to the College's overheads. However, the College has significant investments which could be realised if required.
- Although the College has a long term programme of building renewal and improvement, it is always possible with buildings of the age of the College's estate that there will be unexpected issues that may arise. To mitigate this risk the College will ensure that all major building projects have robust plans and budgets which are carefully monitored over the project life. College also employs professional project managers to manage project and contract risk.
- College's staff are a key asset essential to delivering both charitable and financial objectives. The recruitment market in Cambridge is highly competitive across many key disciplines for the College. To mitigate the recruitment and retention risks, the College has developed and is implementing a new people strategy.

**Operating and Financial Review**  
for the year ended 30 June 2025**Public Benefit as a Charity**

The College has met its responsibilities regarding public benefit by providing, in conjunction with the University, an education for 649 (2023: 667) undergraduate and postgraduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, preparing them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative, and academic support through its tutorial and graduate mentoring systems;
- 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; and
- specialist choral musical education for those students in the College's internationally renowned Choir.

The College advances research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, enabling them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- the employment of College Teaching Officers who, in addition to their role as Directors of Studies and supervisors of undergraduate students, maintain important research interests within the University;
- supporting research work pursued by Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials; 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 important special collections), that provides a valuable resource for students and Fellows of the College, for members of other colleges and the University more widely, and for external scholars and researchers.

The College's students are the primary beneficiaries of its educational activities. Students are selected in an open application process, based solely on academic merit. The College operates a needs-blind admissions process and provides a significant level of bursary support to students who might otherwise be deterred from applying by financial concerns. The educational benefits provided by the College extend to students from other colleges, to visiting schoolchildren, and to alumni who have the opportunity to attend educational events at the College. The College also supports an extensive access and outreach programme to primary and secondary schools in the London Boroughs of Tower Hamlets and Hackney, and also in Coventry and Warwickshire, through which it aims to raise the aspirations of younger people in these parts of the country. Furthermore, the public benefit of the provision of high-quality education goes beyond the benefits to the students themselves. Whether through the vocational skills or the broader intellectual development acquired at the College, its students are able to make valuable and distinctive contributions in the public sphere.

The research advanced by the College is disseminated through publications and oral presentations. Its results are therefore publicly available and constitute a clear public benefit. The beneficiaries include the international community of scholars in the fields concerned, and the wider public who benefit through the intellectual, economic, civic and cultural development that is facilitated through the dissemination of high-quality research.

**The College within the Community**

The College shares its facilities with the local community. The College's chapel is open to the public for services and recitals throughout term time. The College's Boathouse on the Cam is used by rowing clubs within the City.

The College is committed to reducing its carbon, water and environmental footprint. The College is actively promoting environmental awareness among Fellows, students and staff. Since the 2013-14 academic year, the College has consistently received either a Gold or Platinum award in the University Green Impact Award scheme and was pleased to be awarded Platinum, the highest level, in 2025.

**Operating and Financial Review**  
for the year ended 30 June 2025

**Future Developments**

There are no plans to change the College's core educational activities, with the number of students expected to remain stable and work continuing to widen participation.

The Old Court refurbishment project has continued, with the final phase started in autumn 2023 with an expected completion date of early 2026. A 10 year capital plan has been approved by Trustees in light of the College's ambitions in relation to reducing its carbon footprint.

Lady Clare articulated a vision in her statutes of a Master, Fellows and Scholars all living and learning and working together in a College community. As we anticipate celebrating our 700th anniversary in 2026, that vision retains power and authenticity to help guide us as we implement a refreshed strategic vision for Clare's eighth century.

Ms L C R Minghella OBE, Master

Dr T A H Wilkinson, Bursar

## Statement of Corporate Governance for the year ended 30 June 2025

The College is a registered charity (registered number 1137531) and is subject to regulation by the Charity Commission for England and Wales. It is also governed by Statutes and Ordinances. The following statement is provided by the Trustees of the College 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 its audit.

1. The Trustees of the College are the members of the Council and the Finance Committee (except for the student members of those committees). The Trustees are indicated by a \* on page 4. The Council and the Finance Committee together exercise general control and management of the College, and are responsible for ensuring compliance with charity law. The principal officers of the College are the Master, Senior Tutor and Bursar. There is a Register of Interests for Trustees. Declarations of interest are made systematically at meetings.
2. The Governing Body, which consists of the Master, the Fellows in Classes A, B, C, D and E, and four Student Members, holds at least three meetings each year. The Council, consisting of the Master, the Senior Tutor and ten Fellows elected by the Governing Body at its annual meeting, together with two Student Members, is responsible for the administration of the College in all matters not specifically assigned to the Governing Body or the Finance Committee. The Finance Committee, consisting of the Master, the Bursar, the Senior Tutor and seven Fellows elected by the Governing Body at its annual meeting, together with two Student Members, oversees the management of the College estates and investments and administers the revenues in accordance with the College Statutes, under the overall direction of the Governing Body.
3. The Governing Body, Council, and Finance Committee are advised in carrying out their duties by a number of Committees including the Audit Committee, Investment Committee, Salaries and Stipends Committee, and Estates Committee.

## Statement of Internal Control for the year ended 30 June 2025

1. The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, while safeguarding funds and assets for which the Governing Body is responsible, in accordance with the College Statutes.
2. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve College policies, aims and objectives; it therefore provides reasonable, but not absolute, assurance of effectiveness. The system of internal control is designed to identify the principal risks to achieving those 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.
3. The Trustees are responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - 3.1 The Finance Committee meets six times per year.
  - 3.2 The Council meets seven times per year.
  - 3.3 The Audit Committee normally meets twice each year. It receives reports from the external auditors, including their observations on the College's system of internal control and risk management, together with recommendations for improvement.
  - 3.4 The members of the Finance Committee and Council, as Trustees of the College, review the effectiveness of the system of internal control as informed by the work of the Audit Committee, Bursar and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by external auditors in their management letter and other reports.
  - 3.5 The Finance Committee compares the College's costs and operational performance against the key performance indicators produced for all Cambridge Colleges to identify those areas where improvements can best be made.
4. The Trustees and the Audit Committee review regularly the Strategic Risk Register. Each strategic risk is graded with a risk tolerance and once that is defined, the Trustees evaluate what action needs to be taken to address the risk and monitors these action plans. Operational risks are reviewed and managed within operational teams.

**Statement of Responsibilities of the Trustees of the College**  
for the year ended 30 June 2025

1. The Members of the Finance Committee and Council, as Trustees of the College, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
2. In accordance with the College Statutes, the Finance Committee is responsible for the management of the College's estates and the administration of the College's revenues, subject to the overall control of the Trustees of the College. The Finance Committee is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept.
3. The College Statutes and the Statutes and Ordinances of the University of Cambridge require the Trustees of the College 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 year. In preparing those financial statements the Trustees of the College are required to:
  - select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent;
  - state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.
4. The Trustees of the College are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and enables them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the College and to prevent and detect fraud and other irregularities.
5. The Trustees of the College are responsible for the maintenance and integrity of the charity and financial information included on the College's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent auditors' report to the Trustees of Clare College**  
for the year ended 30 June 2025**Opinion**

We have audited the financial statements of Clare 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 and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 30 June 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group/College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## Independent auditor's report to the Trustees of Clare College for the year ended 30 June 2025

### Responsibilities of Trustees

As explained more fully in the responsibilities of Trustees statement set out on page 13, 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.

### Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group/College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's and College's ability to operate or to avoid material penalties;
- we obtained an understanding of the Group's/College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we made enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- we considered the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we assessed the susceptibility of the College's financial statements to material misstatement, including how fraud might occur;
- laws and regulations identified were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

As a result of the above risk assessment procedures we identified the greatest risk of material misstatement on the financial statements arising from irregularities and fraud to be within the potential for management to override controls together with the risk of fraudulent revenue recognition. We considered the risk of fraudulent revenue recognition to be most prevalent in the completeness and cut off of donation and legacy income and the cut off of conference income. In response to these identified risks, we designed procedures which included, but were not limited to:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out on pages 21-22 were indicative of potential bias;
- we used Audit Data Analytics to review the client data for unusual anomalies;
- we performed substantive testing for a sample of donations from Raiser's Edge to supporting documentation to ensure that all income was appropriately recognised in the general ledger in the correct period and any restrictions appropriately recognised;
- we also tested a sample of donations around the year end and discussed ongoing legacies with the Development Office to ensure cut off had been correctly applied;
- we performed substantive testing for a sample of conferences from the booking system to invoice to ensure that all income was appropriately recognised in the general ledger in the correct period;

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

- we agreed the financial statement disclosures to underlying supporting documentation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- we read the minutes of meetings of those charged with governance;
- we discussed with management actual and potential litigation and claims;

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

**Independent auditor's report to the Trustees of Clare College  
for the year ended 30 June 2025**

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

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

**Use of our report**

This report is made solely to the Trustees as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**PEM Audit Limited**  
Registered Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA  
Date:

PEM Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## Statement of Principal Accounting Policies for the year ended 30 June 2025

### Basis of preparation

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

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

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

### Going concern

The Trustees have prepared forecasts over the next 5 years to June 2030 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College continually reviews its cost base in order to ensuring that it is efficient and effective. The College also has significant investments which could be realised if required. Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the near future and therefore have continued to adopt the going concern basis in preparing the financial statements.

### Basis of accounting

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

### Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 10c. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

### Recognition of income

#### Academic fees

Academic fees are recognised in the year to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

#### Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income and Expenditure at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in the Statement of Comprehensive Income and Expenditure in the same period as the related expenditure.

#### 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 Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Donations relating to capital projects are retained within restricted reserves until such time that they are utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer as a capital grant.

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 Statement of Comprehensive Income and Expenditure when the College is entitled to the income. All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

**Statement of Principal Accounting Policies**  
for the year ended 30 June 2024**Donations and endowments continued**

For legacies, entitlement is taken as the earlier of the date on which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. 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**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investment property is carried at fair value determined annually by the Trustees based on professional advice received. Fair values are derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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

**Total return**

The College has adopted a total return policy where total return means investment return in terms of both income, whether received or accrued, and capital appreciation, whether realised or unrealised. The Finance Committee may appropriate and distribute for expenditure so much of the fair value of the endowment fund as it in its absolute discretion considers prudent, having regard to the availability of any surplus income, the total return achieved and reasonably to be expected in the long-term of the endowment.

**Other income**

Income is received from a range of activities including accommodation, catering, and conferences. Income is recognised on the exchange of the relevant services.

**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, Clare College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University towards this payment.

The net payment of £200k is shown within the Consolidated Statement of Comprehensive Income and Expenditure.

**Foreign currency translation**

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

**Fixed Assets****Land and buildings**

In accordance with FRS102, the land and buildings held for operational purposes are stated at depreciated replacement cost, as determined by professional valuers. A full revaluation of all College property assets was conducted by Gerald Eve as at 30 June 2014, being the transition date to the 2015 RCCA.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. When buildings are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments. Finance costs that 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.

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

Following a recommendation from the Audit Committee at its May 2023 meeting, the Finance Committee approved an update to the depreciation policy to ensure all new projects reflect their appropriate useful economic lives. Building works are now depreciated over 100 years, rather than 50, to better represent their expected longevity. Other assets and equipment continue to be depreciated over their respective useful lives.

## Statement of Principal Accounting Policies for the year ended 30 June 2025

### Maintenance and renewal of premises

The College has a 10-year Estates Strategy and a five-year rolling maintenance plan, which is reviewed on an annual basis. The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

### Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £3,000 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:

When furniture, fittings and equipment are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments.

Boiler room and chapel	4% per annum
Furniture and fittings	10% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	20% and 25% per annum

### Heritage assets

The College holds and conserves a numbers of collections, exhibits, artefacts and other assets of historical, artistic and scientific importance. 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. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

### Investments

Investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Investment properties are valued annually based on open market values provided by third party valuers.

### Stocks

Stocks are valued at the lower of cost and net realisable value.

### Provisions

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

### Contingent liabilities and assets

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

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

### Financial instruments

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

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

### Financial assets

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

Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised

## Statement of Principal Accounting Policies for the year ended 30 June 2025

### Financial assets continued

in the Statement of Comprehensive Income.

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

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

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all 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 interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income. The College does not apply any hedge accounting in respect of interest rate swap derivatives held to manage cash flow exposures.

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

### Taxation

The College is a registered charity (number 1137531) 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 exclusively to 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 Universities Superannuation Scheme

#### Significant accounting policies

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

## Statement of Principal Accounting Policies for the year ended 30 June 2025

### Pension schemes continued

#### The Universities Superannuation Scheme continued

### Critical Accounting Judgements

FRS 102 requires that accounting judgements which are considered to be critical by those charged with governance are explained in more detail as to why the judgement has been applied. The disclosure below may be useful where the treatment of the scheme as a multi-employer scheme and adopting defined contribution accounting is deemed to be critical.

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

### Defined Contribution Schemes

The College also operates a defined contribution pension scheme, mainly for permanent non-academic employees, which is contracted into the State Second Pension (S2P), and also uses the government established National Employment Savings Trust (NEST) scheme for temporary staff. The assets of both schemes are held in separate trustee-administered funds. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

### 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.

### 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 the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in page 31.

Investment property – Properties have been revalued to their fair value at the reporting date by the College since 2023/24 using market indices or a term and reversion method as appropriate. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions. An independent valuation to ensure properties remain in line with fair value will be undertaken every 5 years, with this next due in 2028/29.

Inflation linked swap – A provision to reflect the estimated value of the inflation linked swap liability based on the derivative valuation has been included to reflect the break cost of the mechanism.

**Statement of Principal Accounting Policies**  
for the year ended 30 June 2025

**Critical Accounting Estimates and Judgements continued**

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 pages 40-41.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the 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 obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Trustees have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed. This new plan requires deficit payments of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate increased to 6.3%. Further details are set out in pages 40-41.

## Consolidated Statement of Comprehensive Income and Expenditure

Notes	2025					2024					
	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	
Academic fees and charges	1	3,921	-	-	-	3,921	3,569	-	-	-	3,569
Accommodation, catering and conferences	2	8,167	-	-	-	8,167	8,187	-	-	-	8,187
Investment income	3a	-	-	3,317	-	3,317	-	-	2,569	-	2,569
Inflation swap income	3c	-	-	-	41	41	-	-	33	-	33
Endowment return transferred to I&E account	3a	1,979	3,174	(5,153)	-	-	1,847	3,000	(4,847)	-	-
Other income		565	-	-	-	565	621	-	-	-	621
<b>Total income before donations and endowments</b>		<b>14,632</b>	<b>3,174</b>	<b>(1,836)</b>	<b>41</b>	<b>16,011</b>	<b>14,224</b>	<b>3,000</b>	<b>(2,278)</b>	<b>33</b>	<b>14,979</b>
Donations	21	1,261	309	-	-	1,570	1,350	175	-	-	1,525
New endowments	20	-	-	2,174	-	2,174	-	-	363	-	363
Other capital grants for assets	21	-	1,514	-	-	1,514	-	1,874	-	-	1,874
<b>Total income</b>		<b>15,893</b>	<b>4,998</b>	<b>338</b>	<b>41</b>	<b>21,269</b>	<b>15,573</b>	<b>5,050</b>	<b>(1,915)</b>	<b>33</b>	<b>18,741</b>
<b>Expenditure</b>											
Education	4	4,706	2,754	-	-	7,460	5,225	2,094	-	-	7,319
Accommodation, catering and conferences	5	10,032	-	-	-	10,032	9,972	-	-	-	9,972
Other expenditure	6	721	266	338	1,483	2,808	1,809	252	228	1,117	3,406
Change in USS pension deficit recovery provision contributions	18	-	-	-	-	-	(668)	-	-	-	(668)
Contribution under Statute G, II		134	-	-	-	134	114	-	-	-	114
<b>Total expenditure</b>	7	<b>15,593</b>	<b>3,020</b>	<b>338</b>	<b>1,483</b>	<b>20,434</b>	<b>16,451</b>	<b>2,345</b>	<b>228</b>	<b>1,117</b>	<b>20,142</b>
<b>Surplus/(deficit) before other gains and losses</b>		<b>300</b>	<b>1,978</b>	<b>-</b>	<b>(1,442)</b>	<b>835</b>	<b>(878)</b>	<b>2,704</b>	<b>(2,143)</b>	<b>(1,084)</b>	<b>(1,401)</b>
Gain/(loss) on disposal of fixed assets	9	20	-	-	-	20	-	-	-	-	-
Gain/(loss) on financial instruments	17	-	-	-	3,596	3,596	-	-	2,601	-	2,601
Gain/(loss) on Inflation Swap Investments	3c	-	-	-	3,346	3,346	-	-	7,982	-	7,982
Gain/(loss) on investments	3, 10	5,233	2,412	6,534	-	14,180	7,760	3,273	7,308	-	18,341
<b>Surplus/(deficit) for the year</b>		<b>5,553</b>	<b>4,390</b>	<b>6,534</b>	<b>5,500</b>	<b>21,977</b>	<b>6,882</b>	<b>5,978</b>	<b>5,165</b>	<b>9,500</b>	<b>27,524</b>
<b>Other comprehensive income</b>											
Actuarial (loss) in respect of pension schemes	18	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>5,553</b>	<b>4,390</b>	<b>6,534</b>	<b>5,500</b>	<b>21,977</b>	<b>6,882</b>	<b>5,978</b>	<b>5,165</b>	<b>9,500</b>	<b>27,524</b>

The notes on pages 27 to 41 form part of the financial statements

## Consolidated Statement of Changes in Reserves

Notes	Income and expenditure reserve			Inflation Swap £'000	Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000		
<b>Balance at 1 July 2024</b>	<b>221,404</b>	<b>48,815</b>	<b>70,359</b>	<b>22,991</b>	<b>363,568</b>
Surplus/(deficit) from income and expenditure statement	5,553	4,390	6,534	5,500	21,978
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	3,570	(3,570)	-	-	-
Transfers between reserves	-	-	-	-	-
<b>Balance at 30 June 2025</b>	<b>230,527</b>	<b>49,635</b>	<b>76,893</b>	<b>28,491</b>	<b>385,545</b>

Notes	Income and expenditure reserve			Inflation Swap £'000	Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000		
<b>Balance at 1 July 2023</b>	<b>209,085</b>	<b>48,272</b>	<b>65,196</b>	<b>13,491</b>	<b>336,044</b>
Surplus/(deficit) from income and expenditure statement	6,882	5,978	5,165	9,500	27,524
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	5,292	(5,292)	-	-	-
Transfers between reserves	145	(143)	(2)	-	-
<b>Balance at 30 June 2024</b>	<b>221,404</b>	<b>48,815</b>	<b>70,359</b>	<b>22,991</b>	<b>363,568</b>

The notes on pages 27 to 41 form part of the financial statements

## Balance Sheet

	Notes	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
<b>Non-current Assets</b>					
Fixed assets	9	156,618	156,722	155,990	156,094
Heritage assets	9a	342	342	342	342
Investments	10a	203,897	203,897	187,501	187,501
Inflation swap investments	10b	53,901	53,901	50,620	50,620
		<u>414,758</u>	<u>414,862</u>	<u>394,453</u>	<u>394,557</u>
<b>Current assets</b>					
Stock	11	172	172	189	189
Trade and other receivables	12	2,434	2,398	2,812	2,702
Short term investments	13	2,688	2,688	10,470	10,470
Cash and cash equivalents	14	7,633	7,033	1,749	1,560
		<u>12,927</u>	<u>12,290</u>	<u>15,220</u>	<u>14,922</u>
Creditors : amounts falling due within one year	15	(4,087)	(3,475)	(5,546)	(5,272)
<b>Net current assets</b>		<u>8,840</u>	<u>8,815</u>	<u>9,674</u>	<u>9,650</u>
<b>Total assets less current liabilities</b>		423,598	423,677	404,127	404,206
<b>Creditors : amounts falling due after more than one year</b>					
	16	(40,738)	(40,738)	(39,647)	(39,647)
Inflation swap financial instruments	17	2,685	2,685	(912)	(912)
Pension provisions	18	-	-	-	-
<b>TOTAL NET ASSETS</b>		<u><u>385,545</u></u>	<u><u>385,624</u></u>	<u><u>363,568</u></u>	<u><u>363,647</u></u>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	20	76,893	76,893	70,359	70,359
Income and expenditure reserve - restricted reserve	21	49,635	49,635	48,815	48,815
Income and expenditure reserve - inflation swap	22	28,491	28,491	32,490	32,490
		<u>155,018</u>	<u>155,018</u>	<u>151,663</u>	<u>151,662</u>
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted reserve		230,526	230,606	211,905	211,985
<b>TOTAL RESERVES</b>		<u><u>385,545</u></u>	<u><u>385,624</u></u>	<u><u>363,568</u></u>	<u><u>363,647</u></u>

The Financial Statements were approved by the Trustees of the College on the 24th November 2025 and signed on their behalf by:

Ms L C R Minghella OBE, Master

Dr T A H Wilkinson, Bursar

The notes on pages 27 to 41 form part of the financial statements

**Consolidated Cash Flow Statement**

	<b>Notes</b>	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
<b>Net cash inflow from operating activities</b>	23	1,938	1,648
<b>Cash flows from investing activities</b>	24	(2,459)	(5,893)
<b>Cash flows from financing activities</b>	25	6,405	1,567
<b>(Decrease)/increase in cash in the year</b>		<u>5,884</u>	<u>(2,677)</u>
Cash at beginning of the year		<u>1,749</u>	<u>4,426</u>
<b>Cash at end of the year</b>	14	<u><u>7,633</u></u>	<u><u>1,749</u></u>

The notes on pages 27 to 41 form part of the financial statements

## Notes to the financial statements

## 1 Academic fees and charges

	2025	2024
	£'000	£'000
Fee income received at the Regulated Undergraduate rate	1,955	1,896
Fee income received at the Unregulated Undergraduate rate	718	557
Fee income received at the Graduate rate	1,048	908
Cambridge Bursary Scheme	200	207
	<u>3,921</u>	<u>3,569</u>

## 2 Income from accommodation, catering and conferences

	2025	2024
	£'000	£'000
Accommodation		
College members	3,588	3,522
Conferences	1,854	1,736
Catering		
College members	767	744
Conferences	1,958	2,184
	<u>8,167</u>	<u>8,187</u>

## 3 Endowment return and investment income

	2025	2024
	£'000	£'000

## 3a Analysis

Actual income from:		
Land and buildings	1,840	1,850
Quoted equity securities	1,211	157
Fixed interest securities	6	424
Other interest receivable	261	138
	<u>3,317</u>	<u>2,569</u>

(Losses)/Gains on endowment assets:

Land and buildings	4,770	(373)
Quoted and other securities and cash	9,410	18,715

Investment management costs (note 3b)

	(338)	(228)
--	-------	-------

**Total return on investments**

	<u>17,158</u>	<u>20,682</u>
--	---------------	---------------

Total return transferred to income and expenditure reserve

	5,153	4,847
--	-------	-------

Unapplied total return for the year included within Statement of Comprehensive Income and Expenditure (note 22)

	<u>12,005</u>	<u>15,835</u>
--	---------------	---------------

**Total return on investments**

	<u>17,158</u>	<u>20,682</u>
--	---------------	---------------

The endowment and fixed assets investments are accounted for on a total return basis. The total actual income and gains in the year are taken to a reserve, from which the planned endowment drawdown is released to the income and expenditure account. The remaining balance of the total return, after deducting the drawdown, is accumulated within the reserves, as set out in note 22.

## 3b Investment management costs

Land and buildings	338	228
Quoted securities	-	-
Other investments	-	-
Total	<u>338</u>	<u>228</u>

## Notes to the financial statements

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>3c Total return on inflation swap contracts</b>		
Actual income from:		
Quoted securities	41	33
Other interest receivable	-	-
	<u>41</u>	<u>33</u>
(Loss)/Gain on inflation swap asset:	3,346	7,982
Inflation-linked amount due to HSBC (note 16)	(1,091)	(789)
Interest and fees (note 3d)	(392)	(328)
<b>Total return on inflation swap contracts (note 22)</b>	<b><u>1,904</u></b>	<b><u>6,898</u></b>

The inflation swap contracts are accounted for on a total return basis. The total actual income and gains/losses in the year is accumulated within the reserves, as set out in note 22. There is no drawdown permitted under the terms of the inflation swap.

**3d Interest and fees on inflation swap investments**

Interest paid to HSBC	(281)	(269)
Interest paid to Santander	(670)	(664)
	<u>(950)</u>	<u>(933)</u>
Interest received from HSBC	664	670
	<u>(286)</u>	<u>(263)</u>
Fees on inflation swap investments	(106)	(65)
	<u>(392)</u>	<u>(328)</u>

Interest paid to Santander and to/from HSBC is calculated on the £15 million loan and inflation swap repayable in 2048 (note 16).

## Notes to the financial statements

	2025	2024
	£'000	£'000
<b>4 Education expenditure</b>		
Teaching	3,314	3,241
Tutorial	1,957	2,142
Admissions	834	1,155
Research	728	493
Scholarships and awards	394	52
Other educational facilities	233	235
	<u>7,460</u>	<u>7,319</u>

	2025	2024
	£'000	£'000
<b>5 Accommodation, catering and conferences expenditure</b>		
Accommodation		
College members	4,407	4,290
Conferences	2,278	2,115
Catering		
College members	942	906
Conferences	2,405	2,660
	<u>10,032</u>	<u>9,972</u>

	2025	2024
	£'000	£'000
<b>6 Other expenditure</b>		
Loan interest	440	476
Investment management fees and administration	338	228
USS pension interest charge	-	18
Other general and administrative	2,030	2,684
Total	<u>2,808</u>	<u>3,406</u>

## 7a Analysis of 2025 expenditure by activity

	Staff costs (note 8) £'000	Other expenses £'000	Depreciation £'000	2025 £'000
Education	3,258	3,190	1,013	7,460
Accommodation, catering and conferences	4,678	3,779	1,575	10,032
Other	603	2,141	64	2,808
Contribution under statute G, II	-	134	-	134
	<u>8,538</u>	<u>9,243</u>	<u>2,652</u>	<u>20,434</u>

## 7b Analysis of 2024 expenditure by activity

	Staff costs (note 8) £'000	Other expenses £'000	Depreciation £'000	2024 £'000
Education	2,562	3,571	1,186	7,319
Accommodation, catering and conferences	4,430	3,697	1,844	9,972
Other	698	1,965	75	2,737
Contribution under statute G, II	-	114	-	114
	<u>7,690</u>	<u>9,346</u>	<u>3,106</u>	<u>20,142</u>

## 7c Auditors' remuneration

	2025	2024
	£'000	£'000
Other operating expenses include:		
Audit fees payable to the College's external auditors (inclusive of VAT)	51	53
Audit fees incurred but not accrued relating to prior year		53
Other fees payable to the College's external auditors (inclusive of VAT)	23	3
	<u>74</u>	<u>110</u>

## Notes to the financial statements

## 8 Staff costs

Staff costs:	College Fellows	Other academic	Non-academic	2025	2024
	£'000		£'000	£'000	£'000
Salaries	1,418	260	5,577	7,255	6,907
National Insurance	146	-	517	662	594
Pension costs (see note 29)	121	-	501	622	839
Net change in USS deficit recovery provision (see Note 18)	-	-	-	-	(668)
Subtotal of pension costs (see Note 8b)	-	-	-	-	18
Total	<u>1,684</u>	<u>260</u>	<u>6,594</u>	<u>8,538</u>	<u>7,690</u>

Based on the 2023 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision £0k (2024: £641k credit). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of 0% (2024: 0%) and cash contributions made to reduce the deficit in the year of £0k (2024: £27k)

## Average numbers:

	Average staff numbers 2025		Average staff numbers 2024	
	Number	Full-time equivalents	Number	Full-time equivalents
Academic	67	-	69	-
Non-academic	162	147	167	145

At the Balance Sheet date there were 85 members of the Governing Body. During the year the average number receiving remuneration was the 67 shown above.

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

	2025 Total	2024 Total
£100,001 - £110,000	2	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	1
Total	<u>4</u>	<u>2</u>

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

## Key management personnel

	£'000	£'000
Key management personnel being the Master, Bursar and Senior Tutor	<u>296</u>	<u>341</u>

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

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

## 8b Pension costs

The total pension costs included in staff costs for the year (see note 8a) was:

	Employers contributions	Provisions (Note 18)	Total	Employers contributions	Provisions (Note 18)	Total
	2025	2025	2025	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000	£'000
USS	121	-	121	163	(668)	(505)
Prudential	501	-	501	676	-	676
Total	<u>622</u>	<u>-</u>	<u>622</u>	<u>839</u>	<u>(668)</u>	<u>171</u>

## Notes to the financial statements

## 9 Tangible Fixed Assets

Group	Land & Buildings £'000	Assets in construction £'000	Equipment £'000	2025 £'000	2024 £'000
<b>Cost</b>					
At start of year	177,529	3,634	4,046	185,208	179,362
Additions and improvements at cost	1,199	4,659	351	6,209	5,914
Transfers	(1,709)	(326)	63	(1,973)	-
Disposals at cost	(1,261)	(13)	-	(1,274)	(66)
At end of year	175,757	7,954	4,461	188,172	185,208
<b>Depreciation</b>					
At start of year	25,881	-	3,338	29,219	26,146
Charge for the year	2,544	-	108	2,652	3,105
Eliminated on disposals/transfers	(317)	-	-	(317)	(32)
At end of year	28,108	-	3,446	31,554	29,219
<b>Net book value</b>					
At end of year	147,649	7,954	1,015	156,618	155,990
At start of year	151,648	3,634	708	155,990	153,214
<b>College</b>					
<b>Cost</b>					
At start of year	177,503	3,763,928	4,046	185,312	179,465
Additions and improvements at cost	1,199	4,659	351	6,209	5,914
Transfers	(1,709)	(326)	63	(1,973)	-
Disposals at cost	(1,261)	(13)	-	(1,274)	(66)
At end of year	175,731	8,084	4,461	188,276	185,312
<b>Depreciation</b>					
At start of year	25,881	-	3,339	29,219	26,146
Charge for the year	2,544	-	108	2,652	3,105
Eliminated on disposals/transfers	(317)	-	-	(317)	(32)
At end of year	28,108	-	3,447	31,555	29,219
<b>Net book value</b>					
At end of year	147,624	8,084	1,014	156,722	156,094
At start of year	151,622	3,763	708	156,094	153,319

The insured value of all the College's operational buildings as at 30 June 2025 was £230 million (2024: £224 million).

The Santander loan, as set out in note 16, is secured against certain outlying properties with a market value of £24 million as at October 2008.

## Notes to the financial statements

## 9a Heritage Assets

The College holds and conserves certain collections, artifacts and other assets of historical, artistic or scientific importance. As stated in the statement of principal accounting policies, heritage assets acquired since 1999 have been capitalised. However, the assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous years were as follows:

	2025 £'000	2024 £'000
Value of acquisitions capitalised at start of year	342	342
Acquisitions purchased with specific donations	-	-
Acquisitions purchased with College funds	-	-
Total cost of acquisitions purchased	<u>-</u>	<u>-</u>
Value of acquisitions by donation	-	-
Total acquisitions capitalised	<u><u>342</u></u>	<u><u>342</u></u>

## 10a Investments

	Securities and cash £'000	Property £'000	2025 £'000	2024 £'000
Market value at start of year	150,567	36,934	187,501	166,806
Additions	1,143	-	1,143	2,413
Disposal proceeds	(8)	-	(8)	-
Transfers	-	1,707	1,707	-
Gain/(loss)	9,414	4,770	14,185	18,341
Increase in cash balances held at fund managers	(631)	-	(631)	(59)
Market value at end of year	<u><u>160,486</u></u>	<u><u>43,412</u></u>	<u><u>203,897</u></u>	<u><u>187,501</u></u>

Represented by:

Property investment	43,412	36,934
Quoted securities - equities	135,597	126,263
Quoted securities - fixed interest	367	332
Unquoted securities - equities	22,640	21,460
Alternative assets	-	-
Cash held for reinvestment	<u>1,882</u>	<u>2,513</u>
Total	<u><u>203,897</u></u>	<u><u>187,501</u></u>

## Notes to the financial statements

## 10b Inflation swap investments

	Securities £'000	Cash £'000	2025 £'000	2024 £'000
Market value at start of year	49,976	644	50,620	42,670
Additions	-	-	-	-
Disposal	-	-	-	-
Gain/(loss)	3,140	141	3,281	7,950
Increase in cash balances held at fund managers	-	-	-	-
Market value at end of year	<u>53,115</u>	<u>785</u>	<u>53,901</u>	<u>50,620</u>
Represented by:				
Quoted securities - equities			53,115	49,975
Cash held for reinvestment			<u>785</u>	<u>645</u>
Market value at end of year			<u>53,901</u>	<u>50,620</u>

The inflation swap investments are secured against the inflation-linked liability payable to HSBC in 2048, as set out in note 16.

## 10c Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Clare College Ltd	United Kingdom	20,001	Ordinary	100%
Clare College Conferences Ltd	United Kingdom	1	Ordinary	100%

Clare College Ltd was incorporated in 1994. The principal activity of the company is that of design and construction of buildings.

Clare College Conferences Ltd was incorporated on 29 February 2012. The principal activity of the company is that of conference accommodation and catering for non-educational clients.

11 Stocks Group and college	2025 £'000	2024 £'000
Goods for resale	169	187
Other stocks	<u>2</u>	<u>2</u>
Total	<u>172</u>	<u>189</u>

## Notes to the financial statements

<b>12 Trade and other receivables</b>	<b>Group 2025 £'000</b>	<b>College 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>College 2024 £'000</b>
Members of the College	833	833	933	933
University fees	-	-	-	-
Other receivables	282	218	566	457
Amounts due from subsidiary undertakings	-	27	-	-
Prepayments and accrued income	1,319	1,319	1,312	1,312
	<u>2,434</u>	<u>2,398</u>	<u>2,812</u>	<u>2,702</u>
<b>13 Short term investments</b>	<b>Group 2025 £'000</b>	<b>College 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>College 2024 £'000</b>
Bank deposits	2,688	2,688	10,470	10,470
	<u>2,688</u>	<u>2,688</u>	<u>10,470</u>	<u>10,470</u>
<b>14 Cash at bank and in hand</b>	<b>Group 2025 £'000</b>	<b>College 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>College 2024 £'000</b>
Current accounts	7,633	7,033	1,749	1,560
Cash in hand	-	-	-	-
	<u>7,633</u>	<u>7,033</u>	<u>1,749</u>	<u>1,560</u>
<b>15 Creditors: amounts falling due within one year</b>	<b>Group 2025 £'000</b>	<b>College 2025 £'000</b>	<b>Group 2024 £'000</b>	<b>College 2024 £'000</b>
Trade creditors	198	194	872	859
Members of the College	181	181	80	80
University fees	923	923	1,218	1,218
College student societies	71	71	145	145
Contribution to Colleges' fund	134	134	114	114
Other creditors	23	23	140	140
Amounts due to subsidiary undertakings	-	-	-	642
Accruals and deferred income	2,556	1,949	2,976	2,074
	<u>4,087</u>	<u>3,475</u>	<u>5,546</u>	<u>5,272</u>

## Notes to the financial statements

<b>16 Creditors: amounts falling due after more than one year</b>	<b>2025</b>	<b>2024</b>
<b>Group and college</b>	<b>£'000</b>	<b>£'000</b>
Loan repayable in 2048 to Santander	15,000	15,000
Inflation-linked amount due to HSBC	10,738	9,647
Other loans	15,000	15,000
	<u>40,738</u>	<u>39,647</u>

On October 2008 the College entered into a contract with Santander to borrow £15 million at 4.4% repayable in full in October 2048 and with HSBC for an inflation financial instrument to turn the conventional loan into an index-linked loan at a real interest rate of 1.1%. This inflation swap financial instrument includes a 7% inflation cap. The Santander loan of £15 million is secured against outlying operational properties with a market value of £24 million (net book value £7.5 million). The HSBC inflation swap financial instrument is secured on the £15 million investment fund over which HSBC has a lien. The College is investing the £15 million in global equity tracker funds, accumulating income over the next 40 years to meet the RPI index-linked liability to HSBC and the £15 million liability to Santander.

At 30 June 2025 the value of the investments was £53,901,000 (2024: £50.6m) and the liabilities to Santander and HSBC totalled £25,738,000 (2024: £24.6m). The increase of £1,371,000 in the inflation-linked liability during the year is shown as a reduction on total return as set out in note 3c and the liability is included in creditors as set out above.

In January 2017 the College entered into a private unsecured bond placement to borrow £15m at 2.93% repayable in full in 2052. Interest is paid semi-annually.

## 17 Inflation swap financial instruments

<b>Group and college</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	912	3,513
Charge to comprehensive income	(3,596)	(2,601)
Balance at end of year (asset) / liability	<u>(2,685)</u>	<u>912</u>

Derivatives mark to market valuation on inflation linked swap. For further explanation regarding the Inflation swap financial instruments please see note 16

## 18 Pension provisions - USS

<b>Group and college</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	-	651
Other finance (income)/cost	-	18
Net change in underlying assumptions (See Note 8):		
Change in underlying assumptions	-	(641)
USS deficit contributions payable	-	(27)
Balance at end of year	<u>-</u>	<u>-</u>

## 19 Capital and other commitments

<b>Group and College</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Authorised and contracted	6,266	8,520
Authorised and but not yet contracted for	-	-
	<u>6,266</u>	<u>8,520</u>

## Notes to the financial statements

## 20 Endowment Funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent £'000	Unrestricted Permanent £'000	2025 £'000	2024 £'000
Balance at start of year:				
Capital	70,359	-	70,359	65,194
New donations and endowments	2,174	-	2,174	363
Transfer from restricted reserves	-	-	-	-
(Decrease)/Increase in market value of investments	4,361	-	4,361	4,801
Balance at end of year	<u>76,893</u>	<u>-</u>	<u>76,893</u>	<u>70,359</u>
Analysis by type of purpose				
Fellowship funds	8,660	-	8,660	6,378
Scholarship funds	24,349	-	24,349	24,706
Prize funds	1,063	-	1,063	1,007
Hardship funds	8,028	-	8,028	7,631
Bursary funds	11,825	-	11,825	9,032
Travel grant funds	756	-	756	717
Building renewals fund	10,760	-	10,760	10,201
Other funds	6,229	-	6,229	5,735
General funds	5,223	-	5,223	4,951
	<u>76,893</u>	<u>-</u>	<u>76,893</u>	<u>70,359</u>
Analysis by asset				
Property	16,371	-	16,371	13,859
Investments	59,812	-	59,812	55,556
Cash	710	-	710	943
	<u>76,893</u>	<u>-</u>	<u>76,893</u>	<u>70,359</u>

## 21 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £'000	Permanent unspent and other restricted income £'000	Restricted expendable endowment £'000	2025 £'000	2024 £'000
Balance at start of year:					
Accumulated income	3,881	43,815	1,118	48,815	48,272
New grants	1,288	-	-	1,288	1,270
New donations	-	95	215	309	175
Other income	226	-	-	226	604
Endowment return transferred	-	3,174	-	3,174	3,000
Transfer	274	(274)	-	-	(143)
(Decrease)/Increase in market value of investments	-	2,412	-	2,412	3,273
Management Fees	-	(266)	-	(266)	(252)
Expenditure	-	(2,562)	(192)	(2,754)	(2,094)
Capital grants utilised	(3,570)	-	-	(3,570)	(5,292)
Balance at end of year	<u>2,100</u>	<u>46,394</u>	<u>1,141</u>	<u>49,635</u>	<u>48,815</u>
Analysis by type of purpose					
Fellowship funds	-	1,301	74	1,375	1,176
Scholarship funds	-	21,389	48	21,437	20,551
Prize funds	-	2,312	6	2,318	2,186
Hardship funds	-	1,463	49	1,512	1,458
Bursary funds	-	1,740	21	1,761	1,550
Travel grant funds	-	869	4	873	800
Building renewals fund	2,100	513	6	2,619	4,374
Other funds	-	2,030	264	2,294	2,105
General funds	-	14,777	668	15,445	14,615
	<u>2,100</u>	<u>46,394</u>	<u>1,141</u>	<u>49,635</u>	<u>48,815</u>

## 22 Memorandum of Unapplied Total Return

Within the reserves representing investments held by the College, the following are the cumulative surpluses of total return on the main investment portfolio and on the inflation swap investments and liabilities (after deducting the drawdowns) since 1 July 1999:

	Main endowment £'000	Inflation swap investments £'000	2025 £'000	2024 £'000
Unapplied Total Return at start of year	108,953	23,893	132,846	110,113
Surplus of total return for year (note 3)	12,005	1,904	13,909	22,733
Unapplied total Return at end of year	<u>120,958</u>	<u>25,797</u>	<u>146,755</u>	<u>132,846</u>

## Notes to the financial statements

## 23 Reconciliation of consolidated surplus for the year to net cash inflow/(outflow) from operating activities

	2025 £'000	2024 £'000
Surplus for the year	21,977	27,524
<b>Adjustment for non-cash items</b>		
Depreciation	2,652	3,105
(Gain)/Loss on disposal of non-current assets	(20)	-
(Gain)/loss on endowments, donations and investment property	(17,525)	(26,324)
(Increase)/Decrease in stocks	18	(5)
Decrease/(Increase) in debtors	377	(412)
(Decrease)/Increase in creditors	(408)	2,268
Pension costs less contributions payable	-	(651)
Movement in provisions	(3,596)	(2,601)
<b>Adjustment for investing or financing activities</b>		
Investment income	(3,317)	(2,569)
Inflation swap income	(41)	(33)
Interest payable	2,041	1,722
Interest receivable	(664)	(670)
Management fees	444	293
<b>Net cash inflow from operating activities</b>	<u>1,938</u>	<u>1,648</u>

## 24 Cash flows from investing activities

	2025 £'000	2024 £'000
Proceeds on disposal of investments	8	-
Proceeds on disposal of inflation swap investments	-	35
Investment income	3,358	2,602
Investment costs	(444)	(293)
Endowment funds invested	(1,143)	(2,354)
Inflation swap invested	-	(3)
Proceeds on disposals on non-current assets	1,971	35
Payments made to acquire non-current assets	(6,209)	(5,914)
<b>Total cash flows from investing activities</b>	<u>(2,459)</u>	<u>(5,893)</u>

## 25 Cash flows from financing activities

	2025 £'000	2024 £'000
Interest paid	(2,041)	(1,722)
Interest received	664	670
New loans	-	0
Cash held on short term deposit	7,783	2,620
<b>Total cash flows from financing activities</b>	<u>6,405</u>	<u>1,568</u>

## Notes to the financial statements

## 26 Consolidated reconciliation and analysis of net debt

	At 1 July 2024	Cash flows	At 30 June 2025
	£000	£000	£000
<b>Cash and Cash Equivalents</b>	1,749	5,885	7,633
<b>Borrowings:</b>			
<b>amounts falling due after more than one year</b>			
Secured Loan (repayable in 2048 to Santander)	15,000	-	15,000
Unsecured loans	15,000	-	15,000
Derivatives (Inflation-linked amount due to HSBC)	9,647	1,091	10,738
<b>Total</b>	<b>39,647</b>	<b>1,091</b>	<b>40,738</b>

## 27 Financial Instruments

	2025	2024
	£000	£000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Quoted equity and fixed interest investments	135,964	126,595
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Unquoted equity investments	22,640	21,460
Alternative assets	-	-
	<u>158,604</u>	<u>148,054</u>
<b>Financial liabilities</b>		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
Inflation-linked amount due to HSBC	10,738	9,647
Inflation swap financial instruments	(2,685)	912
	<u>8,053</u>	<u>10,559</u>
<b>Net Total</b>	<b><u>150,551</u></b>	<b><u>137,496</u></b>

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

**Notes to the financial statements****28 Related Party Transactions**

Owing to the nature of the College's operations and the composition of the Governing Body it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

2 Trustees have received loans under the College's Fellows Loan scheme where interest is charged at the Barclays base rate upon the principal amount. Total loans issued amounts to £610,000 (2024: £755,000)

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

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

The Master and 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 Stipends and Salaries Committee.

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

<b>From</b>	<b>To</b>	<b>2025 Number</b>	<b>2024 Number</b>
£0	£10,000	8	8
£10,001	£20,000	1	1
£20,001	£30,000	1	2
£30,001	£40,000	-	-
£40,001	£50,000	-	-
£50,001	£60,000	1	1
£60,001	£70,000	-	2
£70,001	£80,000	2	-
£80,001	£90,000	1	1
£90,001	£100,000	1	1
£100,001	£110,000	-	-
£110,001	£120,000	1	-
£120,001	£130,000	-	-
£130,001	£140,000	-	1
<b>Total</b>		<b>16</b>	<b>17</b>

The total Trustee salaries were £563,302 for the year (2024: £598,168)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £130,087 for the year (2024: £131,977)

In addition, the college has provided loans to its fellows as part of a Shared Equity Scheme. These amounts are included in Fixed Assets and total £516,376 (2024: £709,880).

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

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

## Notes to the financial statements

## 29 Pension Schemes (continued)

## (a) Universities Superannuation Scheme

The total cost charged to the Statement of Comprehensive Income and Expenditure is £121,000 (2024: £163,000 as shown in note 29c).

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%. As set out in Note 29c, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in the prior year.

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

Since the institution 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 (the statutory funding objective). 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. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	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 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 (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% 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 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 S3PFA for female
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% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2025	2024
Males currently aged 65 (years)	23.8	23.7
Females currently aged 65 (years)	25.5	25.6
Males currently aged 45 (years)	25.7	25.4
Females currently aged 45 (years)	27.2	27.2

**Notes to the financial statements****29 Pension Schemes (continued)****(b) Clare College Contributory Pension Scheme and NEST**

The College operates a defined contribution pension scheme, mainly for permanent contracted non-academic employees which complies with the requirements of the Pensions Act 2008 and Auto Enrolment. This scheme is provided by Prudential and has been in operation since July 2016. The previous Occupational Pension Scheme is officially wound up.

Temporary employees are offered the National Employment Savings Trust (NEST) scheme, a defined contribution scheme set up by the Government. The assets of both schemes are held in separate trustee-administered funds. The amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the respective schemes in respect of the accounting year.

**(c) Summary of pension costs**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Universities Superranuation Scheme	121	163
Clare Contributory Pension Scheme	501	676
NEST	-	-
Total pension costs (note 8)	<u>622</u>	<u>839</u>

**CLARE COLLEGE CAMBRIDGE**

England & Wales - Charity number 1137531

---

# Accounts

---

# Clare College, Cambridge

Financial statements  
for the year ended 30 June 2024

<b>Contents</b>	2
Contact Information and Advisors	3
Governing Body	4
Aims and Objectives of the College	5
Operating and Financial Review	6 - 11
Reserves Policy	9
Principal Risks and Uncertainties	9
Public Benefit as a Charity	10
Statement of Corporate Governance	12
Statement of Internal Control	12
Statement of Responsibilities of the Trustees of the College	13
Independent Auditors' Report to the Trustees of the College	14 - 16
Statement of Principal Accounting Policies	17 - 22
Consolidated Statement of Comprehensive Income and Expenditure	23
Consolidated Statement of Change in Reserves	24
Consolidated and College Balance Sheets	25
Consolidated Cash Flow Statement	26
Notes to the Financial Statements	27 - 41

**Contact Information and Advisors**

**Address**

Clare College  
Trinity Lane  
Cambridge CB2 1TL

**Key officers**

Master:	Ms L R C Minghella, OBE
Senior Tutor:	Professor J A Tasioulas
Bursar:	Miss E J Conder (Trustee until 3 May 2024)
Interim Estates Bursar:	Dr T A H Wilkinson (appointed 1 April 2024)
Interim Domus Bursar:	Professor J A Tasioulas (appointed 1 April 2024)

**Registered charity number**

1137531

**VAT number**

125 4984 96

**Professional advisors:**

**Independent auditors**

Peters Elworthy & Moore  
Salisbury House  
Station Road  
Cambridge CB1 2LA

**Principal bankers**

Barclays Bank plc  
9-11 St Andrew's Street  
Cambridge CB2 3AA

**Principal solicitors**

Mills & Reeve  
Botanic House  
Cambridge CB2 1PH

**Property managers**

Bidwells Property Consultants  
Trumpington Road  
Cambridge CB2 2LD

**Principal investment managers**

Amundi Asset Management  
91-93 Boulevard Pasteur  
75015 Paris, France

**Governing Body and Committees**

for the year ended 30 June 2024

**Status**

The College is a corporate body consisting of the Master, the Fellows and the Scholars of Clare College, Cambridge as provided by the College's charter in 1359 and Statutes that were updated in 2017. The College is a registered charity with registration number 1137531 and registered office at Clare College, Trinity Lane, Cambridge, CB2 1TL.

The names of the members of the Governing Body and the Committees charged with the governance of the College during the year ended 30 June 2024 including any changes up to the date of signing are as follows:

**Governing Body**

Master:	Ms L C R Minghella, OBE *
Senior Tutor:	Professor J A Tasioulas *
Bursar:	Miss E J Conder * (Trustee until 3 May 2024)
Interim Estates Bursar:	Dr T A H Wilkinson * (appointed 1 April 2024)
Interim Domus Bursar:	Professor J A Tasioulas * (appointed 1 April 2024)

Dr M Arenas (GB Fellow from 1 October 2023)	Professor H F Jahn	Professor H L Sanson
Professor N H Andrews	Professor P H Jones	Professor O C H Shorttle
Dr A A Berman	Professor M Kenzie * (Trustee from 1 October 2023)	The Rev'd Dr M S Smith *
Dr J I Block * (Trustee from 1 October 2023)	Professor J Krupic (GB Fellow until November 2023)	Professor R Sterckx
Dr I R Burrows	Professor M B M Lahr	Dr A M Stillman
Professor W J Byrne	Professor H Laman *	Professor S D Stranks
Dr A Cabrera Serrenho	Professor R Lawson	Dr M Tatulea-Codrean
Professor R G Cacho	Professor S M Lazar *	Dr K Tilson (GB Fellow from 1 October 2023)
Professor J Carroll	Professor P F Leadlay	Professor A G Thomason
Dr A P Carter *	Professor I C Lestas	Professor H E Thompson
Professor A D Chambers *	Professor T M Lewens	Professor F M O Toxvaerd
Dr H Charman (GB Fellow from 1 October 2023)	Professor Dame H M O Leyser	Professor E C Turner
Dr T G Chesters	Dr B Liu (GB Fellow from January 2024)	Dr L A van Holstein
Professor C J Clarke	Dr S J Lockwood *	Professor H W van Veen *
Professor N S Clayton	Dr L Maniscalco (GB Fellow until December 2023)	Professor J E Vinueales
Professor R Collepardo-Guevara	Dr T Moore	Dr R I Watson
Professor M Dunajski	Professor G I Ogilvie	Dr M Weeks
Professor P C Fletcher	Dr R Pandya (GB Fellow until December 2023)	Dr C G Weiss
Dr T Follini	Dr G F Parker *	Dr T A H Wilkinson *
Dr E A Foyster	Dr A Parmar * (Trustee from 1 October 2023)	Professor J M Wyburd
Professor S C Franklin	Professor L C Paulson	Mr B Bergh (MCR President) (until 30 June 2024)
Professor M Frolova-Walker	Professor R T Phillips	Ms A Crabb (MCR Vice-President) (until 30 June 2024)
Professor J S Gibson	Professor A Philpott	Mr P A Wesolowski (MCR President) (from 1 July 2024)
Professor J M Goodman *	Dr J Plant (GB Fellow from 1 October 2023)	Ms C Leadbeater (MCR Vice-President) (from 1 July 2024)
Professor N C Greenham *	Dr D Pollard (GB Fellow until December 2023)	Ms S Edser (UCS President) (until 30 June 2024)
Professor H Griffiths	Professor J C Prabhu	Ms E Caroe (UCS Vice-President) (until 30 June 2024)
Dr J A Guy	Professor A M Preston	Ms M da Costa (UCS President) (from 1 July 2024)
Dr R M Harris	Dr J Rempel (GB Fellow from 1 October 2023)	Ms M Richardson (UCS Vice-President) (from 1 July 2024)
Professor S A Hartnoll	Mr G A C Ross	
Professor R D Hedley	Professor D H Rowitch	
Professor D A Hodell		
Dr N B Holdstock		
Professor D R Howarth		
Dr K E Hughes		
Dr G S Jacobs		

All members of the Finance Committee and Council are trustees, except for the student members, and are given, on appointment, copies of the Statutes of the College, together with a note drawing attention to the policy for the management of conflicts of interest, and the requirements of the Charity Commission regarding such conflicts of interest. Trustees are indicated above by a \* after their name.

**Aims and Objectives of the College**  
for the year ended 30 June 2024

The College's Strategic Vision 2026–2036 sets out the College's core purposes in the context of national and global challenges as follows:

- Ensuring that the opportunity to study at Clare is open to all those with the ability and potential to thrive at Cambridge, irrespective of background.
- Providing a supportive environment for world-leading research, for the benefit of society and of the students whose education it informs and inspires.
- Equipping our students with the skills, aptitudes and knowledge to contribute to society.

Remaining an independent foundation within a collegiate University is fundamental to the College's long-term strategy. The College endorses the University's mission and core values and agrees that the partnership between the University and the Colleges is central to Cambridge's future development. The College will continue to play an active role in University bodies and in formulating University policy.

Within the collegiate University, Clare offers distinctive strengths. The College is committed to sustaining and enhancing its particular contribution to Cambridge and to society in general by:

- maintaining and developing its long-standing commitment to encouraging applications from the most talented students, irrespective of background, in tandem with a needs-blind admissions system supported by a comprehensive programme of financial assistance;
- building on the College's strong international links to provide students with opportunities for educational and cultural exchanges, recognising the importance of such exchanges in an increasingly global society;
- supporting active engagement by the College and its members in the local community and in community activities nationally and internationally; and
- fostering excellence in music, through support of the College Choir, the choral and organ scholarships, and instrumental awards.

## Operating and Financial Review for the year ended 30 June 2024

During the year, the College has continued to pursue its charitable aims in promoting learning, study, and teaching in a community of scholars in the University of Cambridge with 649 students (472 undergraduates and 177 postgraduates) undertaking learning and research in all subjects offered by the University more widely. The intense pressure on students to achieve the highest academic standards places corresponding demands on the College. Clare alumni, who were themselves taught by the leading academics of their generation in small group supervisions, understand those pressures and the need for financial resources to maintain this standard of education. Clare's financial resources are provided by our alumni and other sources, through donations which are increasingly important if we are to maintain our high standards, and also by our own operations as we recognise a need to run the College as an efficient organisation.

The challenges and pressures facing students today are greater than ever. The College is acutely aware of the enormous increase in the number of students that suffer with mental health issues. It is for this reason that the College employs two College nurses who, with additional support from the team of College Tutors, provide support and guidance to undergraduate and graduate students throughout the academic year. In response to this need a Health and Wellbeing Centre has been established to help support students with general health and mental health needs. We are extremely proud of the great work that our nurses and Tutors do.

Standards at the top of Higher Education are continuing to rise and Clare is determined to stay in the top echelon globally. During the year ended June 2024 this meant the College spent £12,339 (2023: £11,570) on the education of each undergraduate student, mainly on the intensive support provided by each student's Director of Studies, College Teaching Officers, supervisors and tutors. In addition, the College spent £5,587 (2023: £4,758) in educational support for graduate students. The total cost of educating 472 (2023: 488) undergraduates and supporting 177 (2023: 179) postgraduate students was £7.32m (2023: £6.49m). The College receives a contribution equating to £4,625 for each new undergraduate by way of the College Fee, but this leaves a shortfall of £7,714 (2023: £6,945) for each undergraduate student, amounting to 62.5% (2023: 60%) of the total cost. The increase in the cost of education in the year ending 30 June 2024 was due to the increase in variable costs of education due to the impact of high inflation. The deficit in the cost of educating students remains, which can only be sustained through the generosity of benefactors.

Inflationary pressures continue to be felt in students' cost of living which will result in increased levels of debt for students and inevitably lead to heavy pressure on Clare's hardship funds. During the year the College made total bursaries and awards of £0.56m (2023: £0.53m) to undergraduate and graduate students. In addition to bursaries and other grants, the College offers subsidies on the cost of food and accommodation as extra undergraduate and postgraduate student support.

The College aims to raise sufficient funds from benefactors to preserve small-group teaching for undergraduates, provide bursaries in support of Clare undergraduates from low income backgrounds, and support graduate study through scholarships and hardship grants. This entails a significant challenge in raising additional income, while continuing to exercise tight constraints on spending.

### Financial Results

The Statement of Comprehensive Income and Expenditure (SOCIE), on page 23, shows a surplus of £27.52m (2023: £13.08m). The SOCIE is a statement of all movements in the net assets of the College between one year and the next. It therefore takes account of all operating income and expenditure, investment gains and losses and other adjustments, including total return and pension provisions. The boxed sections (headed unrestricted) on page 23 is, in effect, the operating result on continuing operations before other gains and losses, but includes endowment drawdown and unrestricted spendable donations. On this "operating before other gains and losses" basis the College reported a deficit of £0.88m for 2024, compared to a deficit of £1.02m for 2023.

This operating deficit before other gains and losses was achieved after total unrestricted expenditure increased by £1.8m to £16.5 million. The increase in unrestricted expenditure was largely attributable to an increase in variable costs such as catering due to the impact of operating in a high inflationary environment as well as overheads such as utility and staffing costs increasing. Total unrestricted income increased by £1.91m to £15.57m with the External Hospitality business continuing to recover after the pandemic. The continuing restoration of the Old Court throughout the year has limited the recovery of this business. Unrestricted donations increased when compared to donations received in 2022-3.

The financial environment for the College remains challenging and it will be necessary to address a number of significant financial issues in the coming years, including the need to continue funding the ongoing refurbishment of Old Court, investing in a significant programme of works to move our estate to net zero carbon emissions, and continuing to grow external income generation to support the educational activities of the College. Undergraduate fees for UK students have remained unchanged since 2018 and are due to increase by 3.1% in the 2025-26 academic and financial year. Without the generous support of our alumni and donors, the College's financial performance would be under considerable pressure.

## Operating and Financial Review

for the year ended 30 June 2024

### Benefactions and Donations

The College is very grateful for the many donations and bequests it has received over the past year from Clare members, corporate donors, trusts and foundations which totalled £3.76m (2023: £4.71m) including the recovery of Gift Aid. This sum included significant amounts towards the refurbishment of Old Court, student support, and teaching. The College received £0.84m in legacies, and 1,409 alumni (13.6% of living, addressable alumni) made donations to the College. We ran a telephone campaign in 2023-24 in which 262 alumni made a donation.

Total donation income and fund raising costs over the last five years are shown in the table below:

Year ended 30 June	2024	2023	2022	2021	2020
	£m	£m	£m	£m	£m
<b>Donations</b>					
Old Court	1.3	2.8	2.3	2.0	3.5
Other	<u>2.0</u>	<u>1.9</u>	<u>3.0</u>	<u>2.6</u>	<u>3.2</u>
	3.8	4.7	5.3	4.6	6.7
Fundraising costs	0.5	0.7	0.5	0.5	0.5
Costs as % of donations	14%	13%	10%	11%	8%

The College is registered with the Fundraising Regulator. All Clare fundraising activity meets or exceeds current standards, including protections for vulnerable people. This activity is administered by Clare or is under Clare's supervision and there have been no fundraising complaints during the last year.

### The College Endowment

The market value of the endowment investment portfolio at 30 June 2024 was £187.5m (2023: £166.8m) (note 10a) resulting in a total return of 11.2% (2023: 3.6%) before investment management costs. The allocation of assets within the portfolio was as follows:

Year ended 30 June	Change in valuation (%)	Total Return (%)	2024		2023	
			Portfolio %	Valuation (£m)	Portfolio %	Valuation (£m)
Global Public Equities	9.7%	88.3	67%	125.6	64.3%	107.3
Other Public Equities	-0.2%	-1.9	0.4%	0.7	0.6%	1.1
Private Equities	1.7%	15.1	11.4%	21.5	10.9%	18.3
UK Commercial Property	-0.2%	-1.7	19.7%	36.9	22.2%	37.3
UK Corporate Bonds	0%	0.2	0.2%	0.3	0.2%	0.3
Cash and Fixed Interest	0%	0.1	1.3%	<u>2.5</u>	1.5%	<u>2.5</u>
<b>Total</b>				187.5		166.8

The College's public equity investments are mainly held in equity tracker funds with 53.8% invested in the Amundi Global Low Carbon fund and with 2.3%, 9.2% and 1.5% invested in the UK, European and Japanese Amundi SRI funds respectively. The overall exposure to US equities within the public equity portfolio amounted to 54.4% and the exposure to UK and European equities amounted to 7.5% and 18.5% respectively. Foreign currency exposures are not hedged.

The value of the endowment and total returns over the last five years were:

Year ended 30 June	2024	2023	2022	2021	2020
	£m	£m	£m	£m	£m
Investment assets	187.5	166.8	161.0	156.8	128.0
Actual Net Income	2.6	3.2	3.4	2.7	3.5
Gains/(losses)	<u>18.3</u>	<u>5.8</u>	<u>2.5</u>	<u>25.1</u>	<u>(2.2)</u>
Total return (note 3a)	20.7	9.0	5.9	27.8	1.2
Endowment drawdown	<u>4.8</u>	<u>4.5</u>	<u>4.1</u>	<u>3.8</u>	<u>3.8</u>

The Endowment drawdown of £4.8m represented 3.0% of the average value of the Endowment over the three preceding years. The aim is to draw down sufficient funds each year to support the specific activities designated by the donors, while protecting the real value of the Endowment against inflation and preserving the capital for the future, consistent with the perpetual nature of the College Endowment.

## Operating and Financial Review for the year ended 30 June 2024

### Liquidity

The operational cash balances available at 30 June 2024 amounted to £12.22m (2023: £17.52m). These cash holdings were held in interest bearing accounts with the College's two principal banks. The level of cash held was relatively high, to take account both of construction plans (including current contract commitments) and further plans. It is expected that cash balances will reduce significantly during the 2024-25 financial year.

### Inflation Swap Investments

In October 2008 the College borrowed £15m in the form of a conventional loan from Santander and an inflation swap contract with HSBC, structured to provide 40 year index-linked funding. The £15m was invested in global equity tracker funds and will be left to accumulate over the 40 year period in a ring-fenced equity fund, over which HSBC has a security charge to cover the inflation liability. Based on historical experience, the Governing Body considered that this investment in global equity tracker funds should make a positive real return of more than 4% per annum compound, consistent with the performance of global equity markets over each 40 year period since 1900. The Governing Body considered that this positive return would represent a significant addition to the College's Endowment, helping to achieve the goal of financial independence in the long term, and that it outweighed the risks involved. In the event that changed economic circumstances make it appropriate, the College has the right to terminate the loan with Santander and the inflation swap with HSBC early at the prevailing cost of termination.

The interest payments on the Santander loan are set at 4.4% per annum and the HSBC swap contract converts this into a real rate of 1.1% per annum. The annual inflation adjustment to the value of the loan on repayment is capped at a rate of 7%. Through this structure the College was able to take advantage of its ability to invest over the very long term at a time of very low interest rates. The liability to Santander for the conventional loan of £15m is secured on the College's outlying operational properties, valued at £35m. During the year to 30 June 2024 the 2048 Fund generated a total return of 18.6% gross and 16.0% net of the increase in inflation-linked liabilities and interest payments. The resulting surplus of £7.95m was added to the Total Return reserves as set out in Note 22. The cumulative inflation swap investment net unapplied Total Return increased to £23.89m at 30 June 2024 (note 22).

During the first 15 years of the 40 year inflation swap (from October 2008 to June 2024) the level of RPI has risen by 78.8%, with the result that the College's liability to Santander and HSBC at June 2024 has increased to £24.65m. At June 2024 the market value of global equity tracker fund investments held in the 2048 Fund amounted to £50m and the outstanding cash balance stood at £0.65m. The total value of inflation swap investments amounted to £50.62m at 30 June 2024.

The complex financial structure of the inflation linked swap and accounting standards have made it necessary to apply a provision within the financial statements. Rising interest rates in the year have resulted in higher discount factors and therefore a significant decrease of £2.60m in the valuation of the inflation link swap derivative and associated College provision. The estimated value of the inflation linked swap liability based on derivative valuations as of 30 June 2024 show a break cost of £0.91m (2023: £3.51m) and therefore, a provision for £0.91m has been included as a provision in the Balance Sheet (see note 17). However, at the present time the College has no intention to unwind the inflation swap facility.

### Capital Expenditure and Buildings Refurbishment

During the 2023-24 financial year the College continued the Old Court project. As a result capital expenditure relating to buildings amounted to £30.35m, an increase of £20.78m compared to the prior year. In addition a further £0.18m of equipment capital expenditure was made. It is the College's depreciation policy to start to depreciate as soon as the asset is brought into use.

The cost of refurbishing the College's historic buildings and other historic assets represents a substantial financial commitment and the Governing Body recognises the need to set aside adequate sums to ensure that the historic buildings are properly maintained over the long term. A professional survey of the condition of all College buildings has confirmed that more than £2.7m must be committed each year to maintain the College's historic fabric and buildings. The Finance Committee has approved a longer term target to spend a sum equal to 1.5% of the insurance replacement value of the College's operational buildings each year on the repair and maintenance of the operational estate.

### Safeguarding Policy

Clare College recognises that Fellows, staff and students of the College may sometimes work with children and other vulnerable individuals in the course of their duties. In this context, the College is committed to respecting the rights, wishes and well-being of individuals with whom it is working; taking all reasonable steps to protect them from physical, sexual and emotional abuse; promoting the welfare of children and adults at risk, and ensuring their protection within a relationship of trust. The full list of safeguarding policies is available on the College website.

The safeguarding policy has been established to support these commitments and to ensure that the College fulfils its obligations under the Safeguarding Vulnerable Groups Act 2006 and any subsequent legislation.

## Operating and Financial Review for the year ended 30 June 2024

### Reserves Policy

At June 2024 the College had £221.40m (2023: £209.09m) of unrestricted reserves, of which £156.33m (2023: £153.56m) was represented by operational fixed assets and heritage assets which are illiquid and in some cases inalienable. The balance of £65.07m (2023: £55.53m) constitutes free reserves and is invested to support the operations of the College and for contingencies.

The College regularly reviews the level of free reserves. In doing this, the College takes into account the guidance offered by the Charity Commission in its publication Charity reserves: building resilience (CC19). The College considers the main considerations to be:

1. The financial risks of its operations, including potential loss of annual income (due to the economic environment and changes in funding of higher education), investment risks associated with the management of the endowment, funding of the pension scheme and possible unforeseen events; and
2. The responsibility to preserve the fabric of its historic buildings.

Many of these items are difficult to quantify precisely. The College considers the current level of reserves adequate, but aims to increase the level of reserves further over time to support its charitable objectives. Any new donations or bequests received during the year are added to unrestricted funds, unless the donor has made it clear that the funds are to be spent on a specific project.

### Principal Risks and Uncertainties

As part of its supervision of the College's activities, the Finance Committee, with input from Audit Committee, identifies and considers the major risks to which the College is exposed, and establishes procedures to manage those risks. There are three main types of risk, relating to:

- The safety of the College's buildings and facilities. These risks are mitigated primarily by management procedures, including compliance with relevant regulations, and alarm systems.
- The security of the College's assets. There are both physical security measures in place and established financial control procedures. Cyber security measures are also in place to protect information assets. Insurance arrangements are reviewed annually with professional advisers.
- Investment risks relating to the College's long-term investments. The main risk mitigation measures are an asset allocation policy which provides diversification by type of investment, management of investments by carefully selected professional managers and oversight of asset allocation and investment performance by the Investment Committee which includes both Trustees and experienced investment professionals.

There are, as always, uncertainties regarding the future external environment within which the College will operate, most notably regarding higher education policy and funding. The College prepares 5-10 year forecasts which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The Finance Committee considers however that the College will be able to respond effectively to changes in that environment.

The principal risks and uncertainties that the College faces may be briefly summarised:

- The failure of academic fees to keep up with the rise in academic costs, as well as the inevitable uncertainties due to the significant change in funding of universities in England, it means that the funding and costs associated with the College's core activity will need to be kept under constant review. To mitigate this risk the College will continue to work with the University and other organisations to achieve the fairest allocation of resources.
- The challenging economic situation may also adversely affect the College's conference activities which are a significant contributor to the College's overheads. However, the College has significant investments which could be realised if required.
- Although the College has a long term programme of building renewal and improvement, it is always possible with buildings of the age of the College's estate that there will be unexpected issues that may arise. To mitigate this risk the College will ensure that all major building projects have robust plans and budgets which are carefully monitored over the project life. College also employs professional project managers to manage project and contract risk.
- College's staff are a key asset essential to delivering both charitable and financial objectives. The recruitment market in Cambridge is highly competitive across many key disciplines for the College. To mitigate the recruitment and retention risks, the College is reviewing and investing in its people strategy.

**Operating and Financial Review**  
for the year ended 30 June 2024**Public Benefit as a Charity**

The College has met its responsibilities regarding public benefit by providing, in conjunction with the University, an education for 649 (2023: 667) undergraduate and postgraduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, preparing them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative, and academic support through its tutorial and graduate mentoring systems;
- 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; and
- specialist choral musical education for those students in the College's internationally renowned Choir.

The College advances research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, enabling them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- the employment of College Teaching Officers who, in addition to their role as Directors of Studies and supervisors of undergraduate students, maintain important research interests within the University;
- supporting research work pursued by Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials; 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 important special collections), that provides a valuable resource for students and Fellows of the College, for members of other colleges and the University more widely, and for external scholars and researchers.

The College's students are the primary beneficiaries of its educational activities. Students are selected in an open application process, based solely on academic merit. The College operates a needs-blind admissions process and provides a significant level of bursary support to students who might otherwise be deterred from applying by financial concerns. The educational benefits provided by the College extend to students from other colleges, to visiting schoolchildren, and to alumni who have the opportunity to attend educational events at the College. The College also supports an extensive access and outreach programme to primary and secondary schools in the London Boroughs of Tower Hamlets and Hackney, and also in Coventry and Warwickshire, through which it aims to raise the aspirations of younger people in these parts of the country. Furthermore, the public benefit of the provision of high-quality education goes beyond the benefits to the students themselves. Whether through the vocational skills or the broader intellectual development acquired at the College, its students are able to make valuable and distinctive contributions in the public sphere.

The research advanced by the College is disseminated through publications and oral presentations. Its results are therefore publicly available and constitute a clear public benefit. The beneficiaries include the international community of scholars in the fields concerned, and the wider public who benefit through the intellectual, economic, civic and cultural development that is facilitated through the dissemination of high-quality research.

**The College within the Community**

The College shares its facilities with the local community. The College's chapel is open to the public for services and recitals throughout term time. The College's Boathouse on the Cam is used by rowing clubs within the City.

The College is committed to reducing its carbon, water and environmental footprint. The College is actively promoting environmental awareness among Fellows, students and staff. Since the 2013-14 academic year, the College has consistently received either a Gold or Platinum award in the University Green Impact Award scheme and was pleased to be awarded Platinum, the highest level, in 2024.

**Operating and Financial Review**  
for the year ended 30 June 2024

**Future Developments**

There are no plans to change the College's core educational activities, with the number of students expected to remain stable and work continuing to widen participation.

The Old Court refurbishment project has continued, with the final phase started in autumn 2023 with an expected completion date of autumn 2025. A review of the 10 year capital plan is underway in light of the College's ambitions in relation to reducing its carbon footprint.

Lady Clare articulated a vision in her statutes of a Master, Fellows and Scholars all living and learning and working together in a College community. As we anticipate and work actively towards celebrating our 700th anniversary in 2026, that vision retains power and authenticity to help guide us as we develop and articulate a strategic vision for Clare's eighth century with consultations involving the whole College.

Ms L C R Minghella OBE, Master

Dr T A H Wilkinson, Interim Estates Bursar

## Statement of Corporate Governance for the year ended 30 June 2024

The College is a registered charity (registered number 1137531) and is subject to regulation by the Charity Commission for England and Wales. It is also governed by Statutes and Ordinances. The following statement is provided by the Trustees of the College 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 its audit.

1. The Trustees of the College are the members of the Council and the Finance Committee (except for the student members of those committees). The Trustees are indicated by a \* on page 4. The Council and the Finance Committee together exercise general control and management of the College, and are responsible for ensuring compliance with charity law. The principal officers of the College are the Master, Senior Tutor and Bursar. There is a Register of Interests for Trustees. Declarations of interest are made systematically at meetings.
2. The Governing Body, which consists of the Master, the Fellows in Classes A, B, C, D and E, and four Student Members, holds at least three meetings each year. The Council, consisting of the Master, the Senior Tutor and ten Fellows elected by the Governing Body at its annual meeting, together with two Student Members, is responsible for the administration of the College in all matters not specifically assigned to the Governing Body or the Finance Committee. The Finance Committee, consisting of the Master, the Bursar, the Senior Tutor and seven Fellows elected by the Governing Body at its annual meeting, together with two Student Members, oversees the management of the College estates and investments and administers the revenues in accordance with the College Statutes, under the overall direction of the Governing Body.
3. The Governing Body, Council, and Finance Committee are advised in carrying out their duties by a number of Committees including the Audit Committee, Investment Committee, Salaries and Stipends Committee, and Estates Committee.

## Statement of Internal Control for the year ended 30 June 2024

1. The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, while safeguarding funds and assets for which the Governing Body is responsible, in accordance with the College Statutes.
2. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve College policies, aims and objectives; it therefore provides reasonable, but not absolute, assurance of effectiveness. The system of internal control is designed to identify the principal risks to achieving those 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 2024, and up to the date of approval of the financial statements.
3. The Trustees are responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - 3.1 The Finance Committee meets six times per year.
  - 3.2 The Council meets seven times per year.
  - 3.3 The Audit Committee normally meets twice each year. It receives reports from the external auditors, including their observations on the College's system of internal control and risk management, together with recommendations for improvement.
  - 3.4 The members of the Finance Committee and Council, as Trustees of the College, review the effectiveness of the system of internal control as informed by the work of the Audit Committee, Bursar and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by external auditors in their management letter and other reports.
  - 3.5 The Finance Committee compares the College's costs and operational performance against the key performance indicators produced for all Cambridge Colleges to identify those areas where improvements can best be made.
4. The Trustees and the Audit Committee review regularly the Strategic Risk Register. Each strategic risk is graded with a risk tolerance and once that is defined, the Trustees evaluate what action needs to be taken to address the risk and monitors these action plans. Operational risks are reviewed and managed within operational teams.

**Statement of Responsibilities of the Trustees of the College**  
for the year ended 30 June 2024

1. The Members of the Finance Committee and Council, as Trustees of the College, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
2. In accordance with the College Statutes, the Finance Committee is responsible for the management of the College's estates and the administration of the College's revenues, subject to the overall control of the Trustees of the College. The Finance Committee is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept.
3. The College Statutes and the Statutes and Ordinances of the University of Cambridge require the Trustees of the College 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 year. In preparing those financial statements the Trustees of the College are required to:
  - select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent;
  - state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.
4. The Trustees of the College are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and enables them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the College and to prevent and detect fraud and other irregularities.
5. The Trustees of the College are responsible for the maintenance and integrity of the charity and financial information included on the College's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent auditor's report to the Trustees of Clare College**  
for the year ended 30 June 2024**Opinion**

We have audited the financial statements of Clare 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 and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 30 June 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group/College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The Governing Body is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## Independent auditor's report to the Trustees of Clare College for the year ended 30 June 2024

### Responsibilities of Trustees

As explained more fully in the responsibilities of Trustees statement set out on page 13, 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.

### Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group/College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the Group/College and how the Group/College is complying with that framework;
- we obtained an understanding of the Group's/College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the Group/College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's and College's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

**Independent auditor's report to the Trustees of Clare College**  
for the year ended 30 June 2024

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

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

**Use of our report**

This report is made solely to the Trustees as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**PETERS ELWORTHY & MOORE**

Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA  
Date:

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

## Statement of Principal Accounting Policies for the year ended 30 June 2024

### Basis of preparation

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

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

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

### Going concern

The Trustees have prepared forecasts over the next 5 years to June 2028 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College continually reviews its cost base in order to ensuring that it is efficient and effective. The College also has significant investments which could be realised if required. Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the near future and therefore have continued to adopt the going concern basis in preparing the financial statements.

### Basis of accounting

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

### Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 9. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

### Recognition of income

#### Academic fees

Academic fees are recognised in the year to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

#### Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income and Expenditure at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in the Statement of Comprehensive Income and Expenditure in the same period as the related expenditure.

#### 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 Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

## Statement of Principal Accounting Policies for the year ended 30 June 2024

### Donations and endowments continued

For legacies, entitlement is taken as the earlier of the date on which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. 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

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investment property is carried at fair value determined annually by the Trustees based on professional advice received. Fair values are derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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

### Total return

The College has adopted a total return policy where total return means investment return in terms of both income, whether received or accrued, and capital appreciation, whether realised or unrealised. The Finance Committee may appropriate and distribute for expenditure so much of the fair value of the endowment fund as it in its absolute discretion considers prudent, having regard to the availability of any surplus income, the total return achieved and reasonably to be expected in the long-term of the endowment.

### Other income

Income is received from a range of activities including accommodation, catering, and conferences. Income is recognised on the exchange of the relevant services.

### Cambridge 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, Clare College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University towards this payment.

Income	£103,025
Expenditure	£207,166

### Foreign currency translation

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

### Fixed Assets

#### Land and buildings

In accordance with FRS102, the land and buildings held for operational purposes are stated at depreciated replacement cost, as determined by professional valuers. A full revaluation of all College property assets was conducted by Gerald Eve as at 30 June 2014, being the transition date to the 2015 RCCA.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. When buildings are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments. Finance costs that 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.

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

For the depreciation of the main College buildings, a decision was taken by the Audit Committee at its May 2023 meeting to extend the useful economic life from 50 years to 100 years, on the basis that the College undertakes a rolling maintenance programme of these assets. This change was put into effect starting from the beginning of the financial year to 30<sup>th</sup> June 2023. Other land and building assets are depreciated over a useful economic life of between 25 and 100 years.

## Statement of Principal Accounting Policies for the year ended 30 June 2024

### Maintenance and renewal of premises

The College has a five-year rolling maintenance plan, which is reviewed on an annual basis. The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

### Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £3,000 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:

When furniture, fittings and equipment are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments.

Boiler room and chapel	4% per annum
Furniture and fittings	10% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	20% and 25% per annum

### Heritage assets

The College holds and conserves a numbers of collections, exhibits, artefacts and other assets of historical, artistic and scientific importance. 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. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

### Investments

Investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Investment properties are valued annually based on open market values provided by third party valuers.

### Stocks

Stocks are valued at the lower of cost and net realisable value.

### Provisions

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

### Contingent liabilities and assets

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

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

### Financial instruments

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

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

### Financial assets

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

Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised

## Statement of Principal Accounting Policies for the year ended 30 June 2024

### Financial assets continued

in the Statement of Comprehensive Income.

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

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

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all 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 interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income. The College does not apply any hedge accounting in respect of interest rate swap derivatives held to manage cash flow exposures.

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

### Taxation

The College is a registered charity (number 1137531) 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 exclusively to 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 Universities Superannuation Scheme

#### Significant accounting policies

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

**Statement of Principal Accounting Policies**  
for the year ended 30 June 2024**Pension schemes continued****The Universities Superannuation Scheme continued****Critical Accounting Judgements**

FRS 102 requires that accounting judgements which are considered to be critical by those charged with governance are explained in more detail as to why the judgement has been applied. The disclosure below may be useful where the treatment of the scheme as a multi-employer scheme and adopting defined contribution accounting is deemed to be critical.

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

**Defined Contribution Schemes**

The College also operates a defined contribution pension scheme, mainly for permanent non-academic employees, which is contracted into the State Second Pension (S2P), and also uses the government established National Employment Savings Trust (NEST) scheme for temporary staff. The assets of both schemes are held in separate trustee-administered funds. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

**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.

**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 the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in page 31.

Investment property – Properties are revalued to their fair value at the reporting date by Bidwells. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.

Inflation linked swap – A provision to reflect the estimated value of the inflation linked swap liability based on the derivative valuation has been included to reflect the break cost of the mechanism.

**Statement of Principal Accounting Policies**  
for the year ended 30 June 2024

**Critical Accounting Estimates and Judgements continued**

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 pages 40-41.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the 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 obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Trustees have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed. This new plan requires deficit payments 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%. Further details are set out in pages 40-41.

## Consolidated Statement of Comprehensive Income and Expenditure

Notes	2024					2023					
	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	
Academic fees and charges	1	3,569	-	-	-	3,569	-	-	-	3,569	
Accommodation, catering and conferences	2	8,187	-	-	-	8,187	-	-	-	8,187	
Investment income	3a	-	-	2,569	-	2,569	-	-	3,218	3,218	
Inflation swap income	3c	-	-	-	33	-	-	-	(35)	(35)	
Endowment return transferred to I&E account	3a	1,847	3,000	(4,847)	-	1,705	2,763	(4,468)	-	-	
Other income		621	-	-	-	700	-	-	-	700	
<b>Total income before donations and endowments</b>		<b>14,224</b>	<b>3,000</b>	<b>(2,278)</b>	<b>33</b>	<b>14,979</b>	<b>12,804</b>	<b>2,763</b>	<b>(1,250)</b>	<b>(35)</b>	<b>14,282</b>
Donations	21	1,350	175	-	-	1,525	858	739	-	-	1,597
New endowments	20	-	-	363	-	363	-	-	309	-	309
Other capital grants for assets	21	-	1,874	-	-	1,874	-	2,802	-	-	2,802
<b>Total income</b>		<b>15,573</b>	<b>5,050</b>	<b>(1,915)</b>	<b>33</b>	<b>18,741</b>	<b>13,662</b>	<b>6,304</b>	<b>(941)</b>	<b>(35)</b>	<b>18,990</b>
<b>Expenditure</b>											
Education	4	5,225	2,094	-	-	7,319	4,831	1,662	-	-	6,493
Accommodation, catering and conferences	5	9,972	-	-	-	9,972	8,763	-	-	-	8,763
Other expenditure	7	1,809	252	228	1,117	3,406	951	565	213	1,821	3,550
Change in USS pension deficit recovery provision contributions	18	(668)	-	-	-	(668)	36	-	-	-	36
Contribution under Statute G, II		114	-	-	-	114	99	-	-	-	99
<b>Total expenditure</b>	7	<b>16,451</b>	<b>2,345</b>	<b>228</b>	<b>1,117</b>	<b>20,142</b>	<b>14,680</b>	<b>2,227</b>	<b>213</b>	<b>1,821</b>	<b>18,941</b>
<b>Surplus/(deficit) before other gains and losses</b>		<b>(878)</b>	<b>2,704</b>	<b>(2,143)</b>	<b>(1,084)</b>	<b>(1,401)</b>	<b>(1,018)</b>	<b>4,077</b>	<b>(1,154)</b>	<b>(1,856)</b>	<b>49</b>
Gain/(loss) on disposal of fixed assets	9	-	-	-	-	-	119	-	-	-	119
Gain/(loss) on financial instruments	17	-	-	-	2,601	2,601	-	-	4,670	-	4,670
Gain/(loss) on Inflation Swap Investments	3c	-	-	-	7,982	7,982	-	-	2,524	-	2,524
Gain/(loss) on investments	3, 10	7,760	3,273	7,308	-	18,341	1,608	1,158	2,953	-	5,720
<b>Surplus/(deficit) for the year</b>		<b>6,882</b>	<b>5,978</b>	<b>5,165</b>	<b>9,500</b>	<b>27,524</b>	<b>709</b>	<b>5,235</b>	<b>1,800</b>	<b>5,338</b>	<b>13,082</b>
<b>Other comprehensive income</b>											
Actuarial (loss) in respect of pension schemes	18	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>6,882</b>	<b>5,978</b>	<b>5,165</b>	<b>9,500</b>	<b>27,524</b>	<b>709</b>	<b>5,235</b>	<b>1,800</b>	<b>5,338</b>	<b>13,082</b>

The notes on pages 27 to 41 form part of the financial statements

## Consolidated Statement of Changes in Reserves

Notes	Income and expenditure reserve			Inflation Swap £'000	Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000		
<b>Balance at 1 July 2023</b>	<b>209,085</b>	<b>48,272</b>	<b>65,196</b>	<b>13,491</b>	<b>336,044</b>
Surplus/(deficit) from income and expenditure statement	6,882	5,978	5,165	9,500	27,524
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	5,292	(5,292)	-	-	-
Transfers between reserves	145	(143)	(2)	-	-
<b>Balance at 30 June 2024</b>	<b>221,404</b>	<b>48,815</b>	<b>70,359</b>	<b>22,991</b>	<b>363,568</b>

Notes	Income and expenditure reserve			Inflation Swap £'000	Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000		
<b>Balance at 1 July 2022</b>	<b>208,376</b>	<b>43,037</b>	<b>63,396</b>	<b>8,153</b>	<b>322,962</b>
Surplus/(deficit) from income and expenditure statement	709	5,235	1,800	5,338	13,082
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	-	-	-	-	-
Transfers between reserves	-	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>209,085</b>	<b>48,272</b>	<b>65,196</b>	<b>13,491</b>	<b>336,044</b>

The notes on pages 27 to 41 form part of the financial statements

## Balance Sheet

	Notes	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
<b>Non-current Assets</b>					
Fixed assets	9	155,990	156,094	153,214	153,319
Heritage assets	9a	342	342	342	342
Investments	10a	187,501	187,501	166,806	166,806
Inflation swap investments	10b	50,620	50,620	42,670	42,670
		<u>394,453</u>	<u>394,557</u>	<u>363,033</u>	<u>363,138</u>
<b>Current assets</b>					
Stock	11	189	189	184	184
Trade and other receivables	12	2,812	2,702	2,400	4,099
Short term investments	13	10,470	10,470	13,090	13,090
Cash and cash equivalents	14	1,749	1,560	4,426	1,729
		<u>15,220</u>	<u>14,922</u>	<u>20,100</u>	<u>19,102</u>
Creditors : amounts falling due within one year	15	(5,546)	(5,272)	(4,066)	(3,096)
<b>Net current assets</b>		<u>9,674</u>	<u>9,650</u>	<u>16,034</u>	<u>16,006</u>
<b>Total assets less current liabilities</b>		404,127	404,206	379,066	379,143
<b>Creditors : amounts falling due after more than one year</b>					
	16	(39,647)	(39,647)	(38,858)	(38,858)
Inflation swap financial instruments	17	(912)	(912)	(3,513)	(3,513)
Pension provisions	18	-	-	(651)	(651)
<b>TOTAL NET ASSETS</b>		<u><b>363,568</b></u>	<u><b>363,647</b></u>	<u><b>336,044</b></u>	<u><b>336,121</b></u>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	20	70,359	70,359	65,196	65,196
Income and expenditure reserve - restricted reserve	21	48,815	48,815	48,272	48,272
Income and expenditure reserve - inflation swap	22	22,991	22,991	13,491	13,491
		<u>142,164</u>	<u>142,163</u>	<u>126,959</u>	<u>126,959</u>
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted reserve		221,404	221,484	209,085	209,161
<b>TOTAL RESERVES</b>		<u><b>363,568</b></u>	<u><b>363,647</b></u>	<u><b>336,044</b></u>	<u><b>336,121</b></u>

The Financial Statements were approved by the Trustees of the College on the 25th November 2024 and signed on their behalf by:

Ms L C R Minghella OBE, Master

Dr T A H Wilkinson, Interim Estates Bursar

The notes on pages 27 to 41 form part of the financial statements

**Consolidated Cash Flow Statement**

	Notes	2024 £'000	2023 £'000
<b>Net cash inflow from operating activities</b>	23	1,648	3,484
<b>Cash flows from investing activities</b>	24	(5,893)	(6,347)
<b>Cash flows from financing activities</b>	25	1,567	(266)
<b>(Decrease)/increase in cash in the year</b>		<u>(2,677)</u>	<u>(3,129)</u>
Cash at beginning of the year		4,426	7,555
<b>Cash at end of the year</b>	14	<u><u>1,749</u></u>	<u><u>4,426</u></u>

The notes on pages 27 to 41 form part of the financial statements

## Notes to the financial statements

## 1 Academic fees and charges

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Fee income received at the Regulated Undergraduate rate	1,896	1,957
Fee income received at the Unregulated Undergraduate rate	557	502
Fee income received at the Graduate rate	908	862
Cambridge Bursary Scheme	207	116
	<u>3,569</u>	<u>3,436</u>

## 2 Income from accommodation, catering and conferences

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Accommodation		
College members	3,522	3,232
Conferences	1,736	1,528
Catering		
College members	744	630
Conferences	2,184	1,573
	<u>8,187</u>	<u>6,963</u>

## 3 Endowment return and investment income

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>3a Analysis</b>		
Actual income from:		
Land and buildings	1,850	1,961
Quoted equity securities	157	409
Fixed interest securities	424	756
Other interest receivable	138	92
	<u>2,569</u>	<u>3,218</u>
(Losses)/Gains on endowment assets:		
Land and buildings	(373)	(3,920)
Quoted and other securities and cash	18,715	9,640
Investment management costs (note 3b)	(228)	(213)
<b>Total return on investments</b>	<u><b>20,682</b></u>	<u><b>8,725</b></u>
Total return transferred to income and expenditure reserve	4,847	4,468
Unapplied total return for the year included within Statement of Comprehensive Income and Expenditure (note 22)	15,835	4,257
<b>Total return on investments</b>	<u><b>20,682</b></u>	<u><b>8,725</b></u>

The endowment and fixed assets investments are accounted for on a total return basis. The total actual income and gains in the year are taken to a reserve, from which the planned endowment drawdown is released to the income and expenditure account. The remaining balance of the total return, after deducting the drawdown, is accumulated within the reserves, as set out in note 22.

## 3b Investment management costs

Land and buildings	228	213
Quoted securities	-	-
Other investments	-	-
Total	<u>228</u>	<u>213</u>

## Notes to the financial statements

	2024 £'000	2023 £'000
<b>3c Total return on inflation swap contracts</b>		
Actual income from:		
Quoted securities	33	(35)
Other interest receivable	-	-
	<u>33</u>	<u>(35)</u>
(Loss)/Gain on inflation swap asset:	7,982	2,524
Inflation-linked amount due to HSBC (note 16)	(789)	(1,561)
Interest and fees (note 3d)	(328)	(260)
<b>Total return on inflation swap contracts (note 22)</b>	<b><u>6,898</u></b>	<b><u>668</u></b>

The inflation swap contracts are accounted for on a total return basis. The total actual income and gains/losses in the year is accumulated within the reserves, as set out in note 22. There is no drawdown permitted under the terms of the inflation swap.

**3d Interest and fees on inflation swap investments**

Interest paid to HSBC	(269)	(260)
Interest paid to Santander	<u>(664)</u>	<u>(666)</u>
	(933)	(926)
Interest received from HSBC	<u>670</u>	<u>666</u>
	(263)	(260)
Fees on inflation swap investments	<u>(65)</u>	<u>-</u>
	<b><u>(328)</u></b>	<b><u>(260)</u></b>

Interest paid to Santander and to/from HSBC is calculated on the £15 million loan and inflation swap repayable in 2048 (note 16).

## Notes to the financial statements

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>4 Education expenditure</b>		
Teaching	3,241	2,858
Tutorial	2,142	1,368
Admissions	1,155	1,154
Research	493	567
Scholarships and awards	52	122
Other educational facilities	235	424
	<u>7,319</u>	<u>6,493</u>

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>5 Accommodation, catering and conferences expenditure</b>		
Accommodation		
College members	4,290	5,116
Conferences	2,115	991
Catering		
College members	906	1,735
Conferences	2,660	921
	<u>9,972</u>	<u>8,763</u>

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>6 Other expenditure</b>		
Loan interest	476	439
Investment management fees and administration	228	213
USS pension interest charge	18	-
Other general and administrative	2,015	2,933
Total	<u>2,737</u>	<u>3,586</u>

## 7a Analysis of 2024 expenditure by activity

	<b>Staff costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>2024</b>
	<b>(note 8)</b>	<b>expenses</b>	<b>£'000</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>		
Education	2,562	3,571	1,186	7,319
Accommodation, catering and conferences	4,430	3,697	1,844	9,972
Other	698	1,965	75	2,737
Contribution under statute G, II	-	114	-	114
	<u>7,690</u>	<u>9,347</u>	<u>3,105</u>	<u>20,142</u>

## 7b Analysis of 2023 expenditure by activity

	<b>Staff costs</b>	<b>Other</b>	<b>Depreciation</b>	<b>2023</b>
	<b>(note 8)</b>	<b>expenses</b>	<b>£'000</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>		
Education	3,077	2,320	1,096	6,493
Accommodation, catering and conferences	4,260	2,799	1,704	8,763
Other	590	2,928	68	3,586
Contribution under statute G, II	-	99	-	99
	<u>7,927</u>	<u>8,146</u>	<u>2,868</u>	<u>18,941</u>

## 7c Auditors' remuneration

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Other operating expenses include:		
Audit fees payable to the College's external auditors 23-24 (inclusive of VAT)	53	39
Audit fees incurred but not accrued relating to prior year	53	-
Other fees payable to the College's external auditors (inclusive of VAT)	3	-
	<u>110</u>	<u>39</u>

## Notes to the financial statements

## 8 Staff costs

Staff costs:	College	Other	Non-academic	2024	2023
	Fellows	academic			
Salaries	1,517	307	5,082	6,907	6,692
National Insurance	151	-	443	594	591
Pension costs (see note 29)	163	-	676	839	582
Net change in USS deficit recovery provision (see Note 18)	(668)	-	-	(668)	62
Subtotal of pension costs (see Note 8b)	18	-	-	18	-
Total	1,181	307	6,202	7,690	7,927

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 of £641k (2023: £62k charge). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of 0% (2023: 5.52%) and cash contributions made to reduce the deficit in the year of £27k (2023: £26k)

## Average numbers:

	Average staff numbers 2024		Average staff numbers 2023	
	Number	Full-time equivalents	Number	Full-time equivalents
Academic	69	-	74	66
Non-academic	167	145	232	168

At the Balance Sheet date there were 82 members of the Governing Body. During the year the average number receiving remuneration was the 69 shown above.

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

	2024	2023
	Total	Total
£100,001 - £110,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	1	-
Total	2	2

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

## Key management personnel

	£'000	£'000
Key management personnel being the Master, Bursar and Senior Tutor	341	268

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

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

## 8b Pension costs

The total pension costs included in staff costs for the year (see note 8a) was:

	Employers	Provisions	Total	Employers	Provisions	Total
	contributions	(Note 18)		contributions	(Note 18)	
	2024	2024	2024	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
USS	163	(668)	(505)	124	36	160
Prudential	676	-	676	520	-	520
Total	839	(668)	171	644	36	680

## Notes to the financial statements

## 9 Tangible Fixed Assets

Group	Land & Buildings £'000	Assets in construction £'000	Equipment £'000	2024 £'000	2023 £'000
<b>Cost</b>					
At start of year	152,985	22,450	3,926	179,362	169,994
Additions and improvements at cost	-	5,798	116	5,914	9,568
Transfers	24,551	(24,614)	64	-	-
Disposals at cost	(6)	0	(60)	(66)	(200)
At end of year	177,529	3,634	4,046	185,208	179,362
<b>Depreciation</b>					
At start of year	22,878	-	3,268	26,146	23,316
Charge for the year	3,003	-	102	3,105	2,868
Eliminated on disposals	-	-	(32)	(32)	(37)
At end of year	25,881	-	3,338	29,219	26,147
<b>Net book value</b>					
At end of year	151,648	3,634	708	155,990	153,214
At start of year	130,107	22,450	657	153,214	146,678
<b>College</b>					
	Land & buildings £'000	Assets in construction £'000	Equipment £'000	2024 £'000	2023 £'000
<b>Cost</b>					
At start of year	152,959	22,580	3,926	179,465	170,098
Additions and improvements at cost	-	5,798	116	5,914	9,568
Transfers	24,551	(24,614)	64	-	-
Disposals at cost	(6)	-	(60)	(66)	(200)
At end of year	177,503	3,763	4,046	185,312	179,465
<b>Depreciation</b>					
At start of year	22,878	-	3,268	26,146	23,316
Charge for the year	3,003	-	102	3,105	2,868
Eliminated on disposals	-	-	(32)	(32)	(37)
At end of year	25,881	-	3,338	29,219	26,146
<b>Net book value</b>					
At end of year	151,622	3,763	708	156,094	153,319
At start of year	130,081	22,580	658	153,319	146,782

The insured value of all the College's operational buildings as at 30 June 2024 was £286 million (2023: £281 million).

The Santander loan, as set out in note 16, is secured against certain outlying properties with a market value of £24 million as at October 2008.

## Notes to the financial statements

## 9a Heritage Assets

The College holds and conserves certain collections, artifacts and other assets of historical, artistic or scientific importance. As stated in the statement of principal accounting policies, heritage assets acquired since 1999 have been capitalised. However, the assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous years were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Value of acquisitions capitalised at start of year	342	342
Acquisitions purchased with specific donations	-	-
Acquisitions purchased with College funds	-	-
Total cost of acquisitions purchased	<u>-</u>	<u>-</u>
Value of acquisitions by donation	-	-
Total acquisitions capitalised	<u><u>342</u></u>	<u><u>342</u></u>

## 10a Investments

	<b>Securities and cash</b>	<b>Property</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Market value at start of year	129,499	37,307	166,806	161,018
Additions	2,413	-	2,413	2,855
Disposal proceeds	-	-	-	-
Gain/(loss)	18,715	(373)	18,341	5,720
Increase in cash balances held at fund managers	(59)	-	(59)	(2,787)
Market value at end of year	<u><u>150,567</u></u>	<u><u>36,934</u></u>	<u><u>187,501</u></u>	<u><u>166,806</u></u>

Represented by:

Property investment	36,934	37,308
Quoted securities - equities	126,263	107,130
Quoted securities - fixed interest	332	335
Unquoted securities - equities	21,460	19,457
Alternative assets	-	-
Cash held for reinvestment	<u>2,513</u>	<u>2,576</u>
Total	<u><u>187,501</u></u>	<u><u>166,806</u></u>

## Notes to the financial statements

## 10b Inflation swap investments

	Securities £'000	Cash £'000	2024 £'000	2023 £'000
Market value at start of year	41,891	779	42,670	40,181
Additions	-	-	-	-
Disposal	-	-	-	-
Gain/(loss)	8,084	(134)	7,950	2,524
Increase in cash balances held at fund managers	-	-	-	(35)
Market value at end of year	<u>49,975</u>	<u>645</u>	<u>50,620</u>	<u>42,670</u>
Represented by:				
Quoted securities - equities			49,975	41,891
Cash held for reinvestment			<u>645</u>	<u>779</u>
Market value at end of year			<u>50,620</u>	<u>42,670</u>

The inflation swap investments are secured against the inflation-linked liability payable to HSBC in 2048, as set out in note 16.

## 10c Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Clare College Ltd	United Kingdom	20,001	Ordinary	100%
Clare College Conferences Ltd	United Kingdom	1	Ordinary	100%

Clare College Ltd was incorporated in 1994. The principal activity of the company is that of design and construction of buildings.

Clare College Conferences Ltd was incorporated on 29 February 2012. The principal activity of the company is that of conference accommodation and catering for non-educational clients.

11 Stocks Group and college	2024 £'000	2023 £'000
Goods for resale	187	182
Other stocks	<u>2</u>	<u>2</u>
Total	<u>189</u>	<u>184</u>

## Notes to the financial statements

<b>12 Trade and other receivables</b>	<b>Group 2024 £'000</b>	<b>College 2024 £'000</b>	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>
Members of the College	933	933	110	110
University fees	-	-	-	-
Other receivables	566	457	796	718
Amounts due from subsidiary undertakings	-	-	-	1,777
Prepayments and accrued income	1,312	1,312	1,494	1,494
	<u>2,812</u>	<u>2,702</u>	<u>2,400</u>	<u>4,099</u>
<b>13 Short term investments</b>	<b>Group 2024 £'000</b>	<b>College 2024 £'000</b>	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>
Bank deposits	10,470	10,470	13,090	13,090
Properties held for sale	-	-	-	-
	<u>10,470</u>	<u>10,470</u>	<u>13,090</u>	<u>13,090</u>
<b>14 Cash at bank and in hand</b>	<b>Group 2024 £'000</b>	<b>College 2024 £'000</b>	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>
Current accounts	1,749	1,560	4,426	1,729
Cash in hand	-	-	-	-
	<u>1,749</u>	<u>1,560</u>	<u>4,426</u>	<u>1,729</u>
<b>15 Creditors: amounts falling due within one year</b>	<b>Group 2024 £'000</b>	<b>College 2024 £'000</b>	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>
Trade creditors	872	859	746	746
Members of the College	80	80	87	87
University fees	1,218	1,218	268	268
College student societies	145	145	145	145
Contribution to Colleges' fund	114	114	99	99
Other creditors	140	140	9	9
Amounts due to subsidiary undertakings	-	642	-	-
Accruals and deferred income	2,976	2,074	2,712	1,742
	<u>5,546</u>	<u>5,272</u>	<u>4,066</u>	<u>3,096</u>

## Notes to the financial statements

<b>16 Creditors: amounts falling due after more than one year</b>	<b>2024</b>	<b>2023</b>
<b>Group and college</b>	<b>£'000</b>	<b>£'000</b>
Loan repayable in 2048 to Santander	15,000	15,000
Inflation-linked amount due to HSBC	9,647	8,858
Other loans	15,000	15,000
	<u>39,647</u>	<u>38,858</u>

On October 2008 the College entered into a contract with Santander to borrow £15 million at 4.4% repayable in full in October 2048 and with HSBC for an inflation financial instrument to turn the conventional loan into an index-linked loan at a real interest rate of 1.1%. This inflation swap financial instrument includes a 7% inflation cap. The Santander loan of £15 million is secured against outlying operational properties with a market value of £24 million (net book value £7.5 million). The HSBC inflation swap financial instrument is secured on the £15 million investment fund over which HSBC has a lien. The College is investing the £15 million in global equity tracker funds, accumulating income over the next 40 years to meet the RPI index-linked liability to HSBC and the £15 million liability to Santander.

At 30 June 2024 the value of the investments was £50,620,000 (2023: £42.6m) and the liabilities to Santander and HSBC totalled £24,647,000 (2023: 23.8m). The increase of £789,000 in the inflation-linked liability during the year is shown as a reduction on total return as set out in note 3c and the liability is included in creditors as set out above.

In January 2017 the College entered into a private unsecured bond placement to borrow £15m at 2.93% repayable in full in 2052. Interest is paid semi-annually.

## 17 Inflation swap financial instruments

<b>Group and college</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	3,513	8,183
Charge to comprehensive income	(2,601)	(4,670)
Balance at end of year	<u>912</u>	<u>3,513</u>

Derivatives mark to market valuation on inflation linked swap. For further explanation regarding the Inflation swap financial instruments please see note 15

## 18 Pension provisions - USS

<b>Group and college</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	651	615
Other finance (income)/cost	18	-
Net change in underlying assumptions (See Note 8):		
Change in underlying assumptions	(641)	62
USS deficit contributions payable	(27)	(26)
Balance at end of year	<u>-</u>	<u>651</u>

## 19 Capital and other commitments

<b>Group and College</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Authorised and contracted	8,520	3,748
Authorised and but not yet contracted for	-	12,326
	<u>8,520</u>	<u>16,074</u>

## Notes to the financial statements

**20 Endowment Funds**

Restricted net assets relating to endowments are as follows:

	Restricted Permanent £'000	Unrestricted Permanent £'000	2024 £'000	2023 £'000
Balance at start of year:				
Capital	65,194	-	65,194	63,396
New donations and endowments	363	-	363	308
Transfer from restricted reserves	-	-	-	-
(Decrease)/Increase in market value of investments	4,801	-	4,801	1,489
Balance at end of year	<u>70,359</u>	<u>-</u>	<u>70,359</u>	<u>65,194</u>
Analysis by type of purpose				
Fellowship funds	6,378	-	6,378	6,103
Scholarship funds	24,706	-	24,706	13,903
Prize funds	1,007	-	1,007	878
Hardship funds	7,631	-	7,631	3,606
Bursary funds	9,032	-	9,032	8,501
Travel grant funds	717	-	717	799
Building renewals fund	10,201	-	10,201	9,439
Other funds	5,735	-	5,735	12,966
General funds	4,951	-	4,951	9,000
	<u>70,359</u>	<u>-</u>	<u>70,359</u>	<u>65,194</u>
Analysis by asset				
Property	13,859	-	13,859	14,581
Investments	55,556	-	55,556	49,607
Cash	943	-	943	1,007
	<u>70,359</u>	<u>-</u>	<u>70,359</u>	<u>65,194</u>

**21 Restricted Reserves**

Reserves with restrictions are as follows:

	Capital grants unspent £'000	Permanent unspent and other restricted income £'000	Restricted expendable endowment £'000	2024 £'000	2023 £'000
Balance at start of year:					
Accumulated income	7,038	39,963	1,271	48,272	43,036
New grants	1,270	-	-	1,270	2,802
New donations	-	16	159	175	739
Other income	604	-	-	604	-
Endowment return transferred	-	3,000	-	3,000	2,763
Transfer	261	(259)	(145)	(143)	-
(Decrease)/Increase in market value of investments	-	3,273	-	3,273	1,159
Management Fees	-	(252)	-	(252)	(232)
Expenditure	-	(1,927)	(167)	(2,094)	(1,995)
Capital grants utilised	(5,292)	-	-	(5,292)	-
Balance at end of year	<u>3,881</u>	<u>43,815</u>	<u>1,118</u>	<u>48,815</u>	<u>48,272</u>
Analysis by type of purpose					
Fellowship funds	-	1,103	72	1,176	10,215
Scholarship funds	-	20,507	44	20,551	14,208
Prize funds	-	2,178	8	2,186	1,998
Hardship funds	-	1,410	48	1,458	4,746
Bursary funds	-	1,516	35	1,550	1,336
Travel grant funds	-	796	5	800	750
Building renewals fund	3,881	486	6	4,374	7,489
Other funds	-	1,811	294	2,105	7,530
General funds	-	14,009	606	14,615	-
	<u>3,881</u>	<u>43,815</u>	<u>1,118</u>	<u>48,815</u>	<u>48,272</u>

**22 Memorandum of Unapplied Total Return**

Within the reserves representing investments held by the College, the following are the cumulative surpluses of total return on the main investment portfolio and on the inflation swap investments and liabilities (after deducting the drawdowns) since 1 July 1999 :

	Main endowment £'000	Inflation swap investments £'000	2024 £'000	2023 £'000
Unapplied Total Return at start of year	93,118	16,995	110,113	105,188
Surplus of total return for year (note 3)	15,835	6,898	22,733	4,925
Unapplied total Return at end of year	<u>108,953</u>	<u>23,893</u>	<u>132,846</u>	<u>110,113</u>

## Notes to the financial statements

## 23 Reconciliation of consolidated surplus for the year to net cash inflow/(outflow) from operating activities

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Surplus for the year	27,524	13,082
<b>Adjustment for non-cash items</b>		
Depreciation	3,105	2,868
(Gain)/Loss on disposal of non-current assets	-	(119)
(Gain)/loss on endowments, donations and investment property	(26,324)	(8,244)
(Increase)/Decrease in stocks	(5)	5
Decrease/(Increase) in debtors	(412)	12
(Decrease)/Increase in creditors	2,268	1,663
Pension costs less contributions payable	(651)	36
Movement in provisions	(2,601)	(4,670)
<b>Adjustment for investing or financing activities</b>		
Investment income	(2,569)	(3,218)
Inflation swap income	(33)	35
Interest payable	1,722	2,487
Interest receivable	(670)	(666)
Management fees	293	213
<b>Net cash inflow from operating activities</b>	<u>1,648</u>	<u>3,484</u>

## 24 Cash flows from investing activities

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Proceeds on disposal of investments	-	-
Proceeds on disposal of inflation swap investments	35	-
Investment income	2,602	3,183
Investment costs	(293)	(213)
Endowment funds invested	(2,354)	(68)
Inflation swap invested	(3)	35
Proceeds on disposals on non-current assets	35	284
Payments made to acquire non-current assets	(5,914)	(9,568)
<b>Total cash flows from investing activities</b>	<u>(5,893)</u>	<u>(6,347)</u>

## 25 Cash flows from financing activities

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Interest paid	(1,722)	(2,487)
Interest received	670	666
New loans	-	(5,000)
Cash held on short term deposit	2,620	6,555
<b>Total cash flows from financing activities</b>	<u>1,567</u>	<u>(266)</u>

## Notes to the financial statements

## 26 Consolidated reconciliation and analysis of net debt

	At 1 July 2023 £000	Changes in Market value £000	At 30 June 2024 £000
<b>Cash and Cash Equivalents</b>	4,426	(2,677)	1,749
<b>Borrowings:</b>			
<b>amounts falling due after more than one year</b>			
Secured Loan (repayable in 2048 to Santander)	15,000	-	15,000
Unsecured loans	15,000	-	15,000
Derivatives (Inflation-linked amount due to HSBC)	8,858	789	9,647
<b>Total</b>	<b>38,858</b>	<b>789</b>	<b>39,647</b>

## 27 Financial Instruments

	2024 £000	2023 £000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Quoted equity and fixed interest investments	126,595	107,465
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Unquoted equity investments	21,460	19,457
Alternative assets	-	-
	<u>148,054</u>	<u>126,922</u>
<b>Financial liabilities</b>		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
Inflation-linked amount due to HSBC	9,647	8,858
Inflation swap financial instruments	912	3,513
	<u>10,559</u>	<u>12,371</u>
<b>Net Total</b>	<b><u>137,496</u></b>	<b><u>114,551</u></b>

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

**Notes to the financial statements****28 Related Party Transactions**

Owing to the nature of the College's operations and the composition of the Governing Body it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

2 Trustees have received loans under the College's Fellows Loan scheme where interest is charged at the Barclays base rate upon the principal amount. Total loans issued amounts to £755,000 (2023: £555,000)

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

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

The Master and 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 Stipends and Salaries Committee.

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

<b>From</b>	<b>To</b>	<b>2024 Number</b>	<b>2023 Number</b>
£0	£10,000	8	10
£10,001	£20,000	1	2
£20,001	£30,000	2	2
£30,001	£40,000	-	-
£40,001	£50,000	-	-
£50,001	£60,000	1	2
£60,001	£70,000	2	1
£70,001	£80,000	-	2
£80,001	£90,000	1	1
£90,001	£100,000	1	-
£100,001	£110,000	-	-
£110,001	£120,000	-	-
£120,001	£130,000	-	-
£130,001	£140,000	1	-
<b>Total</b>		<b>17</b>	<b>20</b>

The total Trustee salaries were £598,168 for the year (2023: £510,243)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £131,977 for the year (2023: £124,286)

In addition, the college has provided loans to its fellows as part of a Shared Equity Scheme. These amounts are included in Fixed Assets and total £709,880 (2023: £727,051).

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

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

## Notes to the financial statements

## 29 Pension Schemes (continued)

## (a) Universities Superannuation Scheme

The total cost charged to the Statement of Comprehensive Income and Expenditure is £201,000 (2023: £124,000 as shown in note 29c).

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%. As set out in Note 29c, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

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

Since the institution 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 (the statutory funding objective). 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. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	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 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 (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% 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 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 S3PFA for female	
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% pa for males and 1.6% pa for females	

The current life expectancies on retirement at age 65 are:

	2024	2023	2022	2021
Males currently aged 65 (years)	23.7	24.0	23.9	24.6
Females currently aged 65 (years)	25.6	25.6	25.5	26.1
Males currently aged 45 (years)	25.4	26.0	25.9	26.6
Females currently aged 45 (years)	27.2	27.4	27.3	27.9

**Notes to the financial statements****29 Pension Schemes (continued)****(b) Clare College Contributory Pension Scheme and NEST**

The College operates a defined contribution pension scheme, mainly for permanent contracted non-academic employees which complies with the requirements of the Pensions Act 2008 and Auto Enrolment. This scheme is provided by Prudential and has been in operation since July 2016. The previous Occupational Pension Scheme is officially wound up.

Temporary employees are offered the National Employment Savings Trust (NEST) scheme, a defined contribution scheme set up by the Government. The assets of both schemes are held in separate trustee-administered funds. The amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the respective schemes in respect of the accounting year.

**(c) Summary of pension costs**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Universities Superranuation Scheme	163	124
Clare Contributory Pension Scheme	676	520
NEST	-	-
Total pension costs (note 8)	<u>839</u>	<u>644</u>

**CLARE COLLEGE CAMBRIDGE**

England & Wales - Charity number 1137531

---

# Accounts

---

# Clare College, Cambridge

Financial statements  
for the year ended 30 June 2023

<b>Contents</b>	2
Contact Information and Advisors	3
Governing Body	4
Aims and Objectives of the College	5
Operating and Financial Review	6 - 11
Reserves Policy	9
Principal Risks and Uncertainties	9
Public Benefit as a Charity	10
Statement of Corporate Governance	12
Statement of Internal Control	12
Statement of Responsibilities of the Trustees of the College	13
Independent Auditors' Report to the Trustees of the College	14 - 16
Statement of Principal Accounting Policies	17 - 22
Consolidated Statement of Comprehensive Income and Expenditure	23
Consolidated Statement of Change in Reserves	24
Consolidated and College Balance Sheets	25
Consolidated Cash Flow Statement	26
Notes to the Financial Statements	27 - 41

**Contact Information and Advisors**

**Address**

Clare College  
Trinity Lane  
Cambridge CB2 1TL

**Key officers**

Master: Ms L R C Minghella, OBE  
Senior Tutor: Professor J A Tasioulas  
Bursar: Mr D Ball (resigned 1 October 2022)  
Bursar: Miss E J Conder (appointed 1 October 2022)

**Registered charity number**

1137531

**VAT number**

125 4984 96

**Professional advisors:**

**Independent auditors**

Peters Elworthy & Moore  
Salisbury House  
Station Road  
Cambridge CB1 2LA

**Principal bankers**

Barclays Bank plc  
9-11 St Andrew's Street  
Cambridge CB2 3AA

**Principal solicitors**

Ashtons Legal  
Chequers House  
77-81 Newmarket Road  
Cambridge CB5 8EU

**Property managers**

Bidwells Property Consultants  
Trumpington Road  
Cambridge CB2 2LD

**Principal investment managers**

Amundi Asset Management  
91-93 Boulevard Pasteur  
75015 Paris, France

**Governing Body and Committees**

for the year ended 30 June 2023

**Status**

The College is a corporate body consisting of the Master, the Fellows and the Scholars of Clare College, Cambridge as provided by the College's charter in 1359 and Statutes that were updated in 2017. The College is a registered charity with registration number 1137531 and registered office at Clare College, Trinity Lane, Cambridge, CB2 1TL.

The names of the members of the Governing Body and the Committees charged with the governance of the College during the year ended 30 June 2023 including any changes up to the date of signing are as follows:

**Governing Body**

Master: Ms L C R Minghella, OBE \*  
 Senior Tutor: Professor J A Tasioulas \*  
 Bursar: Mr D Ball \* (resigned 1 October 2022)  
 Bursar: Miss E J Conder \* (Fellow and Trustee from 1 October 2022)

Dr M Arenas (GB Fellow from 1 October 2023)	Professor R D Hedley	Professor O C H Shorttle * (Trustee until 30 September 2023)
Professor N H Andrews	Professor D A Hodell	The Rev'd Dr M S Smith *
Professor A P Balmford (GB Fellow until 30 September 2023)	Professor N B Holdstock	Professor M Sprik (GB Fellow until 30 September 2023)
Professor A A Berman	Professor D R Howarth	Professor R Sterckx
Dr J I Block * (GB Fellow from 1 October 2022, Trustee from 1 October 2023)	Professor K E Hughes	Dr A M Stillman
Professor I Budvytis (GB Fellow until 30 September 2023)	Professor G S Jacobs	Professor S D Stranks
Dr I R Burrows	Professor H F Jahn	Dr M Tatulea-Codrean
Professor W J Byrne	Professor P H Jones	Dr K Tilson (GB Fellow from 1 October 2023)
Professor A Cabrera Serrenho	Professor M Kenzie * (GB Fellow from 26 April 2023, Trustee from 1 October 2023)	Professor A G Thomason
Professor R G Cacho	Dr L R Klee (GB Fellow until 30 September 2023)	Professor H E Thompson
Professor J Carroll * (Trustee until 30 September 2023)	Professor J Krupic	Professor F M O Toxvaerd
Dr A P Carter *	Professor M B M Lahr	Professor E C Turner
Professor A D Chambers *	Professor H Laman *	Dr L A van Holstein
Dr H Charman (GB Fellow from 1 October 2023)	Professor R Lawson	Professor H W van Veen *
Professor T G Chesters	Professor S M Lazar *	Professor J E Vinuales
Professor C J Clarke	Professor P F Leadlay	Professor R I Watson
Professor N S Clayton	Professor I C Lestas	Professor M Weeks
Professor R Collepardo-Guevara	Professor T M Lewens	Professor C G Weiss
Professor M Dunajski * (Trustee until 30 September 2023)	Professor Dame H M O Leyser	Dr T A H Wilkinson *
Professor P C Fletcher	Professor S J Lockwood *	Professor J Wolf * (GB Fellow and Trustee until 6 December 2022)
Dr T Follini (GB Fellow until 30 September 2023)	Professor L Maniscalco	Professor J M Wyburd
Dr E A Foyster	Dr T Moore	Ms J T Bath (MCR President) (until 30 June 2023)
Professor S C Franklin	Professor G I Ogilvie	Mr T R Else (MCR Vice-President) (until 30 June 2023)
Professor A D Friend (GB Fellow until 30 September 2023)	Dr R Pandya	Mr B Bergh (MCR President) (from 1 July 2023)
Professor M Frolova-Walker	Professor G F Parker *	Ms A Crabb (MCR Vice-President) (from 1 July 2023)
Professor J S Gibson	Professor A Parmar * (GB Fellow from 1 January 2023, Trustee from 1 October 2023)	Mr V Kuganathan (UCS President) (until 30 June 2023)
Professor R C Glen (GB Fellow until 30 September 2023)	Professor L C Paulson	Ms H S Weber (UCS Vice-President) (until 30 June 2023)
Professor J M Goodman *	Professor R T Phillips	Ms S Edser (UCS President) (from 1 July 2023)
Professor N C Greenham *	Professor A Philpott	Ms E Caroe (UCS Vice-President) (from 1 July 2023)
Professor H Griffiths	Dr J Plant (GB Fellow from 1 October 2023)	
Dr J A Guy	Dr D Pollard	
Dr R M Harris	Professor J C Prabhu	
Professor S A Hartnoll	Professor A M Preston	
	Dr J Rempel (GB Fellow from 1 October 2023)	
	Dr K F Riley (GB Fellow until 30 September 2023)	
	Mr G A C Ross	
	Professor D H Rowitch	
	Professor H L Sanson	

All members of the Finance Committee and Council are trustees, except for the student members, and are given, on appointment, copies of the Statutes of the College, together with a note drawing attention to the policy for the management of conflicts of interest, and the requirements of the Charity Commission regarding such conflicts of interest. Trustees are indicated above by a \* after their name.

**Aims and Objectives of the College**  
for the year ended 30 June 2023

The College's strategic plan sets out the College's long term aims in the context of national and global changes as follows:

- to maintain its emphasis on the individual in academic and pastoral provision; to deliver a world-class undergraduate education by safeguarding the provision of small-group teaching through the College-based supervision system; and to achieve excellence in education at both undergraduate and postgraduate levels;
- to support a community of Fellows, students and staff, allowing the benefits of a large, internationally renowned university to be realised in a small-scale and close-knit community;
- to foster and support a community of active alumni contributing to the life and future of the College;
- to promote academic research of the highest quality; and
- to maintain and enhance the endowments and benefactions, historic buildings and grounds of the College for the benefit of current and future generations.

Remaining an independent foundation within a collegiate University is fundamental to the College's long-term strategy. The College endorses the University's mission and core values and agrees that the partnership between the University and the Colleges is central to Cambridge's future development. The College will continue to play an active role in University bodies and in formulating University policy.

Within the collegiate University, Clare offers distinctive strengths. The College is committed to sustaining and enhancing its particular contribution to Cambridge and to society in general by:

- maintaining and developing its long-standing commitment to encouraging applications from the most talented students, irrespective of background, in tandem with a needs-blind admissions system supported by a comprehensive programme of financial assistance;
- building on the College's strong international links to provide students with opportunities for educational and cultural exchanges, recognising the importance of such exchanges in an increasingly global society;
- supporting active engagement by the College and its members in the local community and in community activities nationally and internationally; and
- fostering excellence in music, through support of the College Choir, the choral and organ scholarships, and Instrumental awards.

## Operating and Financial Review for the year ended 30 June 2023

During the year, the College has continued to pursue its charitable aims in promoting learning, study, and teaching in a community of scholars in the University of Cambridge with 710 students (503 undergraduates and 207 postgraduates) undertaking learning and research in all subjects offered by the University more widely. The intense pressure on students to achieve the highest academic standards places corresponding demands on the College. Clare alumni, who were themselves taught by the leading academics of their generation in small group supervisions, understand those pressures and the need for financial resources to maintain this standard of education. Clare's financial resources are provided by our alumni and other sources, through donations which are increasingly important if we are to maintain our high standards, and also by our own operations as we recognise a need to run the College as an efficient organisation.

The challenges and pressures facing students today are greater than ever. The College is acutely aware of the enormous increase in the number of students that suffer with mental health issues. It is for this reason that the College employs two College nurses who, with additional support from the team of College Tutors, provide support and guidance to undergraduate and graduate students throughout the academic year. In response to this need a Health and Wellbeing Centre was established to help support students with general health and mental health needs. We are extremely proud of the great work that our nurses and Tutors do.

Standards at the top of Higher Education are continuing to rise and Clare is determined to stay in the top echelon globally. During the year ended June 2023 this meant the College spent £11,085 (2022: £10,387) on the education of each undergraduate student, mainly on the intensive support provided by each student's Director of Studies, College teaching officers, supervisors and tutors. In addition, the College spent £4,425 (2022: £4,771) in educational support for graduate students. The total cost of educating 503 (2022: 513) undergraduates and supporting 207 (2022: 180) postgraduate students was £6,492,008 (2022: £6,183,708). The College receives a contribution equating to £4,625 for each new undergraduate by way of the College Fee, but this leaves a shortfall of £6,460 (2022: £5,762) for each undergraduate student, amounting to 58.3% (2022: 55.5%) of the total cost. The increase in the cost of education in the year ending 30 June 2023 was due to the increase in variable costs of education due to the impact of high inflation. The deficit in the cost of educating students remains, which can only be sustained through the generosity of benefactors.

High inflation is increasing students' cost of living which will result in increased levels of debt for students and inevitably lead to heavy pressure on Clare's hardship funds. During the year the College made total bursaries and awards of £725,590 (2022: £758,448) to undergraduate and graduate students. In addition to bursaries and other grants, the College offers subsidies on the cost of food and accommodation as extra undergraduate and postgraduate student support.

The College aims to raise sufficient funds from benefactors to preserve small-group teaching for undergraduates, provide bursaries in support of Clare undergraduates from low income backgrounds, and support graduate study through scholarships and hardship grants. This entails a significant challenge in raising additional income, while continuing to exercise tight constraints on spending.

### Financial Results

The Statement of Comprehensive Income and Expenditure (SOCIE), on page 24, shows a surplus of £13.1m (2022: £5.9m). The SOCIE is a statement of all movements in the net assets of the College between one year and the next. It therefore takes account of all operating income and expenditure, investment gains and losses and other adjustments, including total return and pension provisions. The boxed sections (headed unrestricted) on page 23 is, in effect, the operating result on continuing operations before other gains and losses, but includes endowment drawdown and unrestricted spendable donations. On this "operating before other gains and losses" basis the College reported a deficit of £1m for 2023, compared to a deficit of £2.4m for 2022.

This operating deficit before other gains and losses was achieved after total unrestricted expenditure increased by £1.86m to £14.6 million. The increase in unrestricted expenditure was largely attributable to an increase in variable costs such as catering due to the impact of operating in a high inflationary environment. Total unrestricted income increased by £3.36m to £13.66m with the External Hospitality business returning well in the first summer unaffected by the pandemic. The continuing restoration of the Old Court throughout the year has limited the recovery of this business. Unrestricted donations decreased when compared to donations received in 2022.

The financial environment for the College remains challenging and it will be necessary to address a number of significant financial issues in the coming years, including the need to continue funding the ongoing refurbishment of Old Court, impact of high inflation on the cost of living and continuing to grow the conferencing activity to support the educational activities of the College. Undergraduate fees for UK students have remained unchanged since 2018 and are unlikely to increase any further in the near future. Without the generous support of our alumni and donors, the College's financial performance is likely to be under considerable stress over the next several years.

## Operating and Financial Review for the year ended 30 June 2023

### Benefactions and Donations

The College is very grateful for the many donations and bequests it has received over the past year from Clare members, corporate donors, trusts and foundations which totalled £4.71m (2022: £5.3m) including the recovery of Gift Aid. This sum included significant amounts towards the refurbishment of Old Court, student bursaries, and teaching. The College received £169,595 in legacies, and 1,454 alumni (16.2% of living, addressable alumni) made donations to the College. We ran a telephone campaign in 2022-23 in which 313 alumni made a donation. Total donation income and fund raising costs over the last five years are shown in the table below:

Year ended 30 June	2023	2022	2021	2020	2019
	£m	£m	£m	£m	£m
Donations					
Old Court	2.8	2.3	2.0	3.5	1.9
Other	<u>1.9</u>	<u>3.0</u>	<u>2.6</u>	<u>3.2</u>	<u>2.6</u>
	4.7	5.3	4.6	6.7	4.5
Fundraising costs	0.7	0.5	0.5	0.5	0.6
Costs as % of donations	13%	10%	11%	8%	14%

The College is registered with the Fundraising Regulator. All Clare fundraising activity meets or exceeds current standards, including protections for vulnerable people. This activity is administered by Clare or is under Clare's supervision and there have been no fundraising complaints during the last year.

### The College Endowment

The market value of the endowment investment portfolio at 30 June 2023 was £167m (2022: £161m) (note 9a) resulting in a total return of 3.6% (2022: 2.7%) before investment management costs. The allocation of assets within the portfolio was as follows:

Year ended 30 June	Change in valuation (%)	Total Return (%)	2023		2022	
			Portfolio %	Valuation (£m)	Portfolio %	Valuation (£m)
Global Public Equities	12.1%	13.0	64.3%	107.3	59.3%	95.6
Other Public Equities	-26.7%	-0.4	0.6%	1.1	0.9%	1.5
Private Equities	7.6%	1.3	10.9%	18.3	10.6%	17.0
UK Commercial Property	-9.2%	-3.8	22.2%	37.3	25.6%	41.1
UK Corporate Bonds	-25.0%	-0.1	0.2%	0.3	0.3%	0.4
Cash and Fixed Interest	-53.7%	-2.9	1.5%	<u>2.5</u>	3.3%	<u>5.4</u>
Total				166.8		161.0

The College's public equity investments are mainly held in equity tracker funds with 79.6% invested in the Amundi Global Low Carbon fund and with 3.7%, 14.1% and 2.6% invested in the UK, European and Japanese Amundi SRI funds respectively. The overall exposure to US equities within the public equity portfolio amounted to 48.2% and the exposure to UK and European equities amounted to 9.6% and 19.3% respectively. Foreign currency exposures are not hedged.

The value of the endowment and total returns over the last five years were:

Year ended 30 June	2023	2022	2021	2020	2019
	£m	£m	£m	£m	£m
Investment assets	166.8	161.0	156.8	128.0	129.0
Actual Net Income	3.2	3.4	2.7	3.5	3.9
Gains/(losses)	<u>5.8</u>	<u>2.5</u>	<u>25.1</u>	<u>(2.2)</u>	<u>4.2</u>
Total return (note 3a)	9.0	5.9	27.8	1.2	8.1
Endowment drawdown	<u>4.5</u>	<u>4.1</u>	<u>3.8</u>	<u>3.8</u>	<u>3.6</u>

The Endowment drawdown of £4.5m represented 3.0% of the average value of the Endowment over the three preceding years. The aim is to draw down sufficient funds each year to support the specific activities designated by the donors, while protecting the real value of the Endowment against inflation and preserving the capital for the future, consistent with the perpetual nature of the College Endowment.

## Operating and Financial Review for the year ended 30 June 2023

### Liquidity

The operational cash balances available at 30 June 2023 amounted to £17.5m (2022: £27.2m). These cash holdings were held in interest bearing accounts with the College's two principal banks. The level of cash held was relatively high, to take account both of construction plans (including current contract commitments) and further plans. It is expected that cash balances will reduce significantly during the 2023-24 financial year.

In the year ending 30 June 2021 the College took a £5m loan as a precautionary measure, as a result of the COVID-19 pandemic. This loan was repaid in full in June 2023 (note 15 other loans).

### Inflation Swap Investments

In October 2008 the College borrowed £15m in the form of a conventional loan from Santander and an inflation swap contract with HSBC, structured to provide 40 year index-linked funding. The £15m was invested in global equity tracker funds and will be left to accumulate over the 40 year period in a ring-fenced equity fund, over which HSBC has a security charge to cover the inflation liability. Based on historical experience, the Governing Body considered that this investment in global equity tracker funds should make a positive real return of more than 4% per annum compound, consistent with the performance of global equity markets over each 40 year period since 1900. The Governing Body considered that this positive return would represent a significant addition to the College's Endowment, helping to achieve the goal of financial independence in the long term, and that it outweighed the risks involved. In the event that changed economic circumstances make it appropriate, the College has the right to terminate the loan with Santander and the inflation swap with HSBC early at the prevailing cost of termination.

The interest payments on the Santander loan are set at 4.4% per annum and the HSBC swap contract converts this into a real rate of 1.1% per annum. The annual inflation adjustment to the value of the loan on repayment is capped at a rate of 7%. Through this structure the College was able to take advantage of its ability to invest over the very long term at a time of very low interest rates. The liability to Santander for the conventional loan of £15m is secured on the College's outlying operational properties, valued at £35m. During the year to 30 June 2023 the 2048 Fund generated a total return of 6.2% gross and 2.3% net of the increase in inflation-linked liabilities and interest payments. The resulting surplus of £0.7m was added to the Total Return reserves as set out in Note 21. The cumulative inflation swap investment net unapplied Total Return increased to £17m at 30 June 2023 (note 21).

During the first 14 years of the 40 year inflation swap (from October 2008 to June 2023) the level of RPI has risen by 73.8%, with the result that the College's liability to Santander and HSBC at June 2023 has increased to £23.9m. At June 2023 the market value of global equity tracker fund investments held in the 2048 Fund amounted to £41.9m and the outstanding cash balance stood at £0.8m. The total value of inflation swap investments amounted to £42.7m at 30 June 2023.

The complex financial structure of the inflation linked swap and accounting standards have made it necessary to apply a provision within the financial statements. Rising interest rates in the year have resulted in higher discount factors and therefore a significant decrease of £4.7m in the valuation of the inflation link swap derivative and associated College provision. The estimated value of the inflation linked swap liability based on derivative valuations as of 30 June 2023 show a break cost of £3.5m (2022: £8.2m) and therefore, a provision for £3.5m has been included as a provision in the Balance Sheet (see note 16). However, at the present time the College has no intention to unwind the inflation swap facility.

### Capital Expenditure and Buildings Refurbishment

During the 2022-23 financial year the College continued the Old Court project. As a result capital expenditure relating to buildings amounted to £9.3m, an increase of £2.76m compared to the prior year due to phase 1b completing during the year ended 30 June 2023. In addition a further £0.2m of equipment capital expenditure was made. It is now the College's depreciation policy to start to depreciate as soon as the asset is brought into use.

The cost of refurbishing the College's historic buildings and other historic assets represents a substantial financial commitment and the Governing Body recognises the need to set aside adequate sums to ensure that the historic buildings are properly maintained over the long term. A professional survey of the condition of all College buildings has confirmed that more than £2.7m must be committed each year to maintain the College's historic fabric and buildings. The Finance Committee has approved a longer term target to spend a sum equal to 1.5% of the insurance replacement value of the College's operational buildings each year on the repair and maintenance of the operational estate.

### Safeguarding Policy

Clare College recognises that Fellows, staff and students of the College may sometimes work with children and other vulnerable individuals in the course of their duties. In this context, the College is committed to respecting the rights, wishes and well-being of individuals with whom it is working; taking all reasonable steps to protect them from physical, sexual and emotional abuse; promoting the welfare of children and adults at risk, and ensuring their protection within a relationship of trust. The full list of safeguarding policies is available on the College website.

The safeguarding policy has been established to support these commitments and to ensure that the College fulfils its obligations under the Safeguarding Vulnerable Groups Act 2006 and any subsequent legislation.

## Operating and Financial Review for the year ended 30 June 2023

### Reserves Policy

At June 2023 the College had £209m (2022: £208m) of unrestricted reserves, of which £154m (2022: £147m) was represented by operational fixed assets and heritage assets which are illiquid and in some cases inalienable. The balance of £55m (2022: £61m) constitutes free reserves and is invested to support the operations of the College and for contingencies.

The College regularly reviews the level of free reserves. In doing this, the College takes into account the guidance offered by the Charity Commission in its publication *Charity reserves: building resilience (CC19)*. The College considers the main considerations to be:

1. The financial risks of its operations, including potential loss of annual income (due to the economic environment and changes in funding of higher education), investment risks associated with the management of the endowment, funding of the pension scheme and possible unforeseen events; and
2. The responsibility to preserve the fabric of its historic buildings.

Many of these items are difficult to quantify precisely. The College considers the current level of reserves adequate, but aims to increase the level of reserves further over time to support its charitable objectives. Any new donations or bequests received during the year are added to unrestricted funds, unless the donor has made it clear that the funds are to be spent on a specific project.

### Principal Risks and Uncertainties

As part of its supervision of the College's activities, the Finance Committee, with input from Audit Committee, identifies and considers the major risks to which the College is exposed, and establishes procedures to manage those risks. There are three main types of risk, relating to:

- The safety of the College's buildings and facilities. These risks are mitigated primarily by management procedures, including compliance with relevant regulations, and alarm systems.
- The security of the College's assets. There are both physical security measures in place and established financial control procedures. Cyber security measures are also in place to protect information assets. Insurance arrangements are reviewed annually with professional advisers.
- Investment risks relating to the College's long-term investments. The main risk mitigation measures are an asset allocation policy which provides diversification by type of investment, management of investments by carefully selected professional managers and oversight of asset allocation and investment performance by the Investment Committee which includes both Trustees and experienced investment professionals.

There are, as always, uncertainties regarding the future external environment within which the College will operate, most notably regarding higher education policy and funding. The College prepares 5-10 year forecasts which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The Finance Committee considers however that the College will be able to respond effectively to changes in that environment.

The principal risks and uncertainties that the College faces may be briefly summarised:

- The failure of academic fees to keep up with the rise in academic costs, as well as the inevitable uncertainties due to the significant change in funding of Universities in England, it means that the funding and costs associated with the College's core activity will need to be kept under constant review. To mitigate this risk the College will continue to work with the University and other organisations to achieve the fairest allocation of resources.
- The challenging economic situation may also adversely affect the College's conference activities which are a significant contributor to the College's overheads. However, the College has significant investments which could be realised if required.
- Although the College has a long term programme of building renewal and improvement, it is always possible with buildings of the age of the College's estate that there will be unexpected issues that may arise. To mitigate this risk the College will ensure that all major building projects have robust plans and budgets which are carefully monitored over the project life. College also employs professional project managers to manage project and contract risk.
- College's staff are a key asset essential to delivering both charitable and financial objectives. The recruitment market in Cambridge is highly competitive across many key disciplines for the College. To mitigate the recruitment and retention risks, College will review and invest in its people strategy.

**Operating and Financial Review**  
for the year ended 30 June 2023

**Public Benefit as a Charity**

The College has met its responsibilities regarding public benefit by providing, in conjunction with the University, an education for 710 (2022: 693) undergraduate and postgraduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, preparing them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative, and academic support through its tutorial and graduate mentoring systems;
- 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; and
- specialist choral musical education for those students in the College's internationally renowned Choir.

The College advances research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, enabling them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- the employment of College Teaching Officers who, in addition to their role as Directors of Studies and supervisors of undergraduate students, maintain important research interests within the University;
- supporting research work pursued by 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 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 important special collections), that provides a valuable resource for students and Fellows of the College, for members of other colleges and the University more widely, and for external scholars and researchers.

The College's students are the primary beneficiaries of its educational activities. Students are selected in an open application process, based solely on academic merit. The College operates a needs-blind admissions process and provides a significant level of bursary support to students who might otherwise be deterred from applying by financial concerns. The educational benefits provided by the College extend to students from other colleges, to visiting schoolchildren, and to alumni who have the opportunity to attend educational events at the College. The College also supports an extensive access and outreach programme to primary and secondary schools in the London Boroughs of Tower Hamlets and Hackney, and also in Coventry and Warwickshire, through which it aims to raise the aspirations of younger people in these parts of the country. Furthermore, the public benefit of the provision of high-quality education goes beyond the benefits to the students themselves. Whether through the vocational skills or the broader intellectual development acquired at the College, its students are able to make valuable and distinctive contributions in the public sphere.

The research advanced by the College is disseminated through publications and oral presentations. Its results are therefore publicly available and constitute a clear public benefit. The beneficiaries include the international community of scholars in the fields concerned, and the wider public who benefit through the intellectual, economic, civic and cultural development that is facilitated through the dissemination of high-quality research.

**The College within the Community**

The College shares its facilities with the local community. The College's chapel is open to the public for services and recitals throughout term time. The College's Boathouse on the Cam are used by rowing clubs within the City.

The College is committed to reducing its carbon, water and environmental footprint. The College is actively promoting environmental awareness among Fellows, students and staff. Since the 2013-14 academic year, the College has consistently received either a Gold or Platinum award in the University Green Impact Award scheme and was pleased to be awarded Platinum, the highest level, in 2023.

**Operating and Financial Review**  
for the year ended 30 June 2023

**Future Developments**

There are no plans to change the College's core educational activities, with the number of students expected to remain stable and work continuing to widen participation.

The Old Court refurbishment project has continued, with the second phase (of three) completed in spring 2023 and the final phase started in autumn 2023 with an expected completion date of summer 2025. A review of the 10 year capital plan is underway in light of the College's ambitions in relation to reducing its carbon footprint.

Lady Clare articulated a vision in her statutes of a Master, Fellows and Scholars all living and learning and working together in a College community. As we anticipate and work actively towards celebrating our 700th anniversary in 2026, that vision retains power and authenticity to help guide us as we develop and articulate a strategic vision for Clare's eighth century with consultations involving the whole College.



Ms L C R Minghella OBE, Master



Professor J A Tasioulas, Senior Tutor

Date: 29 April 2024

**Statement of Corporate Governance**  
for the year ended 30 June 2023

The College is a registered charity (registered number 1137531) and is subject to regulation by the Charity Commission for England and Wales. It is also governed by Statutes and Ordinances. The following statement is provided by the Trustees of the College 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 its audit.

1. The Trustees of the College are the members of the Council and the Finance Committee (except for the student members of those committees). The Trustees are indicated by a \* on page 4. The Council and the Finance Committee together exercise general control and management of the College, and are responsible for ensuring compliance with charity law. The principal officers of the College are the Master, Senior Tutor and Bursar. There is a Register of Interests for Trustees. Declarations of interest are made systematically at meetings.
2. The Governing Body, which consists of the Master, the Fellows in Classes A, B, C, D and E, and four Student Members, holds at least three meetings each year. The Council, consisting of the Master, the Senior Tutor and ten Fellows elected by the Governing Body at its annual meeting, together with two Student Members, is responsible for the administration of the College in all matters not specifically assigned to the Governing Body or the Finance Committee. The Finance Committee, consisting of the Master, the Bursar, the Senior Tutor and seven Fellows elected by the Governing Body at its annual meeting, together with two Student Members, oversees the management of the College estates and investments and administers the revenues in accordance with the College Statutes, under the overall direction of the Governing Body.
3. The Governing Body, Council, and Finance Committee are advised in carrying out their duties by a number of Committees including the Audit Committee, Investment Committee, Salaries and Stipends Committee, and Estates Committee.

**Statement of Internal Control**  
for the year ended 30 June 2023

1. The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, while safeguarding funds and assets for which the Governing Body is responsible, in accordance with the College Statutes.
2. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve College policies, aims and objectives; it therefore provides reasonable, but not absolute, assurance of effectiveness. The system of internal control is designed to identify the principal risks to achieving those 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.
3. The Trustees are responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - 3.1 The Finance Committee meets six times per year.
  - 3.2 The Council meets seven times per year.
  - 3.3 The Audit Committee normally meets twice each year. It receives reports from the external auditors, including their observations on the College's system of internal control and risk management, together with recommendations for improvement.
  - 3.4 The members of the Finance Committee and Council, as Trustees of the College, review the effectiveness of the system of internal control as informed by the work of the Audit Committee, Bursar and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by external auditors in their management letter and other reports.
  - 3.5 The Finance Committee compares the College's costs and operational performance against the key performance indicators produced for all Cambridge Colleges to identify those areas where improvements can best be made.
4. The Trustees and the Audit Committee review regularly the Strategic Risk Register. Each strategic risk is graded with a risk tolerance and once that is defined, the Trustees evaluate what action needs to be taken to address the risk and monitors these action plans. Operational risks are reviewed and managed within operational teams.

**Statement of Responsibilities of the Trustees of the College**  
for the year ended 30 June 2023

1. The Members of the Finance Committee and Council, as Trustees of the College, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
2. In accordance with the College Statutes, the Finance Committee is responsible for the management of the College's estates and the administration of the College's revenues, subject to the overall control of the Trustees of the College. The Finance Committee is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept.
3. The College Statutes and the Statutes and Ordinances of the University of Cambridge require the Trustees of the College 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 year. In preparing those financial statements the Trustees of the College are required to:
  - select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent;
  - state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.
4. The Trustees of the College are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and enables them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the College and to prevent and detect fraud and other irregularities.
5. The Trustees of the College are responsible for the maintenance and integrity of the charity and financial information included on the College's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent auditor's report to the Trustees of Clare College  
for the year ended 30 June 2023****Opinion**

We have audited the financial statements of Clare 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 and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 30 June 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group/College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The Governing Body is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Independent auditor's report to the Trustees of Clare College  
for the year ended 30 June 2023****Responsibilities of Trustees**

As explained more fully in the responsibilities of Trustees statement set out on page 15, 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.

**Auditors' responsibilities for the audit of the financial statements**

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group/College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the Group/College and how the Group/College is complying with that framework;
- we obtained an understanding of the Group's/College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the Group/College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's and College's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

**Independent auditor's report to the Trustees of Clare College  
for the year ended 30 June 2023**

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

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

**Use of our report**

This report is made solely to the Trustees as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Peters Elworthy & Moore*

**PETERS ELWORTHY & MOORE**  
Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA  
Date: 29 April 2024

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

**Statement of Principal Accounting Policies**  
for the year ended 30 June 2023**Basis of preparation**

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6.

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

**Going concern**

The Trustees have prepared forecasts over the next 5 years to June 2028 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College continually reviews its cost base in order to ensuring that it is efficient and effective. The College also has significant investments which could be realised if required. Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the near future and therefore have continued to adopt the going concern basis in preparing the financial statements.

**Basis of accounting**

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

**Basis of consolidation**

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 9c. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

**Recognition of income****Academic fees**

Academic fees are recognised in the year to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

**Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income and Expenditure at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in the Statement of Comprehensive Income and Expenditure in the same period as the related expenditure.

**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 Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

## Statement of Principal Accounting Policies for the year ended 30 June 2023

### Donations and endowments continued

For legacies, entitlement is taken as the earlier of the date on which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. 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

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investment property is carried at fair value determined annually by the Trustees based on professional advice received. Fair values are derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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

### Total return

The College has adopted a total return policy where total return means investment return in terms of both income, whether received or accrued, and capital appreciation, whether realised or unrealised. The Finance Committee may appropriate and distribute for expenditure so much of the fair value of the endowment fund as it in its absolute discretion considers prudent, having regard to the availability of any surplus income, the total return achieved and reasonably to be expected in the long-term of the endowment.

### Other income

Income is received from a range of activities including accommodation, catering, and conferences. Income is recognised on the exchange of the relevant services.

### Cambridge 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, Clare College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University towards this payment.

Income	£116,000
Expenditure	£116,000

### Foreign currency translation

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

### Fixed Assets

#### Land and buildings

In accordance with FRS102, the land and buildings held for operational purposes are stated at depreciated replacement cost, as determined by professional valuers. A full revaluation of all College property assets was conducted by Gerald Eve as at 30 June 2014, being the transition date to the 2015 RCCA.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. When buildings are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments. Finance costs that 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.

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

For the depreciation of the main College buildings, a decision was taken by the Audit Committee at its May 2023 meeting to extend the useful economic life from 50 years to 100 years, on the basis that the College undertakes a rolling maintenance programme of these assets. This change was put into effect starting from the beginning of the financial year to 30<sup>th</sup> June 2023. Other land and building assets are depreciated over a useful economic life of between 25 and 100 years.

## Statement of Principal Accounting Policies for the year ended 30 June 2023

### Maintenance and renewal of premises

The College has a five-year rolling maintenance plan, which is reviewed on an annual basis. The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

### Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £3,000 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:

When furniture, fittings and equipment are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments.

Boiler room and chapel	4% per annum
Furniture and fittings	10% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	20% and 25% per annum

### Heritage assets

The College holds and conserves a numbers of collections, exhibits, artefacts and other assets of historical, artistic and scientific importance. 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. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

### Investments

Investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Investment properties are valued annually based on open market values provided by third party valuers.

### Stocks

Stocks are valued at the lower of cost and net realisable value.

### Provisions

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

### Contingent liabilities and assets

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

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

### Financial instruments

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

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

### Financial assets

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

Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised

**Statement of Principal Accounting Policies**  
for the year ended 30 June 2023**Financial assets continued**

in the Statement of Comprehensive Income.

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

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

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all 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 interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income. The College does not apply any hedge accounting in respect of interest rate swap derivatives held to manage cash flow exposures.

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

**Taxation**

The College is a registered charity (number 1137531) 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 exclusively to 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 Universities Superannuation Scheme****Significant accounting policies**

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

**Statement of Principal Accounting Policies**  
for the year ended 30 June 2023**Pension schemes continued****The Universities Superannuation Scheme continued****Critical Accounting Judgements**

FRS 102 requires that accounting judgements which are considered to be critical by those charged with governance are explained in more detail as to why the judgement has been applied. The disclosure below may be useful where the treatment of the scheme as a multi-employer scheme and adopting defined contribution accounting is deemed to be critical.

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

**Defined Contribution Schemes**

The College also operates a defined contribution pension scheme, mainly for permanent non-academic employees, which is contracted into the State Second Pension (S2P), and also uses the government established National Employment Savings Trust (NEST) scheme for temporary staff. The assets of both schemes are held in separate trustee-administered funds. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

**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.

**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 the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

**Useful lives of property, plant and equipment** – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in page 31.

**Investment property** – Properties are revalued to their fair value at the reporting date by Bidwells. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.

**Inflation linked swap** – A provision to reflect the estimated value of the inflation linked swap liability based on the derivative valuation has been included to reflect the break cost of the mechanism.

**Statement of Principal Accounting Policies**  
for the year ended 30 June 2023

**Critical Accounting Estimates and Judgements continued**

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 pages 40-41.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the 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 obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Trustees have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed. This new plan requires deficit payments 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%. Further details are set out in pages 40-41.

Consolidated Statement of Comprehensive Income and Expenditure

Notes	2023					2022					
	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	
Academic fees and charges	1	3,436	-	-	-	3,436	-	-	-	3,436	
Accommodation, catering and conferences	2	6,963	-	-	-	6,963	-	-	-	6,963	
Investment income	3a	-	-	3,218	-	3,218	-	3,354	-	3,354	
Inflation swap income	3c	-	-	-	(35)	(35)	-	-	48	48	
Endowment return transferred to I&E account	3a	1,705	2,763	(4,468)	-	-	-	(4,138)	-	-	
Other income		700	-	-	-	700	91	-	-	91	
<b>Total income before donations and endowments</b>		<b>12,804</b>	<b>2,763</b>	<b>(1,250)</b>	<b>(35)</b>	<b>14,282</b>	<b>9,282</b>	<b>2,573</b>	<b>(784)</b>	<b>48</b>	<b>11,119</b>
Donations	20	858	739	-	-	1,597	1,015	246	-	-	1,261
New endowments	19	-	-	309	-	309	-	-	1,737	-	1,737
Other capital grants for assets	20	-	2,802	-	-	2,802	-	2,322	-	-	2,322
<b>Total income</b>		<b>13,662</b>	<b>6,304</b>	<b>(941)</b>	<b>(35)</b>	<b>18,990</b>	<b>10,297</b>	<b>5,141</b>	<b>953</b>	<b>48</b>	<b>16,439</b>
<b>Expenditure</b>											
Education	4	4,831	1,662	-	-	6,493	4,418	1,766	-	-	6,184
Accommodation, catering and conferences	5	8,763	-	-	-	8,763	6,890	-	-	-	6,890
Other expenditure		987	565	213	1,821	3,586	1,314	358	238	1,936	3,846
Contribution under Statute G, II		99	-	-	-	99	87	-	-	-	87
<b>Total expenditure</b>		<b>14,680</b>	<b>2,227</b>	<b>213</b>	<b>1,821</b>	<b>18,941</b>	<b>12,709</b>	<b>2,124</b>	<b>238</b>	<b>1,936</b>	<b>17,007</b>
<b>Surplus/(deficit) before other gains and losses</b>		<b>(1,018)</b>	<b>4,077</b>	<b>(1,154)</b>	<b>(1,856)</b>	<b>49</b>	<b>(2,412)</b>	<b>3,017</b>	<b>715</b>	<b>(1,888)</b>	<b>(568)</b>
Gain/(loss) on disposal of fixed assets		119	-	-	-	119	(16)	-	-	-	(16)
Gain/(loss) on financial instruments	16	-	-	-	4,670	4,670	-	-	-	5,650	5,650
Gain/(loss) on Inflation Swap Investments	3c	-	-	-	2,524	2,524	-	-	(1,622)	(1,622)	
Gain/(loss) on investments	3	1,608	1,158	2,953	-	5,720	593	622	1,237	-	2,452
<b>Surplus/(deficit) for the year</b>		<b>709</b>	<b>5,235</b>	<b>1,800</b>	<b>5,338</b>	<b>13,082</b>	<b>(1,835)</b>	<b>3,639</b>	<b>1,952</b>	<b>2,140</b>	<b>5,896</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>709</b>	<b>5,235</b>	<b>1,800</b>	<b>5,338</b>	<b>13,082</b>	<b>(1,835)</b>	<b>3,639</b>	<b>1,952</b>	<b>2,140</b>	<b>5,896</b>

The notes on pages 27 to 41 form part of the financial statements

## Consolidated Statement of Changes in Reserves

Notes	Income and expenditure reserve			Inflation Swap £'000	Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000		
<b>Balance at 1 July 2022</b>	<b>208,376</b>	<b>43,037</b>	<b>63,396</b>	<b>8,153</b>	<b>322,962</b>
Surplus/(deficit) from income and expenditure statement	709	5,235	1,800	5,338	13,082
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	-	-	-	-	-
Transfers between reserves	-	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>209,085</b>	<b>48,272</b>	<b>65,196</b>	<b>13,491</b>	<b>336,044</b>

Notes	Income and expenditure reserve			Inflation Swap £'000	Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000		
<b>Balance at 1 July 2021</b>	<b>204,953</b>	<b>44,656</b>	<b>61,444</b>	<b>6,013</b>	<b>317,066</b>
Surplus/(deficit) from income and expenditure statement	(1,835)	3,639	1,952	2,140	5,896
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	5,258	(5,258)	-	-	-
Transfers between reserves	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>208,376</b>	<b>43,037</b>	<b>63,396</b>	<b>8,153</b>	<b>322,962</b>

The notes on pages 27 to 41 form part of the financial statements

## Balance Sheet

	Notes	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
<b>Non-current Assets</b>					
Fixed assets	8	153,214	153,319	146,680	146,782
Heritage assets	8a	342	342	342	342
Investments	9a	166,806	166,806	161,018	161,018
Inflation swap investments	9b	42,670	42,670	40,181	40,181
		<u>363,032</u>	<u>363,138</u>	<u>348,221</u>	<u>348,323</u>
<b>Current assets</b>					
Stock	10	184	184	189	189
Trade and other receivables	11	2,400	4,099	2,412	2,306
Short term investments	12	13,090	13,090	19,645	19,645
Cash and cash equivalents	13	4,426	1,729	7,555	7,175
		<u>20,100</u>	<u>19,102</u>	<u>29,801</u>	<u>29,315</u>
Creditors : amounts falling due within one year	14	(4,066)	(3,096)	(3,965)	(3,506)
<b>Net current assets</b>		<u>16,034</u>	<u>16,006</u>	<u>25,836</u>	<u>25,809</u>
<b>Total assets less current liabilities</b>		<u>379,066</u>	<u>379,143</u>	<u>374,057</u>	<u>374,132</u>
<b>Creditors : amounts falling due after more than one year</b>					
	15	(38,858)	(38,858)	(42,297)	(42,297)
Inflation swap financial instruments	16	(3,513)	(3,513)	(8,183)	(8,183)
Pension provisions	17	(651)	(651)	(615)	(615)
<b>TOTAL NET ASSETS</b>		<u><u>336,044</u></u>	<u><u>336,121</u></u>	<u><u>322,962</u></u>	<u><u>323,037</u></u>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	19	65,196	65,196	63,396	63,396
Income and expenditure reserve - restricted reserve	20	48,272	48,272	43,037	43,037
Income and expenditure reserve - inflation swap	15	13,491	13,491	8,153	8,153
		<u>126,959</u>	<u>126,959</u>	<u>114,586</u>	<u>114,586</u>
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted reserve		209,085	209,161	208,376	208,451
<b>TOTAL RESERVES</b>		<u><u>336,044</u></u>	<u><u>336,121</u></u>	<u><u>322,962</u></u>	<u><u>323,037</u></u>

The Financial Statements were approved by the Trustees of the College on the 29th April 2024 and signed on their behalf by:



Ms L C R Minghella OBE, Master



Professor J A Tasioulas, Senior Tutor

The notes on pages 27 to 41 form part of the financial statements

**Consolidated Cash Flow Statement**

	Notes	2023 £'000	2022 £'000
<b>Net cash inflow from operating activities</b>	22	3,484	3,317
<b>Cash flows from investing activities</b>	23	(6,347)	(3,040)
<b>Cash flows from financing activities</b>	24	(266)	(1,068)
<b>(Decrease)/increase in cash in the year</b>		(3,129)	(791)
Cash at beginning of the year		7,555	8,346
<b>Cash at end of the year</b>	13	<b>4,426</b>	<b>7,555</b>

The notes on pages 27 to 41 form part of the financial statements

## Notes to the financial statements

## 1 Academic fees and charges

	2023 £'000	2022 £'000
Fee income received at the Regulated Undergraduate rate	1,957	2,009
Fee income received at the Unregulated Undergraduate rate	502	502
Fee income received at the Graduate rate	862	857
Cambridge Bursary Scheme	116	94
	<u>3,436</u>	<u>3,462</u>

## 2 Income from accommodation, catering and conferences

	2023 £'000	2022 £'000
Accommodation		
College members	3,232	3,035
Conferences	1,528	107
Catering		
College members	630	826
Conferences	1,573	196
	<u>6,963</u>	<u>4,164</u>

## 3 Endowment return and investment income

	2023 £'000	2022 £'000
<b>3a Analysis</b>		
Actual income from:		
Land and buildings	1,961	1,838
Quoted equity securities	409	709
Fixed interest securities	756	795
Other interest receivable	92	12
	<u>3,218</u>	<u>3,354</u>
(Losses)/Gains on endowment assets:		
Land and buildings	(3,920)	5,609
Quoted and other securities and cash	9,640	(3,157)
Investment management costs (note 3b)	<u>(213)</u>	<u>(238)</u>
Total return on investments	<u>8,725</u>	<u>5,568</u>
Total return transferred to income and expenditure reserve	4,468	4,138
Unapplied total return for the year included within Statement of Comprehensive Income and Expenditure (note 21)	<u>4,257</u>	<u>1,430</u>
Total return on investments	<u>8,725</u>	<u>5,568</u>

The endowment and fixed assets investments are accounted for on a total return basis. The total actual income and gains in the year are taken to a reserve, from which the planned endowment drawdown is released to the income and expenditure account. The remaining balance of the total return, after deducting the drawdown, is accumulated within the reserves, as set out in note 21.

## 3b Investment management costs

Land and buildings	213	233
Quoted securities	-	5
Other investments	-	-
Total	<u>213</u>	<u>238</u>

## Notes to the financial statements

	2023 £'000	2022 £'000
<b>3c Total return on inflation swap contracts</b>		
Actual income from:		
Quoted securities	(35)	48
Other interest receivable	-	-
	<u>(35)</u>	<u>48</u>
(Loss)/Gain on inflation swap asset:	2,524	(1,622)
Inflation-linked amount due to HSBC (note 15)	(1,561)	(1,459)
Interest and fees (note 3d)	(260)	(477)
<b>Total return on inflation swap contracts (note 21)</b>	<b><u>668</u></b>	<b><u>(3,510)</u></b>

The inflation swap contracts are accounted for on a total return basis. The total actual income and gains/losses in the year is accumulated within the reserves, as set out in note 21. There is no drawdown permitted under the terms of the inflation swap.

**3d Interest and fees on inflation swap investments**

Interest paid to HSBC	(260)	(243)
Interest paid to Santander	<u>(666)</u>	<u>(666)</u>
	(926)	(909)
Interest received from HSBC	<u>666</u>	<u>666</u>
	(260)	(243)
Fees on inflation swap investments	<u>-</u>	<u>(234)</u>
	<u>(260)</u>	<u>(477)</u>

Interest paid to Santander and to/from HSBC is calculated on the £15 million loan and inflation swap repayable in 2048 (note 15).

## Notes to the financial statements

	2023 £'000	2022 £'000
<b>4 Education expenditure</b>		
Teaching	2,858	2,649
Tutorial	1,368	1,222
Admissions	1,154	1,176
Research	567	548
Scholarships and awards	122	238
Other educational facilities	424	351
	<u>6,493</u>	<u>6,184</u>

**5 Accommodation, catering and conferences expenditure**

Accommodation	College members	5,116	5,022
	Conferences	991	177
Catering	College members	1,735	1,367
	Conferences	921	324
		<u>8,763</u>	<u>6,890</u>

**6a Analysis of 2023 expenditure by activity**

	Staff costs (note 7) £'000	Other expenses £'000	Depreciation £'000	2023 £'000
Education	3,077	2,320	1,096	6,493
Accommodation, catering and conferences	4,260	2,799	1,704	8,763
Other	590	2,928	68	3,586
Contribution under statute G, II	-	99	-	99
	<u>7,927</u>	<u>8,146</u>	<u>2,868</u>	<u>18,941</u>

**6b Analysis of 2022 expenditure by activity**

	Staff costs (note 7) £'000	Other expenses £'000	Depreciation £'000	2022 £'000
Education	2,724	2,316	1,144	6,184
Accommodation, catering and conferences	3,219	1,893	1,778	6,890
Other	729	3,045	72	3,846
Contribution under statute G, II	-	87	-	87
	<u>6,672</u>	<u>7,341</u>	<u>2,994</u>	<u>17,007</u>

## Notes to the financial statements

## 6c Auditors' remuneration

	2023 £'000	2022 £'000
Other operating expenses include:		
Audit fees payable to the College's external auditors (inclusive of VAT)	39	32
Other fees payable to the College's external auditors (inclusive of VAT)	-	-
	<u>39</u>	<u>32</u>

## 7 Staff costs

Staff costs:	College Fellows £'000	Other academic £'000	Non- academic £'000	2023 £'000	2022 £'000
Salaries	1,219	554	4,918	6,692	5,337
National Insurance	149	8	435	591	464
Pension costs (see note 28)	124	0	520	644	871
	<u>1,492</u>	<u>562</u>	<u>5,873</u>	<u>7,927</u>	<u>6,672</u>

## Average numbers:

	Average staff numbers 2023		Average staff numbers 2022	
	Number	Full-time equivalents	Number	Full-time equivalents
Academic	74	66	67	54
Non-academic	232	168	234	131

At the Balance Sheet date there were 97 members of the Governing Body. During the year the average number receiving remuneration was the 74 shown above.

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

Key management personnel	2023 £'000	2022 £'000
Key management personnel being the Master, Bursar and Senior Tutor	<u>268</u>	<u>214</u>

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

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

## Notes to the financial statements

## 8 Tangible Fixed Assets

Group	Land & Buildings £'000	Assets in construction £'000	Equipment £'000	2023 £'000	2022 £'000
<b>Cost</b>					
At start of year	153,147	13,167	3,680	169,994	166,029
Additions and improvements at cost	38	9,283	246	9,568	6,698
Disposals at cost	(200)	-	-	(200)	(2,733)
At end of year	152,985	22,450	3,926	179,362	169,994
<b>Depreciation</b>					
At start of year	20,140	-	3,176	23,316	20,513
Charge for the year	2,775	-	93	2,868	2,995
Eliminated on disposals	(37)	-	-	(37)	(192)
At end of year	22,878	-	3,269	26,147	23,316
<b>Net book value</b>					
At end of year	130,107	22,450	657	153,214	146,678
At start of year	133,007	13,167	504	146,678	145,516
<b>College</b>					
	Land & buildings £'000	Assets in construction £'000	Equipment £'000	2023 £'000	2022 £'000
<b>Cost</b>					
At start of year	153,121	13,297	3,680	170,098	166,133
Additions and improvements at cost	38	9,283	246	9,568	6,698
Disposals at cost	(200)	-	-	(200)	(2,733)
At end of year	152,959	22,580	3,926	179,465	170,098
<b>Depreciation</b>					
At start of year	20,140	-	3,175	23,315	20,513
Charge for the year	2,775	-	93	2,868	2,995
Eliminated on disposals	(37)	-	-	(37)	(192)
At end of year	22,878	-	3,268	26,146	23,316
<b>Net book value</b>					
At end of year	130,081	22,580	658	153,319	146,782
At start of year	132,981	13,297	505	146,782	145,620

The insured value of all the College's operational buildings as at 30 June 2023 was £281 million (2022: £230 million).

The Santander loan, as set out in note 17, is secured against certain outlying properties with a market value of £24 million as at October 2008.

## Notes to the financial statements

## 8a Heritage Assets

The College holds and conserves certain collections, artifacts and other assets of historical, artistic or scientific importance. As stated in the statement of principal accounting policies, heritage assets acquired since 1999 have been capitalised. However, the assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous years were as follows:

	2023 £'000	2022 £'000
Value of acquisitions capitalised at start of year	342	342
Acquisitions purchased with specific donations	-	-
Acquisitions purchased with College funds	-	-
Total cost of acquisitions purchased	<u>-</u>	<u>-</u>
Value of acquisitions by donation	-	-
Total acquisitions capitalised	<u><u>342</u></u>	<u><u>342</u></u>

## 9a Investments

	Securities and cash £'000	Property £'000	2023 £'000	2022 £'000
Market value at start of year	119,791	41,227	161,018	156,842
Additions	2,855	-	2,855	27,737
Disposal proceeds	-	-	-	(24,547)
Gain/(loss)	9,640	(3,920)	5,720	2,452
Increase/(decrease) in cash balances held at fund managers	<u>(2,787)</u>	<u>-</u>	<u>(2,787)</u>	<u>(1,466)</u>
Market value at end of year	<u><u>129,499</u></u>	<u><u>37,307</u></u>	<u><u>166,806</u></u>	<u><u>161,018</u></u>
Represented by:				
Property investment			37,308	41,227
Quoted securities - equities			107,130	97,038
Quoted securities - fixed interest			335	370
Unquoted securities - equities			19,457	17,020
Alternative assets			-	-
Cash held for reinvestment			<u>2,576</u>	<u>5,363</u>
Total			<u><u>166,806</u></u>	<u><u>161,018</u></u>

## Notes to the financial statements

## 9b Inflation swap investments

	Securities £'000	Cash £'000	2023 £'000	2022 £'000
Market value at start of year	39,367	814	40,181	41,755
Additions	-	-	-	-
Disposal	-	-	-	-
Gain/(loss)	2,524	-	2,524	(1,622)
Increase in cash balances held at fund managers	-	(35)	(35)	48
	<u>41,891</u>	<u>779</u>	<u>42,670</u>	<u>40,181</u>
Represented by:				
Quoted securities - equities			41,891	39,367
Cash held for reinvestment			<u>779</u>	<u>814</u>
Market value at end of year			<u>42,670</u>	<u>40,181</u>

The inflation swap investments are secured against the inflation-linked liability payable to HSBC in 2048, as set out in note 15.

## 9c Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Clare College Ltd	United Kingdom	20,001	Ordinary	100%
Clare College Conferences Ltd	United Kingdom	1	Ordinary	100%

Clare College Ltd was incorporated in 1994. The principal activity of the company is that of design and construction of buildings.

Clare College Conferences Ltd was incorporated on 29 February 2012. The principal activity of the company is that of conference accommodation and catering for non-educational clients.

10 Stocks Group and college	2023 £'000	2022 £'000
Goods for resale	182	187
Other stocks	<u>2</u>	<u>2</u>
Total	<u>184</u>	<u>189</u>

## Notes to the financial statements

<b>11 Trade and other receivables</b>	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>
Members of the College	110	110	133	134
University fees	-	-	-	-
Other receivables	796	718	1,061	727
Amounts due from subsidiary undertakings	-	1,777	-	227
Prepayments and accrued income	1,494	1,494	1,218	1,218
	<u>2,400</u>	<u>4,099</u>	<u>2,412</u>	<u>2,306</u>
<b>12 Short term investments</b>	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>
Bank deposits	13,090	13,090	19,645	19,645
Properties held for sale	-	-	-	-
	<u>13,090</u>	<u>13,090</u>	<u>19,645</u>	<u>19,645</u>
<b>13 Cash at bank and in hand</b>	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>
Current accounts	4,426	1,729	7,554	7,174
Cash in hand	-	-	1	1
	<u>4,426</u>	<u>1,729</u>	<u>7,555</u>	<u>7,175</u>
<b>14 Creditors: amounts falling due within one year</b>	<b>Group 2023 £'000</b>	<b>College 2023 £'000</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>
Trade creditors	746	746	665	890
Members of the College	87	87	100	100
University fees	268	268	890	890
College student societies	145	145	145	145
Contribution to Colleges' fund	99	99	87	87
Other creditors	9	9	85	85
Amounts due to subsidiary undertakings	-	-	-	3
Accruals and deferred income	2,712	1,742	1,993	1,306
	<u>4,066</u>	<u>3,096</u>	<u>3,965</u>	<u>3,506</u>

## Notes to the financial statements

<b>15 Creditors: amounts falling due after more than one year</b>	<b>2023</b>	<b>2022</b>
<b>Group and college</b>	<b>£'000</b>	<b>£'000</b>
Loan repayable in 2048 to Santander	15,000	15,000
Inflation-linked amount due to HSBC	8,858	7,297
Other loans	15,000	20,000
	<u>38,858</u>	<u>42,297</u>

On October 2008 the College entered into a contract with Santander to borrow £15m at 4.4% repayable in full in October 2048 and with HSBC for an inflation financial instrument to turn the conventional loan into an index-linked loan at a real interest rate of 1.1%. This inflation swap financial instrument includes a 7% inflation cap. The Santander loan of £15m is secured against outlying operational properties with a market value of £24m (net book value £7.5m). The HSBC inflation swap financial instrument is secured on the £15m investment fund over which HSBC has a lien. The College is investing the £15m in global equity tracker funds, accumulating income over the next 40 years to meet the RPI index-linked liability to HSBC and the £15m liability to Santander.

At 30 June 2023 the value of the investments was £42.6m (2022: £40.2m) and the liabilities to Santander and HSBC totalled £23.8m (2022: £22.3m). The increase of £1.6m in the inflation-linked liability during the year is shown as a reduction on total return as set out in note 3c and the liability is included in creditors as set out above.

In January 2017 the College entered into a private unsecured bond placement to borrow £15m at 2.93% repayable in full in 2045. Interest is paid semi-annually.

In the year ending 30 June 2021 the College took a £5m loan as a precautionary measure as a result of COVID-19, repaid in June 2023.

**16 Inflation swap financial instruments**

<b>Group and college</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	8,183	13,833
Charge to comprehensive income	(4,670)	(5,650)
Balance at end of year	<u>3,513</u>	<u>8,183</u>

Derivatives mark to market valuation on inflation linked swap. For further explanation regarding the Inflation swap financial instruments please see note 15

**17 Pension provisions - USS**

<b>Group and college</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	615	281
Movement in year:		
Contributions	(26)	(12)
Change in expected contributions	62	344
Other finance cost	-	2
Balance at end of year	<u>651</u>	<u>615</u>

**18 Capital and other commitments**

<b>Group and College</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Authorised and contracted	3,748	8,956
Authorised and but not yet contracted for	12,326	1,275
	<u>16,074</u>	<u>10,230</u>

## Notes to the financial statements

## 19 Endowment Funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent £'000	Unrestricted Permanent £'000	2023 £'000	2022 £'000
Balance at start of year:				
Capital	63,396	-	63,396	61,444
New donations and endowments	309	-	309	1,737
Transfer from restricted reserves	-	-	-	-
(Decrease)/Increase in market value of investments	1,490	-	1,490	215
Balance at end of year	<u>65,196</u>	<u>-</u>	<u>65,196</u>	<u>63,396</u>
Analysis by type of purpose				
Fellowship funds	6,103	-	6,103	5,944
Scholarship funds	13,904	-	13,904	13,360
Prize funds	878	-	878	851
Hardship funds	3,606	-	3,606	3,498
Bursary funds	8,501	-	8,501	8,582
Travel grant funds	799	-	799	775
Building renewals fund	9,439	-	9,439	9,159
Other funds	12,967	-	12,967	12,493
General funds	9,000	-	9,000	8,734
	<u>65,196</u>	<u>-</u>	<u>65,196</u>	<u>63,396</u>
Analysis by asset				
Property	14,582	-	14,582	16,232
Investments	49,608	-	49,608	45,053
Cash	1,007	-	1,007	2,111
	<u>65,196</u>	<u>-</u>	<u>65,196</u>	<u>63,396</u>

## 20 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £'000	Permanent unspent and other restricted income £'000	Restricted expendable endowment £'000	2023 £'000	2022 £'000
Balance at start of year:					
Accumulated income	4,236	37,985	815	43,036	44,656
New grants	2,802	-	-	2,802	2,232
New donations	-	76	663	739	246
Other income	-	-	-	-	90
Endowment return transferred	-	2,763	-	2,763	2,573
Transfer	-	-	-	-	-
(Decrease)/Increase in market value of investments	-	1,159	-	1,159	622
Management Fees	-	(232)	-	(232)	(242)
Expenditure	-	(1,788)	(207)	(1,995)	(1,882)
Capital grants utilised	-	-	-	-	(5,258)
Balance at end of year	<u>7,038</u>	<u>39,963</u>	<u>1,271</u>	<u>48,272</u>	<u>43,037</u>
Analysis by type of purpose					
Fellowship funds	-	10,146	69	10,215	9,768
Scholarship funds	-	14,168	40	14,208	13,636
Prize funds	-	1,990	8	1,998	1,928
Hardship funds	-	4,696	50	4,746	4,682
Bursary funds	-	1,301	35	1,336	1,161
Travel grant funds	-	745	5	750	696
Building renewals fund	7,038	450	1	7,489	4,439
Other funds	-	6,467	1,063	7,530	6,727
	<u>7,038</u>	<u>39,963</u>	<u>1,271</u>	<u>48,272</u>	<u>43,037</u>

## 21 Memorandum of Unapplied Total Return

Within the reserves representing investments held by the College, the following are the cumulative surpluses of total return on the main investment portfolio and on the inflation swap investments and liabilities (after deducting the drawdowns) since 1 July 1999 :

	Main endowment £'000	Inflation swap investments £'000	2023 £'000	2022 £'000
Unapplied Total Return at start of year	88,861	16,327	105,188	107,267
Surplus of total return for year (note 3)	4,257	668	4,925	(2,079)
Unapplied total Return at end of year	<u>93,118</u>	<u>16,995</u>	<u>110,113</u>	<u>105,188</u>

## Notes to the financial statements

## 22 Reconciliation of consolidated surplus for the year to net cash inflow/(outflow) from operating activities

	2023 £'000	2022 £'000
Surplus for the year	13,082	5,896
<b>Adjustment for non-cash items</b>		
Depreciation	2,868	2,993
(Gain)/Loss on disposal of non-current assets	(119)	16
(Gain)/loss on endowments, donations and investment property	(8,244)	(803)
(Increase)/Decrease in stocks	5	9
Decrease/(Increase) in debtors	12	(1,397)
(Decrease)/Increase in creditors	1,663	3,147
Pension costs less contributions payable	36	334
Movement in provisions	(4,670)	(5,650)
<b>Adjustment for investing or financing activities</b>		
Investment income	(3,218)	(3,354)
Inflation swap income	35	(48)
Interest payable	2,487	2,368
Interest receivable	(666)	(666)
Management fees	213	472
<b>Net cash inflow from operating activities</b>	<u>3,484</u>	<u>3,317</u>

## 23 Cash flows from investing activities

	2023 £'000	2022 £'000
Proceeds on disposal of investments	-	24,547
Proceeds on disposal of inflation swap investments	-	-
Investment income	3,183	3,401
Investment costs	(213)	(472)
Endowment funds invested	(68)	(26,286)
Inflation swap invested	35	(56)
Proceeds on disposals on non-current assets	284	2,524
Payments made to acquire non-current assets	(9,568)	(6,698)
<b>Total cash flows from investing activities</b>	<u>(6,347)</u>	<u>(3,040)</u>

## 24 Cash flows from financing activities

	2023 £'000	2022 £'000
Interest paid	(2,487)	(2,368)
Interest received	666	666
Loans repaid	(5,000)	-
Cash held on short term deposit	6,555	634
<b>Total cash flows from financing activities</b>	<u>(266)</u>	<u>(1,068)</u>

## Notes to the financial statements

## 25 Consolidated reconciliation and analysis of net debt

	At 1 July 2022 £000	Cash Flows £000	At 30 June 2023 £000
<b>Cash and Cash Equivalents</b>	7,555	(3,129)	4,426
<b>Borrowings:</b>			
<b>amounts falling due after more than one year</b>			
Secured Loan (repayable in 2048 to Santander)	15,000	-	15,000
Unsecured loans	20,000	(5,000)	15,000
Derivatives (Inflation-linked amount due to HSBC)	7,297	1,561	8,858
<b>Total</b>	<b>42,297</b>	<b>(3,439)</b>	<b>38,858</b>

## 26 Financial Instruments

	2023 £000	2022 £000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Quoted equity and fixed interest investments	107,465	97,408
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Unquoted equity investments	19,457	17,020
Alternative assets	-	-
	<u>126,922</u>	<u>114,428</u>
<b>Financial liabilities</b>		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
Inflation-linked amount due to HSBC	8,858	7,297
Inflation swap financial instruments	3,513	8,183
	<u>12,371</u>	<u>15,480</u>
<b>Net Total</b>	<b>114,551</b>	<b>98,948</b>

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

## Notes to the financial statements

**27 Related Party Transactions**

Owing to the nature of the College's operations and the composition of the Governing Body it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

4 Trustees have received loans under the College's Fellows Loan scheme where interest is charged at Barclays base rate upon the principal amount. Total loans issued amounts to £555,000 (2022: £155,000)

The Bursar represents the College as a member of the Investment Advisory Board of the Diversified Property Fund for Charities. No compensation is received for acting in this capacity. There are no transactions outstanding at the balance sheet date.

The College maintains a register of interests for all College Trustees and where any member of the College Trustees 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 the Master and Fellows in respect of their duties as Trustees.

The Master and 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 Stipends and Salaries Committee.

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

From	To	2023 Number	2022 Number
£0	£10,000	10	10
£10,001	£20,000	2	1
£20,001	£30,000	2	2
£30,001	£40,000	-	-
£40,001	£50,000	-	1
£50,001	£60,000	2	1
£60,001	£70,000	1	3
£70,001	£80,000	2	-
£80,001	£90,000	1	-
£90,001	£100,000	-	-
	<b>Total</b>	<b>20</b>	<b>18</b>

The total Trustee salaries were £510,243 for the year (2022: £391,070)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £124,286 for the year (2022: £81,404)

In addition, the college has provided loans to its fellows as part of a Shared Equity Scheme. These amounts are included in Fixed Assets and total £727,051 (2022: £908,222). During the year one shared equity loan was repaid resulting in a gain of £119,000 in favour of the College.

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

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

## Notes to the financial statements

## 28 Pension Schemes

## (a) Universities Superannuation Scheme

The total cost charged to the Statement of Comprehensive Income and Expenditure is £194,000 (2022: £434,000) as shown in note 28c.

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

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

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

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

Pension increases (CPI)	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:

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

The current life expectancies on retirement at age 65 are:

	2023	2022	2021	2020
Males currently aged 65 (years)	24.0	23.9	24.6	24.4
Females currently aged 65 (years)	25.6	25.5	26.1	25.9
Males currently aged 45 (years)	26.0	25.9	26.6	26.3
Females currently aged 45 (years)	27.4	27.3	27.9	27.7

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:

	2023	2022	2021	2020
Discount rate	5.52%	3.31%	0.87%	1.45%
Pensionable salary growth	5.00%	5.0%	3.0%	2.7%

**Notes to the financial statements****28 Pension Schemes (continued)****(b) Clare College Contributory Pension Scheme and NEST**

The College operates a defined contribution pension scheme, mainly for permanent contracted non-academic employees which complies with the requirements of the Pensions Act 2008 and Auto Enrolment. This scheme is provided by Prudential and has been in operation since July 2016. The previous Occupational Pension Scheme is officially wound up.

Temporary employees are offered the National Employment Savings Trust (NEST) scheme, a defined contribution scheme set up by the Government. The assets of both schemes are held in separate trustee-administered funds. The amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the respective schemes in respect of the accounting year.

**(c) Summary of pension costs**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Universities Superannuation Scheme	124	434
Clare Contributory Pension Scheme	520	437
NEST	<u>-</u>	<u>-</u>
Total pension costs (note 7)	<u><u>644</u></u>	<u><u>871</u></u>

**CLARE COLLEGE CAMBRIDGE**

England & Wales - Charity number 1137531

---

# Accounts

---

# Clare College, Cambridge

Financial statements  
for the year ended 30 June 2022

<b>Contents</b>	2
Contact Information and Advisors	3
Governing Body and Committees	4 - 5
Aims and Objectives of the College	6
Operating and Financial Review	7 - 12
Reserves Policy	10
Principal Risks and Uncertainties	10
Public Benefit as a Charity	11
Statement of Corporate Governance	13
Statement of Internal Control	14
Statement of Responsibilities of the Trustees of the College	15
Independent Auditors' Report to the Trustees of the College	16 - 18
Statement of Principal Accounting Policies	19 - 23
Consolidated Statement of Comprehensive Income and Expenditure	24
Consolidated Statement of Change in Reserves	25
Consolidated and College Balance Sheets	26
Consolidated Cash Flow Statement	27
Notes to the Financial Statements	28 - 42

**Contact Information and Advisors**

**Address**

Clare College  
Trinity Lane  
Cambridge CB2 1TL

**Key officers**

Master: Ms L R C Minghella, OBE  
Senior Tutor: Professor J A Tasioulas  
Bursar: Miss E J Conder

**Registered charity number**

1137531

**VAT number**

125 4984 96

**Professional advisors:**

**Independent auditors**

Peters Elworthy & Moore  
Salisbury House  
Station Road  
Cambridge CB1 2LA

**Principal bankers**

Barclays Bank plc  
9-11 St Andrew's Street  
Cambridge CB2 3AA

**Principal solicitors**

Ashtons Legal  
Chequers House  
77-81 Newmarket Road  
Cambridge CB5 2EU

**Property managers**

Bidwells Property Consultants  
Trumpington Road  
Cambridge CB2 2LD

**Principal investment managers**

Amundi Asset Management  
91-93 Boulevard Pasteur  
75015 Paris, France

**Governing Body and Committees**

for the year ended 30 June 2022

**Status**

The College is a corporate body consisting of the Master, the Fellows and the Scholars of Clare College, Cambridge as provided by the College's charter in 1359 and Statutes that were updated in 2017. The College is a registered charity with registration number 1137531 and registered office at Clare College, Trinity Lane, Cambridge, CB2 1TL.

The names of the members of the Governing Body and the Committees charged with the governance of the College during the year ended 30 June 2022 including any changes up to the date of signing are as follows:

**Governing Body**

Master: Ms L C R Minghella, OBE  
 Senior Tutor: Professor J A Tasioulas  
 Bursar: Mr D J Ball (until 30.9.22)  
 Miss E J Conder (from 1.10.22)

Professor N H Andrews	Professor R D Hedley	Mr G A C Ross
Professor A P Balmford	Professor D A Hodell	Professor D H Rowitch
Professor A A Berman	Professor N B Holdstock	Professor H L Sanson
Dr J I Block (from 1.10.22)	Professor D R Howarth	Professor O C H Shorttle
Professor I Budvytis	Professor K E Hughes	The Rev'd Dr M S Smith
Dr I R Burrows	Professor G S Jacobs	Professor M Sprik
Professor W J Byrne	Professor H F Jahn	Professor R Sterckx
Professor A Cabrera Serrenho	Professor P H Jones	Dr A M Stillman
Professor R G Cacho	Dr L R Klee	Professor S D Stranks
Professor J Carroll	Professor J Krupic	Dr M Tatulea-Codrean (from 1.10.22)
Dr A P Carter	Professor M B M Lahr	Professor A G Thomason
Professor A D Chambers	Professor H Laman	Professor H E Thompson
Professor T G Chesters	Professor R Lawson	Professor F M O Toxvaerd
Professor C J Clarke	Professor S M Lazar	Professor E C Turner
Professor N S Clayton	Professor P F Leadlay	Dr L A van Holstein (from 1.10.22)
Professor R Collepardo-Guevara	Professor I C Lestas	Professor H W van Veen
Professor M Dunajski	Professor T M Lewens	Professor J E Vinuales
Professor P C Fletcher	Professor Dame H M O Leyser	Professor R I Watson
Dr T Follini	Professor S J Lockwood	Professor M Weeks
Dr E A Foyster	Professor L Maniscalco	Professor C G Weiss
Professor S C Franklin	Dr T Moore	Dr T A H Wilkinson
Professor A D Friend	Professor G I Ogilvie	Dr S E Wimpenny (until 30.9.22)
Professor M Frolova-Walker	Dr R Pandya	Professor J Wolf
Professor J S Gibson	Professor G F Parker	Professor J M Wyburd
Professor R C Glen	Professor L C Paulson	Dr T Zhang (until 30.9.22)
Professor J M Goodman	Professor R T Phillips	Ms J T Bath (MCR President)
Professor N C Greenham	Professor A Philpott	Mr T R Else (MCR Vice-President)
Professor H Griffiths	Dr D Pollard	Mr V Kuganathan (UCS President)
Dr J A Guy	Professor J C Prabhu	Ms H S Weber (UCS Vice-President)
Dr R M Harris	Professor A M Preston	
Professor S A Hartnoll	Dr K F Riley	

All members of the Finance Committee and Council are trustees, except for the student members, and are given, on appointment, copies of the Statutes of the College, together with a note drawing attention to the policy for the management of conflicts of interest, and the requirements of the Charity Commission regarding such conflicts of interest.

**Governing Body and Committees**  
for the year ended 30 June 2022

**\*Council**

Ms L C R Minghella, OBE (Master) (Chair)  
Professor J A Tasioulas (Senior Tutor)  
Mr D J Ball (until 30.9.22)  
Miss E J Conder (from 1.10.22)  
Professor J Carroll  
Dr A P Carter  
Professor M Dunajski  
Professor J M Goodman  
Professor H Griffiths (until 30.9.22)  
Professor S M Lazar  
Professor S J Lockwood (from 1.10.22)  
Professor G F Parker  
Professor O C H Shorttle  
The Rev'd Dr M S Smith  
Ms J T Bath (MCR President)  
Mr V Kuganathan (UCS President)

*In Attendance: Miss E R Easterbrook (Secretary)*

**\*Finance Committee**

Ms L C R Minghella, OBE (Master) (Chair)  
Professor J A Tasioulas (Senior Tutor)  
Mr D J Ball (Bursar) (until 30.9.22)  
Miss E J Conder (Bursar) (from 1.10.22)  
Professor A D Chambers  
Professor J M Goodman  
Professor N C Greenham  
Professor H Laman  
Professor H W van Veen  
Dr Wilkinson (from 1.10.22)  
Professor J Wolf  
Mr B Bergh (MCR representative)  
Ms A Oh (UCS representative)

*In Attendance: Miss E R Easterbrook (Secretary)  
Mrs R C Willatt (Deputy Financial Bursar)*

\* All members of Council and Finance Committee are charity trustees except for the student members.

**Salaries and Stipends Committee**

Professor R C Glen (Chair)  
Professor A D Chambers  
Mr T Harvey-Samuel (Bursar from another college)  
Professor J Woodhouse

*In Attendance: Ms S Hewings (Secretary and HR Manager)  
Mr D J Ball (Bursar) (until 30.9.22)  
Miss E J Conder (Bursar) (from 1.10.22)*

**Audit Committee**

Professor Prabhu (Chair) (from 1.10.22)  
Professor A D Chambers  
Professor Howarth  
Mr Newman (Clare alumnus)  
Professor R T Philips  
Mr M Smith (Clare alumnus)

*In Attendance: Mr D J Ball (Bursar) (until 30.9.22)  
Miss E J Conder (Bursar) (from 1.10.22)  
Mr J Pollington (Secretary) (until 29.7.22)  
Ms S Dowding (Secretary) (from 1.10.22)  
Mrs R C Willatt (Deputy Financial Bursar)*

**Estates Committee**

Professor P M Allmendinger (Chair) (until 30.9.22)  
Professor N C Greenham (Chair) (from 1.10.22)  
Professor J A Tasioulas (Senior Tutor)  
Mr D J Ball (Bursar) (until 30.9.22)  
Miss E J Conder (Bursar) (from 1.10.22)  
Professor A P Balmford  
Dr T Follini  
Professor A D Friend  
Professor H Griffiths  
Professor W A Pullan  
Ms S R Mason (MCR representative)  
Mr L Bosnell (UCS representative)

*In Attendance: Dr J E Costin (Secretary)  
Miss E R Easterbrook (Assistant Bursar)  
Ms D S Hoy (Estates Director)  
Mr B E Morgan (Head Porter)  
Mr J R Randall (IT Manager)*

**Investments Committee**

Ms L C R Minghella, OBE (Master)  
Mr D J Ball (Bursar) (until 30.9.22)  
Miss E J Conder (Bursar) (from 1.10.22)  
Professor A D Chambers  
Mr N Cumming (Clare alumnus)  
Professor R C Glen  
Ms Griffiths (Clare alumna)  
Dr J A Guy  
Mr D Haynes (Clare alumnus)  
Professor J Wolf  
Mr T Else (MCR representative)  
Mr D Quan (UCS representative)

*In Attendance: Miss E R Easterbrook (Secretary)  
Mrs R C Willatt (Deputy Financial Bursar)  
Dr Wilkinson (Fellow for Development)*

**Aims and Objectives of the College**

for the year ended 30 June 2022

The College's strategic plan sets out the College's long term aims in the context of national and global changes as follows:

- to maintain its emphasis on the individual in academic and pastoral provision; to deliver a world-class undergraduate education by safeguarding the provision of small-group teaching through the College-based supervision system; and to achieve excellence in education at both undergraduate and postgraduate levels;
- to support a community of Fellows, students and staff, allowing the benefits of a large, internationally renowned university to be realised in a small-scale and close-knit community;
- to foster and support a community of active alumni contributing to the life and future of the College;
- to promote academic research of the highest quality; and
- to maintain and enhance the endowments and benefactions, historic buildings and grounds of the College for the benefit of current and future generations.

Remaining an independent foundation within a collegiate University is fundamental to the College's long-term strategy. The College endorses the University's mission and core values and agrees that the partnership between the University and the Colleges is central to Cambridge's future development. The College will continue to play an active role in University bodies and in formulating University policy.

Within the collegiate University, Clare offers distinctive strengths. The College is committed to sustaining and enhancing its particular contribution to Cambridge and to society in general by:

- maintaining and developing its long-standing commitment to encouraging applications from the most talented students, irrespective of background, in tandem with a needs-blind admissions system supported by a comprehensive programme of financial assistance;
- building on the College's strong international links to provide students with opportunities for educational and cultural exchanges, recognising the importance of such exchanges in an increasingly global society;
- supporting active engagement by the College and its members in the local community and in community activities nationally and internationally; and
- fostering excellence in music, through support of the College Choir, the choral and organ scholarships, and instrumental awards.

## Operating and Financial Review

for the year ended 30 June 2022

During the year, the College has continued to pursue its charitable aims in promoting learning, study, and teaching in a community of scholars in the University of Cambridge. The intense pressure on students to achieve the highest academic standards places corresponding demands on the College. Clare alumni, who were themselves taught by the leading academics of their generation in small group supervisions, understand those pressures and the need for financial resources to maintain this standard of education. Clare's financial resources are provided by our alumni and other sources, through donations which are increasingly important if we are to maintain our high standards, and also by our own operations as we recognise a need to run the College as an efficient organisation.

The challenges and pressures facing students today are greater than ever. The College is acutely aware of the enormous increase in the number of students that suffer with mental health issues. It is for this reason that the College employs two College nurses who, with additional support from the team of College Tutors, provide support and guidance to undergraduate and graduate students throughout the academic year. In response to this need a Health and Wellbeing Centre was established to help support students with general health and mental health needs. We are extremely proud of the great work that our nurses and Tutors do.

Standards at the top of Higher Education are continuing to rise and Clare is determined to stay in the top echelon globally. During the year ended June 2022 this meant the College spent £10,387 (2021: £9,162) on the education of each undergraduate student, mainly on the intensive support provided by each student's Director of Studies and supervisors. In addition, the College spent £4,771 (2021: £4,026) in educational support for graduate students. The total cost of educating 513 (2021: 524) undergraduates and supporting 180 (2021: 181) graduate students was £6,183,708 (2021: £5,530,245). The College receives a contribution equating to £4,625 for each new undergraduate by way of the College Fee, but this leaves a shortfall of £5,762 (2021: £4,537) for each undergraduate student, amounting to 55.5% (2021: 49.5%) of the total cost. The increase in the cost of education in the year ending 30 June 2022 was due to the increase in variable costs of education arising after the COVID-19 pandemic as student life began to return to normal. The deficit in the cost of educating students remains, which can only be sustained through the generosity of benefactors.

High inflation is increasing students' cost of living which will result in increased levels of debt for students and inevitably lead to heavy pressure on Clare's hardship funds. During the year the College made total bursaries and awards of £758,448 (2021: £624,180) to undergraduate and graduate students. In addition to bursaries and other grants, the College offers subsidies on the cost of food and accommodation as extra undergraduate and graduate student support.

The College aims to raise sufficient funds from benefactors to preserve small-group teaching for undergraduates, provide bursaries in support of Clare undergraduates from low income backgrounds, and support graduate study through scholarships and hardship grants. This entails a significant challenge in raising additional income, while continuing to exercise tight constraints on spending.

### Financial Results

The Statement of Comprehensive Income and Expenditure (SOCIE), on page 42, shows a surplus of £5.9m (2021: £32.1m). The SOCIE is a statement of all movements in the net assets of the College between one year and the next. It therefore takes account of all operating income and expenditure, investment gains and losses and other adjustments, including total return and pension provisions. The boxed sections (headed unrestricted) on page 24 is, in effect, the operating result on continuing operations before other gains and losses, but includes endowment drawdown and unrestricted spendable donations. On this "operating before other gains and losses" basis the College reported a deficit of £2,413,000 for 2022, compared to a deficit of £1,215,000 for 2021.

This operating deficit before other gains and losses was achieved after total unrestricted expenditure increased by £1,264,000 to £12.7 million. The increase in unrestricted expenditure was largely attributable to an increase in variable costs such as catering as activity recovers from the effects of the COVID-19 pandemic. Total unrestricted income increased by £66,000 to £10.3 million with Catering and Conferencing income replacing Furlough income as activity began to return and the COVID-19 Furlough scheme ended. Unrestricted donations decreased when compared to donations received in 2021.

The financial environment for the College remains challenging and it will be necessary to address a number of significant financial issues in the coming years, including the need to continue funding the ongoing refurbishment of Old Court, impact of high inflation on the cost of living and re-introducing Conferencing activity which was temporarily paused due to COVID-19. Undergraduate fees for UK students have remained unchanged since 2018, however the long term outlook for academic fees remains very uncertain and undergraduate fees are unlikely to increase any further in the near future. Without the generous support of our alumni and donors, the College's financial performance is likely to be under considerable stress over the next several years.

**Operating and Financial Review**

for the year ended 30 June 2022

**Benefactions and Donations**

The College is very grateful for the many donations and bequests it has received over the past year from Clare members, corporate donors, trusts and foundations which totalled £5,320,000 (2021: £4,610,000) including the recovery of Gift Aid. This sum included significant amounts towards the refurbishment of Old Court, student bursaries, and teaching. The College received £466,000 in legacies, and 1410 alumni (16.11% of living, addressable alumni) made donations to the College. We ran a hybrid (first half occurred in person, second half remotely) Telethon in 2021-22 in which 286 alumni made a donation.

Total donation income and fund raising costs over the last five years are shown in the table below:

Year ended 30 June	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Donations					
Old Court	2.3	2.0	3.5	1.9	5.1
Other	<u>3.0</u>	<u>2.6</u>	<u>3.2</u>	<u>2.6</u>	<u>1.5</u>
	5.3	4.6	6.7	4.5	6.6
Fundraising costs	0.5	0.5	0.5	0.6	0.5
Costs as % of donations	10%	11%	8%	14%	8%

The College is registered with the Fundraising Regulator. All Clare fundraising activity meets or exceeds current standards, including protections for vulnerable people. This activity is administered by Clare or is under Clare's supervision and there have been no fundraising complaints during the last year.

**The College Endowment**

The market value of the endowment investment portfolio at 30 June 2022 was £161.0 million (2021: £156.84 million) (note 9a) resulting in a total return of 2.7% (2021: 24%) before investment management costs. The allocation of assets within the portfolio was as follows:

Year ended 30 June	Change in valuation (%)	Total Return (%)	2022		2021	
			Portfolio %	Valuation (£m)	Portfolio %	Valuation (£m)
Global Public Equities	-7.0%	-4.1%	59.3%	95.6	65.1%	102.1
Other Public Equities	-14.7%	-0.5%	0.9%	1.5	1.4%	2.3
Private Equities	54.1%	3.8%	10.6%	17.0	7.0%	11.0
UK Commercial Property	19.9%	4.3%	25.6%	41.1	21.9%	34.3
UK Government Bonds	-16.4%	0.0%	0.3%	0.4	0.3%	0.4
Cash and Fixed Interest	-19.5%	<u>-0.8%</u>	3.3%	<u>5.4</u>	4.3%	<u>6.7</u>
Total		2.7%		161.0		156.8

The College's public equity investments are mainly held in equity tracker funds with 79.6% invested in the Amundi Global Low Carbon fund and with 13.8%, 3.9% and 2.7% invested in the UK, European and Japanese Amundi SRI funds respectively. The overall exposure to US equities within the public equity portfolio amounted to 48.2% and the exposure to UK and European equities amounted to 9.6% and 19.3% respectively. Foreign currency exposures are not hedged.

The value of the endowment and total returns over the last five years were:

Year ended 30 June	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Investment assets	161.0	156.8	128.0	129.0	123.4
Actual Net Income	3.4	2.7	3.5	3.9	3.8
Gains/(losses)	<u>2.5</u>	<u>25.1</u>	<u>(2.2)</u>	<u>4.2</u>	<u>7.2</u>
Total return	5.8	27.8	1.2	8.1	11.0
Endowment drawdown	<u>4.1</u>	<u>3.8</u>	<u>3.8</u>	<u>3.6</u>	<u>3.3</u>
Drawdown as a % of Endowment	3.0%	3.0%	3.0%	3.0%	3.0%

The drawdown, which is the amount taken out of the Endowment as spendable income, amounted to £4,138,000 in 2022. The net investment income received of £3,354,000, while the realised and unrealised gains amounted to £2,452,000 resulting in a positive total return before investment management costs of £5,805,000 as set out in note 3a. The Endowment drawdown of £4,138,000 represented 3.0% of the average value of the Endowment over the three preceding years. The aim is to draw down sufficient funds each year to support the specific activities designated by the donors, while protecting the real value of the Endowment against inflation and preserving the capital for the future, consistent with the perpetual nature of the College Endowment.

## Operating and Financial Review

for the year ended 30 June 2022

### Liquidity

The operational cash balances available at 30 June 2022 amounted to £27,200,000 (2021: £28,625,000). This was partly due to continued fundraising success and asset sales. These cash holdings were held in interest bearing accounts with the College's two principal banks. The level of cash held was relatively high, to take account both of construction plans (including current contract commitments and further plans), and also the continuing uncertainties posed by the COVID-19 pandemic for the College's educational and conference activities. It is expected that cash balances will reduce significantly during the 2022-23 financial year.

### Inflation Swap Investments

In October 2008 the College borrowed £15 million in the form of a conventional loan from Santander and an inflation swap contract with HSBC, structured to provide 40 year index-linked funding. The £15 million was invested in global equity tracker funds and will be left to accumulate over the 40 year period in a ring-fenced fund, over which HSBC has a security charge to cover the inflation liability. Based on historical experience, the Governing Body considered that this investment in global equity tracker funds should make a positive real return of more than 4% per annum compound, consistent with the performance of global equity markets over each 40 year period since 1900. The Governing Body considered that this positive return would represent a significant addition to the College's Endowment, helping to achieve the goal of financial independence in the long term, and that it outweighed the risks involved. In the event that changed economic circumstances make it appropriate, the College has the right to terminate the loan with Santander and the inflation swap with HSBC early at the prevailing cost of termination.

The interest payments on the Santander loan are set at 4.4% per annum and the HSBC swap contract converts this into a real rate of 1.1% per annum. The annual inflation adjustment to the value of the loan on repayment is capped at a rate of 7%. Through this structure the College was able to take advantage of its ability to invest over the very long term at a time of very low interest rates. The liability to Santander for the conventional loan of £15 million is secured on the College's outlying operational properties, valued at £35 million. During the year to 30 June 2022 the 2048 Fund generated a total return of -3.8% gross and -19.6% net of the increase in inflation-linked liabilities and interest payments. The resulting deficit of £3,510,000 was added to the Total Return reserves as set out in Note 21. The cumulative inflation swap investment net unapplied Total Return decreased to £16,327,000 at 30 June 2022 (note 21).

During the first 13 years of the 40 year inflation swap (from October 2008 to June 2022) the level of RPI has risen by 57.0%, with the result that the College's liability to Santander and HSBC at June 2022 has increased to £22.3 million. At June 2022 the market value of global equity tracker fund investments held in the 2048 Fund amounted to £39.4 million and the outstanding cash balance stood at £813,000. The total value of inflation swap investments amounted to £40.2 million at 30 June 2022.

The complex financial structure of the inflation linked swap and accounting standards have made it necessary to apply a provision within the financial statements. The estimated value of the inflation linked swap liability based on derivative valuations as of 30 June 2022 show a break cost of £8.2 million (2021: £13.8 million). As at 30 June 2022 a provision for £8.2 million has been included as a liability in the Balance Sheet (see note 16) resulting in a decrease in liabilities and an increase in reserves by £5,650,000. However, at the present time the College has no intention to unwind the inflation swap facility and the year ending 30 June 2022 was a good year for the inflation swap investment.

### Capital Expenditure and Buildings Refurbishment

During the 2021-22 financial year the College continued the Old Court project. As a result capital expenditure relating to buildings amounted to £6,534,000, a decrease of £18,932,000 compared to the prior year due to phase 1a being completed in the prior year and phase 1b still being underway during 2021-22 and not yet capitalised. In addition a further £164,000 of equipment capital expenditure was made. It is the College's depreciation policy to depreciate in full years following the eligibility of an asset for capitalisation.

The cost of refurbishing the College's historic buildings and other historic assets represents a substantial financial commitment and the Governing Body recognises the need to set aside adequate sums to ensure that the historic buildings are properly maintained over the long term. A professional survey of the condition of all College buildings has confirmed that more than £2.7 million must be committed each year to maintain the College's historic fabric and buildings. The Finance Committee has approved a longer term target to spend a sum equal to 1.5% of the insurance replacement value of the College's operational buildings each year on the repair and maintenance of the operational estate. The insurance replacement value of the College's operational buildings is £230 million as of 30 June 2022 and the value of fixed asset investment on refurbishments expected to increase to more than £3 million per annum in the coming years.

### Safeguarding Policy

Clare College recognises that Fellows, staff and students of the College may sometimes work with children and other vulnerable individuals in the course of their duties. In this context, the College is committed to respecting the rights, wishes and well-being of individuals with whom it is working; taking all reasonable steps to protect them from physical, sexual and emotional abuse; promoting the welfare of children and vulnerable individuals, and ensuring their protection within a relationship of trust. The full list of safeguarding policies is available on the College website.

The safeguarding policy has been established to support these commitments and to ensure that the College fulfils its obligations under the Safeguarding Vulnerable Groups Act 2006 and any subsequent legislation.

**Operating and Financial Review**

for the year ended 30 June 2022

**Reserves Policy**

At June 2022 the College had £208 million (2021: £205 million) of unrestricted reserves, of which £147 million (2021: £146 million) was represented by operational fixed assets and heritage assets which are illiquid and in some cases inalienable. The balance of £61 million (2021: £59 million) constitutes free reserves and is invested to support the operations of the College and for contingencies.

The College regularly reviews the level of free reserves. In doing this, the College takes into account the guidance offered by the Charity Commission in its publication Charity reserves: building resilience (CC19). The College considers the main considerations to be:

1. The financial risks of its operations, including potential loss of annual income (due to the economic environment and changes in funding of higher education), investment risks associated with the management of the endowment, funding of the pension scheme and possible unforeseen events; and
2. The responsibility to preserve the fabric of its historic buildings.

Many of these items are difficult to quantify precisely. The College considers the current level of reserves adequate, but aims to increase the level of reserves further over time to support its charitable objectives. Any new donations or bequests received during the year are added to unrestricted funds, unless the donor has made it clear that the funds are to be spent on a specific project.

**Principal Risks and Uncertainties**

As part of its supervision of the College's activities, the Finance Committee, with input from Audit Committee, identifies and considers the major risks to which the College is exposed, and establishes procedures to manage those risks. There are three main types of risk, relating to:

- The safety of the College's buildings and facilities. These risks are mitigated primarily by management procedures, including compliance with relevant regulations, and alarm systems.
- The security of the College's assets. There are both physical security measures in place and established financial control procedures. Cyber security measures are also in place to protect information assets. Insurance arrangements are reviewed annually with professional advisers.
- Investment risks relating to the College's long-term investments. The main risk mitigation measures are an asset allocation policy which provides diversification by type of investment, management of investments by carefully selected professional managers and oversight of asset allocation and investment performance by the Investment Committee which includes both Trustees and experienced investment professionals.

There are, as always, uncertainties regarding the future external environment within which the College will operate, most notably regarding higher education policy and funding. The College prepares 5-10 year forecasts which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The Finance Committee considers the College will be able to respond effectively to changes in that environment.

The principal risks and uncertainties that the College faces may be briefly summarised:

- The rapid increase in inflation particularly in utility and food costs will adversely affect the College in terms of higher variable costs in the provision of accommodation and catering for its members. The College is monitoring and forecasting these increases in order to make strategic decisions regarding financial stability in addition to supporting its members who are also impacted by the increased cost of living directly.
- The withdrawal of the United Kingdom from membership of the European Union may have a significant effect on the financial markets in which the College invests and it is possible that capital values will remain highly volatile and investment income may be adversely affected. To mitigate this risk the College is monitoring investment performance and has diversified its portfolio.
- The economic situation may also adversely affect the College's conference activities which are a significant contributor to the College's overheads. However, the College has significant investments which could be realised if required.
- Although the College has a long term programme of building renewal and improvement, it is always possible with buildings of the age of the College's estate that there will be unexpected issues that may arise. To mitigate this risk the College will ensure that all major building projects have robust plans and budgets which are carefully monitored over the project life.
- The failure of academic fees to keep up with the rise in academic costs, as well as the inevitable uncertainties due to the significant change in funding of Universities in England, it means that the funding and costs associated with the College's core activity will need to be kept under constant review. To mitigate this risk the College will continue to work with the University and other organisations to achieve the fairest allocation of resources.
- The College's building programmes may have a significant impact on College finances, through the substantial building costs involved. To reduce this risk the College monitors these major building projects carefully in line with the agreed budgets and employs professional project managers.

## Operating and Financial Review

for the year ended 30 June 2022

### Public Benefit as a Charity

The College has met its responsibilities regarding public benefit by providing, in conjunction with the University, an education for some 693 (2021: 705) undergraduate and graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, preparing them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative, and academic support through its tutorial and graduate mentoring systems;
- 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; and
- specialist choral musical education for those students in the College's internationally renowned Choir.

The College advances research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, enabling them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- the employment of College Teaching Officers who, in addition to their role as Directors of Studies and supervisors of undergraduate students, maintain important research interests within the University;
- supporting research work pursued by 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 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 important special collections), that provides a valuable resource for students and Fellows of the College, for members of other colleges and the University more widely, and for external scholars and researchers.

The College's students are the primary beneficiaries of its educational activities. Students are selected in an open application process, based solely on academic merit. The College operates a needs-blind admissions process and provides a significant level of bursary support to students who might otherwise be deterred from applying by financial concerns. The educational benefits provided by the College extend to students from other colleges, to visiting schoolchildren, and to alumni who have the opportunity to attend educational events at the College. The College also supports an extensive access and outreach programme to primary and secondary schools in the London Boroughs of Tower Hamlets and Hackney, and also in Coventry and Warwickshire, through which it aims to raise the aspirations of younger people in these parts of the country. Furthermore, the public benefit of the provision of high-quality education goes beyond the benefits to the students themselves. Whether through the vocational skills or the broader intellectual development acquired at the College, its students are able to make valuable and distinctive contributions in the public sphere.

The research advanced by the College is disseminated through publications and oral presentations. Its results are therefore publicly available and constitute a clear public benefit. The beneficiaries include the international community of scholars in the fields concerned, and the wider public who benefit through the intellectual, economic, civic and cultural development that is facilitated through the dissemination of high-quality research.

### The College within the Community

The College shares its facilities with the local community. The College's sports grounds on Bentley Road and the Boathouse on the Cam are used by cricket, soccer and rowing clubs within the City.

The College is committed to reducing its carbon, water and environmental footprint. The College is actively promoting environmental awareness among Fellows, students and staff. Since the 2013-14 academic year, the College has consistently received either a Gold or Platinum award in the University Green Impact Award scheme.

**Operating and Financial Review**  
for the year ended 30 June 2022

**Future Developments**

There are no plans to change the College's core educational activities, with the number of students expected to remain stable and work continuing to widen participation.

The Old Court refurbishment project has continued, with the second phase (of three) now expected to be completed in spring 2023, after operational delays were encountered during and after the 2020-21 and 2021-22 financial years. Plans for further refurbishment of student accommodation are under review.

During the 2022-23 academic year, the College is marking the 50th anniversary of co-education with a series of speakers, exhibitions, and concerts. Looking further ahead, as the College approaches its 700th anniversary in 2026, a process has been initiated to develop and articulate a strategic vision for Clare's eighth century; discussions and consultations will involve the whole College membership.



Ms L C R Minghella OBE, Master



Miss E J Conder, Bursar

15 December 2022

**Statement of Corporate Governance**  
for the year ended 30 June 2022

The College is a registered charity (registered number 1137531) and is subject to regulation by the Charity Commission for England and Wales. It is also governed by Statutes and Ordinances. The following statement is provided by the Trustees of the College 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 its audit.

1. The Trustees of the College are the members of the Council and the Finance Committee (except for the student members of those committees). The Council and the Finance Committee together exercise general control and management of the College, and are responsible for ensuring compliance with charity law. The principal officers of the College are the Master, Senior Tutor and Bursar. There is a Register of Interests for Trustees. Declarations of interest are made systematically at meetings.
2. The Governing Body, which consists of the Master, the Fellows in Classes A, B, C, D and E, and four Student Members, holds at least three meetings each year. The Council, consisting of the Master, the Senior Tutor and ten Fellows elected by the Governing Body at its annual meeting, together with two Student Members, is responsible for the administration of the College in all matters not specifically assigned to the Governing Body or the Finance Committee. The Finance Committee, consisting of the Master, the Bursar, the Senior Tutor and seven Fellows elected by the Governing Body at its annual meeting, together with two Student Members, oversees the management of the College estates and investments and administers the revenues in accordance with the College Statutes, under the overall direction of the Governing Body. The Members of the Governing Body, Council and Finance Committee during the year ended 30 June 2022 are set out on pages 4-5.
3. The Governing Body, Council, and Finance Committee are advised in carrying out their duties by a number of Committees including the Audit Committee, Investment Committee, Salaries and Stipends Committee, and Estates Committee. Membership of these Committees is set out on page 5.

**Statement of Internal Control**  
for the year ended 30 June 2022

1. The Finance Committee is responsible for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, while safeguarding funds and assets for which the Governing Body is responsible, in accordance with the College Statutes.
2. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve College policies, aims and objectives; it therefore provides reasonable, but not absolute, assurance of effectiveness. The system of internal control is designed to identify the principal risks to achieving those 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 2022, and up to the date of approval of the financial statements.
3. The Members of the Finance Committee and Council are responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - 3.1 The Finance Committee meets six times per year.
  - 3.2 The Council meets seven times per year.
  - 3.3 The Audit Committee normally meets twice each year. It receives reports from the external auditors, including their observations on the College's system of internal control and risk management, together with recommendations for improvement.
  - 3.4 The members of the Finance Committee and Council, as Trustees of the College, review the effectiveness of the system of internal control as informed by the work of the Audit Committee, Bursar and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by external auditors in their management letter and other reports.
  - 3.5 The Finance Committee compares the College's costs and operational performance against the key performance indicators produced for all Cambridge Colleges to identify those areas where improvements can best be made.
4. The Finance Committee and the Audit Committee review the Risk Register which is checked and updated each year by the senior administrative staff and which is considered in detail by the College officers.

**Statement of Responsibilities of the Trustees of the College**

for the year ended 30 June 2022

1. The Members of the Finance Committee and Council, as Trustees of the College, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
2. In accordance with the College Statutes, the Finance Committee is responsible for the management of the College's estates and the administration of the College's revenues, subject to the overall control of the Trustees of the College. The Finance Committee is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept.
3. The College Statutes and the Statutes and Ordinances of the University of Cambridge require the Trustees of the College 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 year. In preparing those financial statements the Trustees of the College are required to:
  - select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent;
  - state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.
4. The Trustees of the College are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and enables them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the College and to prevent and detect fraud and other irregularities.
5. The Trustees of the College are responsible for the maintenance and integrity of the charity and financial information included on the College's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent auditor's report to the Trustees of Clare College**  
for the year ended 30 June 2022

**Opinion**

We have audited the financial statements of Clare 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 and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group/College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The Governing Body is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## Independent auditor's report to the Trustees of Clare College for the year ended 30 June 2022

### Responsibilities of Trustees

As explained more fully in the responsibilities of Trustees statement set out on page 15, 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.

### Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group/College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the Group/College and how the Group/College is complying with that framework;
- we obtained an understanding of the Group's/College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the Group/College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's and College's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

**Independent auditor's report to the Trustees of Clare College**  
for the year ended 30 June 2022

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

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

**Use of our report**

This report is made solely to the Trustees as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**PETERS ELWORTHY & MOORE**

Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA  
Date:

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

**Statement of Principal Accounting Policies**

for the year ended 30 June 2022

**Basis of preparation**

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6.

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

**Going concern**

The global health crisis caused by COVID-19 has had a significant impact on all businesses. Virtually all College activities ceased as the majority of students returned home in March 2020. Students returned to the College at the start of the 2020-21 academic year in October 2020, but were mostly out of residence in Lent 2021 and returned for the Easter 2021 term in line with government guidelines. Conference activities were paused throughout the 2020-21 Financial Year as a result of COVID-19 however the College resumed Conference activity in 2021-22 and aims to return to pre-COVID-19 activity.

The Trustees have prepared forecasts over the next 5 years to June 2026 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has made use of the Government Job Retention Scheme. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the near future and therefore have continued to adopt the going concern basis in preparing the financial statements

**Basis of accounting**

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

**Basis of consolidation**

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 9c. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

**Recognition of income****Academic fees**

Academic fees are recognised in the year to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

**Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income and Expenditure at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in the Statement of Comprehensive Income and Expenditure in the same period as the related expenditure.

Government grants received during the year represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff.

**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 Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

**Statement of Principal Accounting Policies**

for the year ended 30 June 2022

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 Statement of Comprehensive Income and Expenditure when the College is entitled to the income. All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. 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**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investment property is carried at fair value determined annually by the Trustees based on professional advice received. Fair values are derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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

**Total return**

The College has adopted a total return policy where total return means investment return in terms of both income, whether received or accrued, and capital appreciation, whether realised or unrealised. The Finance Committee may appropriate and distribute for expenditure so much of the fair value of the endowment fund as it in its absolute discretion considers prudent, having regard to the availability of any surplus income, the total return achieved and reasonably to be expected in the long-term of the endowment.

**Other income**

Income is received from a range of activities including accommodation, catering, and conferences. Income is recognised on the exchange of the relevant services.

**Cambridge Bursary Scheme**

In 2021-22, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, Clare College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University towards this payment.

The net payment of £0 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£94,000
Expenditure	£94,000

**Foreign currency translation**

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

**Fixed Assets****Land and buildings**

In accordance with FRS102, the land and buildings held for operational purposes are stated at depreciated replacement cost, as determined by professional valuers. A full revaluation of all College property assets was conducted by Gerald Eve as at 30 June 2014, being the transition date to the 2015 RCCA.

**Statement of Principal Accounting Policies**

for the year ended 30 June 2022

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. When buildings are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments. Finance costs that 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.

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

**Maintenance and renewal of premises**

The College has a five-year rolling maintenance plan, which is reviewed on an annual basis. The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

**Furniture, fittings and equipment**

Furniture, fittings and equipment costing less than £3,000 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:

When furniture, fittings and equipment are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments.

Boiler room and chapel	4% per annum
Furniture and fittings	10% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	20% and 25% per annum

**Heritage assets**

The College holds and conserves a numbers of collections, exhibits, artefacts and other assets of historical, artistic and scientific importance. 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. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

**Investments**

Investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Investment properties are valued annually based on open market values provided by third party valuers.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**Provisions**

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

**Contingent liabilities and assets**

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

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

**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.

**Statement of Principal Accounting Policies**

for the year ended 30 June 2022

Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all 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 interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income. The College does not apply any hedge accounting in respect of interest rate swap derivatives held to manage cash flow exposures.

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

**Taxation**

The College is a registered charity (number 1137531) 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 exclusively to 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****Significant accounting policies**

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

**Critical accounting judgements**

USS notes: FRS 102 requires that accounting judgements which are considered to be critical by those charged with governance are explained in more detail as to why the judgement has been applied. The disclosure below may be useful where the treatment of the scheme as a multi-employer scheme and adopting defined contribution accounting is deemed to be critical.

**Statement of Principal Accounting Policies**

for the year ended 30 June 2022

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

The College also operates a defined contribution pension scheme, mainly for permanent non-academic employees, which is contracted into the State Second Pension (S2P), and also uses the government established National Employment Savings Trust (NEST) scheme for temporary staff. The assets of both schemes are held in separate trustee-administered funds. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

**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.

**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 the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in page 32.

Investment property – Properties are revalued to their fair value at the reporting date by Bidwells. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.

Inflation linked swap – A provision to reflect the estimated value of the inflation linked swap liability based on the derivative valuation has been included to reflect the break cost of the mechanism.

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 pages 41-42.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the 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 2022. 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 pages 41-42.

## Consolidated Statement of Comprehensive Income and Expenditure

Notes	2022					2021					
	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	
Academic fees and charges	1	3,462	-	-	-	3,462	3,433	-	-	-	3,433
Accommodation, catering and conferences	2	4,164	-	-	-	4,164	2,488	-	-	-	2,488
Investment income	3a	-	-	3,354	-	3,354	-	-	2,706	-	2,706
Inflation swap income	3c	-	-	-	48	48	-	-	-	109	109
Endowment return transferred to I&E account	3a	1,565	2,573	(4,138)	-	-	1,430	2,373	(3,803)	-	-
Other income		91	-	-	-	91	1,114	-	-	-	1,114
<b>Total income before donations and endowments</b>		<b>9,282</b>	<b>2,573</b>	<b>(784)</b>	<b>48</b>	<b>11,119</b>	<b>8,465</b>	<b>2,373</b>	<b>(1,097)</b>	<b>109</b>	<b>9,850</b>
Donations	20	1,015	246	-	-	1,261	1,765	218	-	-	1,983
New endowments	19	-	-	1,737	-	1,737	-	-	651	-	651
Other capital grants for assets	20	-	2,322	-	-	2,322	-	1,976	-	-	1,976
<b>Total income</b>		<b>10,297</b>	<b>5,141</b>	<b>953</b>	<b>48</b>	<b>16,439</b>	<b>10,230</b>	<b>4,567</b>	<b>(446)</b>	<b>109</b>	<b>14,460</b>
<b>Expenditure</b>											
Education	4	4,418	1,766	-	-	6,184	4,432	1,098	-	-	5,530
Accommodation, catering and conferences	5	6,890	-	-	-	6,890	6,085	-	-	-	6,085
Other expenditure		1,314	358	238	1,936	3,846	848	406	263	885	2,402
Contribution under Statute G, II		87	-	-	-	87	80	-	-	-	80
<b>Total expenditure</b>		<b>12,709</b>	<b>2,124</b>	<b>238</b>	<b>1,936</b>	<b>17,007</b>	<b>11,445</b>	<b>1,504</b>	<b>263</b>	<b>885</b>	<b>14,097</b>
<b>Surplus/(deficit) before other gains and losses</b>		<b>(2,412)</b>	<b>3,017</b>	<b>715</b>	<b>(1,888)</b>	<b>(568)</b>	<b>(1,215)</b>	<b>3,063</b>	<b>(709)</b>	<b>(776)</b>	<b>363</b>
Gain/(loss) on disposal of fixed assets		(16)	-	-	-	(16)	(1,406)	-	-	-	(1,406)
Gain/(loss) on financial instruments	16	-	-	-	5,650	5,650	-	-	-	695	695
Gain/(loss) on Inflation Swap Investments	3c	-	-	-	(1,622)	(1,622)	-	-	-	7,311	7,311
Gain/(loss) on investments	3	593	622	1,237	-	2,452	8,825	5,384	10,902	-	25,111
<b>Surplus/(deficit) for the year</b>		<b>(1,835)</b>	<b>3,639</b>	<b>1,952</b>	<b>2,140</b>	<b>5,896</b>	<b>6,204</b>	<b>8,447</b>	<b>10,193</b>	<b>7,230</b>	<b>32,074</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(1,835)</b>	<b>3,639</b>	<b>1,952</b>	<b>2,140</b>	<b>5,896</b>	<b>6,204</b>	<b>8,447</b>	<b>10,193</b>	<b>7,230</b>	<b>32,074</b>

The notes on pages 28 to 42 form part of the financial statements

## Consolidated Statement of Changes in Reserves

	Income and expenditure reserve			Inflation Swap	Total
	Unrestricted £'000	Restricted £'000	Endowment £'000	£'000	£'000
<b>Balance at 1 July 2021</b>	204,953	44,656	61,444	6,013	317,066
Surplus/(deficit) from income and expenditure statement	(1,835)	3,639	1,952	2,140	5,896
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	5,258	(5,258)	-	-	-
Transfers between reserves	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>208,376</b>	<b>43,037</b>	<b>63,396</b>	<b>8,153</b>	<b>322,962</b>

	Income and expenditure reserve			Inflation Swap	Total
	Unrestricted £'000	Restricted £'000	Endowment £'000	£'000	£'000
<b>Balance at 1 July 2020</b>	193,550	41,408	51,251	(1,217)	284,992
Surplus/(deficit) from income and expenditure statement	6,204	8,447	10,193	7,230	32,074
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	5,199	(5,199)	-	-	-
Transfers between reserves	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>204,953</b>	<b>44,656</b>	<b>61,444</b>	<b>6,013</b>	<b>317,066</b>

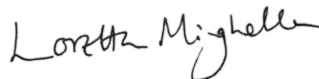
The notes on pages 28 to 42 form part of the financial statements

## Balance Sheet

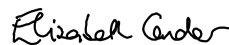
	Notes	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
<b>Non-current Assets</b>					
Fixed assets	8	146,680	146,782	145,516	145,620
Heritage assets	8a	342	342	342	342
Investments	9a	161,018	161,018	156,842	156,842
Inflation swap investments	9b	40,181	40,181	41,755	41,755
		<u>348,221</u>	<u>348,323</u>	<u>344,455</u>	<u>344,559</u>
<b>Current assets</b>					
Stock	10	189	189	198	198
Trade and other receivables	11	2,412	2,306	1,016	1,116
Short term investments	12	19,645	19,645	20,279	20,279
Cash and cash equivalents	13	7,555	7,175	8,346	8,054
		<u>29,801</u>	<u>29,315</u>	<u>29,839</u>	<u>29,647</u>
Creditors : amounts falling due within one year	14	(3,965)	(3,506)	(2,275)	(2,107)
<b>Net current assets</b>		<u>25,836</u>	<u>25,809</u>	<u>27,564</u>	<u>27,540</u>
<b>Total assets less current liabilities</b>		<u>374,057</u>	<u>374,132</u>	<u>372,019</u>	<u>372,099</u>
<b>Creditors : amounts falling due after more than one year</b>					
	15	(42,297)	(42,297)	(40,839)	(40,839)
Inflation swap financial instruments	16	(8,183)	(8,183)	(13,833)	(13,833)
Pension provisions	17	(615)	(615)	(281)	(281)
<b>TOTAL NET ASSETS</b>		<u><u>322,962</u></u>	<u><u>323,037</u></u>	<u><u>317,066</u></u>	<u><u>317,146</u></u>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	19	63,396	63,396	61,444	61,444
Income and expenditure reserve - restricted reserve	20	43,037	43,037	44,656	44,656
Income and expenditure reserve - inflation swap	15	8,153	8,153	6,013	6,013
		<u>114,586</u>	<u>114,586</u>	<u>112,113</u>	<u>112,113</u>
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted reserve		<u>208,376</u>	<u>208,451</u>	<u>204,953</u>	<u>205,033</u>
<b>TOTAL RESERVES</b>		<u><u>322,962</u></u>	<u><u>323,037</u></u>	<u><u>317,066</u></u>	<u><u>317,146</u></u>

The Financial Statements were approved by the Trustees of the College on the 21st November 2022 and signed on the 15th December 2022 on their behalf by:

Ms L C R Minghella OBE, Master



Miss E J Conder, Bursar



The notes on pages 28 to 42 form part of the financial statements

## Consolidated Cash Flow Statement

	Notes	2022 £'000	2021 £'000
Net cash inflow from operating activities	22	3,317	1,494
Cash flows from investing activities	23	(3,040)	(8,559)
Cash flows from financing activities	24	(1,068)	9,929
(Decrease)/increase in cash in the year		<u>(791)</u>	<u>2,864</u>
Cash at beginning of the year		<u>8,346</u>	<u>5,481</u>
Cash at end of the year	13	<u><u>7,555</u></u>	<u><u>8,346</u></u>

The notes on pages 28 to 42 form part of the financial statements

## Notes to the financial statements

## 1 Academic fees and charges

	2022 £'000	2021 £'000
Fee income received at the Regulated Undergraduate rate	2,009	2,194
Fee income received at the Unregulated Undergraduate rate	502	373
Fee income received at the Graduate rate	857	721
Cambridge Bursary Scheme	94	145
	<u>3,462</u>	<u>3,433</u>

## 2 Income from accommodation, catering and conferences

	2022 £'000	2021 £'000
Accommodation College members	3,035	2,072
Conferences	107	2
Catering College members	826	408
Conferences	196	6
	<u>4,164</u>	<u>2,488</u>

## 3 Endowment return and investment income

	2022 £'000	2021 £'000
<b>3a Analysis</b>		
Actual income from:		
Land and buildings	1,838	1,417
Quoted equity securities	709	828
Fixed interest securities	795	367
Other interest receivable	12	94
	<u>3,354</u>	<u>2,706</u>
(Losses)/Gains on endowment assets:		
Land and buildings	5,609	3,090
Quoted and other securities and cash	(3,157)	22,020
Investment management costs (note 3b)	(238)	(263)
<b>Total return on investments</b>	<u>5,568</u>	<u>27,553</u>
Total return transferred to income and expenditure reserve	4,138	3,803
Unapplied total return for the year included within Statement of Comprehensive Income and Expenditure (note 21)	1,430	23,750
<b>Total return on investments</b>	<u>5,568</u>	<u>27,553</u>

The endowment and fixed assets investments are accounted for on a total return basis. The total actual income and gains in the year are taken to a reserve, from which the planned endowment drawdown is released to the income and expenditure account. The remaining balance of the total return, after deducting the drawdown, is accumulated within the reserves, as set out in note 21.

## 3b Investment management costs

Land and buildings	233	237
Quoted securities	5	24
Other investments	-	2
Total	<u>238</u>	<u>263</u>

## Notes to the financial statements

	2022 £'000	2021 £'000
<b>3c Total return on inflation swap contracts</b>		
Actual income from:		
Quoted securities	48	109
Other interest receivable	-	-
	<u>48</u>	<u>109</u>
(Loss)/Gain on inflation swap asset:	(1,622)	7,311
Inflation-linked amount due to HSBC (note 15)	(1,459)	(579)
Interest and fees (note 3d)	(477)	(307)
<b>Total return on inflation swap contracts (note 21)</b>	<b><u>(3,510)</u></b>	<b><u>6,534</u></b>

The inflation swap contracts are accounted for on a total return basis. The total actual income and gains/losses in the year is accumulated within the reserves, as set out in note 21. There is no drawdown permitted under the terms of the inflation swap.

**3d Interest and fees on inflation swap investments**

Interest paid to HSBC	(243)	(227)
Interest paid to Santander	(666)	(666)
	<u>(909)</u>	<u>(893)</u>
Interest received from HSBC	666	666
	<u>(243)</u>	<u>(227)</u>
Fees on inflation swap investments	(234)	(80)
	<u>(477)</u>	<u>(307)</u>

Interest paid to Santander and to/from HSBC is calculated on the £15 million loan and inflation swap repayable in 2048 (note 15).

## Notes to the financial statements

	2022 £'000	2021 £'000
<b>4 Education expenditure</b>		
Teaching	2,649	2,317
Tutorial	1,222	1,357
Admissions	1,176	868
Research	548	510
Scholarships and awards	238	190
Other educational facilities	351	288
	<u>6,184</u>	<u>5,530</u>

**5 Accommodation, catering and conferences expenditure**

Accommodation	College members	5,022	5,067
	Conferences	177	5
Catering	College members	1,367	997
	Conferences	324	16
		<u>6,890</u>	<u>6,085</u>

**6a Analysis of 2022 expenditure by activity**

	Staff costs (note 7) £'000	Other expenses £'000	Depreciation £'000	2022 £'000
Education	2,724	2,316	1,144	6,184
Accommodation, catering and conferences	3,219	1,893	1,778	6,890
Other	729	3,045	72	3,846
Contribution under statute G, II	-	87	-	87
	<u>6,672</u>	<u>7,341</u>	<u>2,994</u>	<u>17,007</u>

**6b Analysis of 2021 expenditure by activity**

	Staff costs (note 7) £'000	Other expenses £'000	Depreciation £'000	2021 £'000
Education	2,741	1,739	1,050	5,530
Accommodation, catering and conferences	3,163	1,292	1,630	6,085
Other	401	1,935	66	2,402
Contribution under statute G, II	-	80	-	80
	<u>6,305</u>	<u>5,046</u>	<u>2,746</u>	<u>14,097</u>

## Notes to the financial statements

## 6c Auditors' remuneration

	2022 £'000	2021 £'000
Other operating expenses include:		
Audit fees payable to the College's external auditors (inclusive of VAT)	32	30
Other fees payable to the College's external auditors (inclusive of VAT)	-	11
	<u>32</u>	<u>41</u>

## 7 Staff costs

	College Fellows £'000	Other academic	Non- academic £'000	2022 £'000	2021 £'000
<b>Staff costs:</b>					
Salaries	1,221	221	3,895	5,337	5,357
National Insurance	113	-	351	464	450
Pension costs (see note 28)	434	-	437	871	498
	<u>1,768</u>	<u>221</u>	<u>4,683</u>	<u>6,672</u>	<u>6,305</u>

## Average numbers:

	Average staff numbers 2022		Average staff numbers 2021	
	Number	Full-time equivalents	Number	Full-time equivalent
Academic	67	-	80	-
Non-academic	-	131	-	133

At the Balance Sheet date there were 93 members of the Governing Body. During the year the average number receiving remuneration was the 67 shown above.

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

	2022 £'000	2021 £'000
<b>Key management personnel</b>		
Key management personnel being the Master, Bursar and Senior Tutor	<u>214</u>	<u>229</u>

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

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

## Notes to the financial statements

## 8 Tangible Fixed Assets

Group	Land & Buildings £'000	Assets in construction £'000	Equipment £'000	2022 £'000	2021 £'000
<b>Cost</b>					
At start of year	155,441	7,072	3,516	166,029	160,866
Additions and improvements at cost	403	6,131	164	6,698	25,547
Disposals at cost	(2,697)	(36)	-	(2,733)	(20,385)
At end of year	153,147	13,167	3,680	169,994	166,028
<b>Depreciation</b>					
At start of year	17,433	-	3,080	20,513	18,448
Charge for the year	2,899	-	96	2,995	2,747
Eliminated on disposals	(192)	-	-	(192)	(683)
At end of year	20,140	-	3,176	23,316	20,512
<b>Net book value</b>					
At end of year	133,007	13,167	504	146,680	145,516
At start of year	138,008	7,072	436	145,516	142,418
<b>College</b>					
<b>Cost</b>					
At start of year	155,415	7,202	3,516	166,133	160,972
Additions and improvements at cost	403	6,131	164	6,698	25,546
Disposals at cost	(2,697)	(36)	-	(2,733)	(20,385)
At end of year	153,121	13,297	3,680	170,098	166,133
<b>Depreciation</b>					
At start of year	17,433	-	3,080	20,513	18,449
Charge for the year	2,899	-	96	2,995	2,747
Eliminated on disposals	(192)	-	-	(192)	(683)
At end of year	20,140	-	3,176	23,316	20,513
<b>Net book value</b>					
At end of year	132,981	13,297	504	146,782	145,620
At start of year	137,982	7,202	436	145,620	142,523

The insured value of all the College's operational buildings as at 30 June 2022 was £230 million (2021: £213 million).

The Santander loan, as set out in note 17, is secured against certain outlying properties with a market value of £24 million as at October 2008.

## Notes to the financial statements

## 8a Heritage Assets

The College holds and conserves certain collections, artifacts and other assets of historical, artistic or scientific importance. As stated in the statement of principal accounting policies, heritage assets acquired since 1999 have been capitalised. However, the assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous years were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Value of acquisitions capitalised at start of year	342	62
Acquisitions purchased with specific donations	-	-
Acquisitions purchased with College funds	-	-
Total cost of acquisitions purchased	<u>-</u>	<u>-</u>
Value of acquisitions by donation	-	280
Total acquisitions capitalised	<u><u>342</u></u>	<u><u>342</u></u>

## 9a Investments

	<b>Securities and cash</b>	<b>Property</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Market value at start of year	122,470	34,372	156,842	127,980
Additions	26,048	1,689	27,737	88,686
Disposal proceeds	(22,738)	(1,809)	(24,547)	(86,376)
Gain/(loss)	(4,523)	6,975	2,452	25,111
Increase in cash balances held at fund managers	<u>(1,466)</u>	<u>-</u>	<u>(1,466)</u>	<u>1,441</u>
Market value at end of year	<u><u>119,791</u></u>	<u><u>41,227</u></u>	<u><u>161,018</u></u>	<u><u>156,842</u></u>

Represented by:

Property investment	41,227	34,372
Quoted securities - equities	97,038	104,321
Quoted securities - fixed interest	370	440
Unquoted securities - equities	17,020	11,044
Alternative assets	-	-
Cash held for reinvestment	<u>5,363</u>	<u>6,665</u>
Total	<u><u>161,018</u></u>	<u><u>156,842</u></u>

## Notes to the financial statements

## 9b Inflation swap investments

	Securities £'000	Cash £'000	2022 £'000	2021 £'000
Market value at start of year	40,747	1,008	41,755	34,415
Additions	-	-	-	-
Disposal	242	(242)	-	-
Gain/(loss)	(1,622)	-	(1,622)	7,311
Increase in cash balances held at fund managers	-	48	48	29
	<u>39,367</u>	<u>814</u>	<u>40,181</u>	<u>41,755</u>
Represented by:				
Quoted securities - equities			39,367	40,747
Cash held for reinvestment			<u>814</u>	<u>1,008</u>
Market value at end of year			<u>40,181</u>	<u>41,755</u>

The inflation swap investments are secured against the inflation-linked liability payable to HSBC in 2048, as set out in note 15.

## 9c Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Clare College Ltd	United Kingdom	20,001	Ordinary	100%
Clare College Conferences Ltd	United Kingdom	1	Ordinary	100%

Clare College Ltd was incorporated in 1994. The principal activity of the company is that of design and construction of buildings.

Clare College Conferences Ltd was incorporated on 29 February 2012. The principal activity of the company is that of conference accommodation and catering for non-educational clients.

10 Stocks Group and college	2022 £'000	2021 £'000
Goods for resale	187	197
Other stocks	<u>2</u>	<u>1</u>
Total	<u>189</u>	<u>198</u>

## Notes to the financial statements

<b>11 Trade and other receivables</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>
Members of the College	133	134	154	154
University fees	-	-	-	-
Other receivables	1,061	727	575	484
Amounts due from subsidiary undertakings	-	227	-	191
Prepayments and accrued income	1,218	1,218	287	287
	<u>2,412</u>	<u>2,306</u>	<u>1,016</u>	<u>1,116</u>
<b>12 Short term investments</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>
Bank deposits	19,645	19,645	19,554	19,554
Properties held for sale	-	-	725	725
	<u>19,645</u>	<u>19,645</u>	<u>20,279</u>	<u>20,279</u>
<b>13 Cash at bank and in hand</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>
Current accounts	7,554	7,174	8,345	8,053
Cash in hand	1	1	1	1
	<u>7,555</u>	<u>7,175</u>	<u>8,346</u>	<u>8,054</u>
<b>14 Creditors: amounts falling due within one year</b>	<b>Group 2022 £'000</b>	<b>College 2022 £'000</b>	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>
Trade creditors	665	890	754	656
Members of the College	100	100	99	99
University fees	890	890	682	682
College student societies	145	145	148	148
Contribution to Colleges' fund	87	87	80	80
Other creditors	85	85	6	6
Amounts due to subsidiary undertakings	-	3	-	0
Accruals and deferred income	1,993	1,306	506	436
	<u>3,965</u>	<u>3,506</u>	<u>2,275</u>	<u>2,107</u>

## Notes to the financial statements

<b>15 Creditors: amounts falling due after more than one year</b>	<b>2022</b>	<b>2021</b>
<b>Group and college</b>	<b>£'000</b>	<b>£'000</b>
Loan repayable in 2048 to Santander	15,000	15,000
Inflation-linked amount due to HSBC	7,297	5,839
Other loans	20,000	20,000
	<u>42,297</u>	<u>40,839</u>

On October 2008 the College entered into a contract with Santander to borrow £15 million at 4.4% repayable in full in October 2048 and with HSBC for an inflation financial instrument to turn the conventional loan into an index-linked loan at a real interest rate of 1.1%. This inflation swap financial instrument includes a 7% inflation cap. The Santander loan of £15 million is secured against outlying operational properties with a market value of £24 million (net book value £7.5 million). The HSBC inflation swap financial instrument is secured on the £15 million investment fund over which HSBC has a lien. The College is investing the £15 million in global equity tracker funds, accumulating income over the next 40 years to meet the RPI index-linked liability to HSBC and the £15 million liability to Santander.

At 30 June 2022 the value of the investments was £40,181,000 (2021: £41,755,000) and the liabilities to Santander and HSBC totalled £22,297,000 (2021: £20,839,000). The increase of £1,458,000 in the inflation-linked liability during the year is shown as a reduction on total return as set out in note 3c and the liability is included in creditors as set out above.

In January 2017 the College entered into a private unsecured bond placement to borrow £15m at 2.93% repayable in full in 2045. Interest is paid semi-annually.

In the year ending 30 June 2021 the College took a £5m loan as a precautionary measure as a result of COVID-19 repayable in June 2023.

## 16 Inflation swap financial instruments

<b>Group and college</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	13,833	14,528
Charge to comprehensive income	(5,650)	(695)
Balance at end of year	<u>8,183</u>	<u>13,833</u>

Derivatives mark to market valuation on inflation linked swap. For further explanation regarding the Inflation swap financial instruments please see note 15

## 17 Pension provisions - USS

<b>Group and college</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	281	348
Movement in year:		
Contributions	(12)	(13)
Change in expected contributions	344	(59)
Other finance cost	2	5
Balance at end of year	<u>615</u>	<u>281</u>

## 18 Capital and other commitments

<b>Group and College</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Authorised and contracted	10,230	9,850
Authorised and but not yet contracted for	-	-
	<u>10,230</u>	<u>9,850</u>

## Notes to the financial statements

## 19 Endowment Funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent £'000	Unrestricted Permanent £'000	2022 £'000	2021 £'000
Balance at start of year:				
Capital	61,444	-	61,444	51,252
New donations and endowments	1,737	-	1,737	651
Transfer from restricted reserves	-	-	-	-
(Decrease)/Increase in market value of investments	215	-	215	9,541
Balance at end of year	<u>63,396</u>	<u>-</u>	<u>63,396</u>	<u>61,444</u>
Analysis by type of purpose				
Fellowship funds	5,944	-	5,944	4,731
Scholarship funds	13,360	-	13,360	12,794
Prize funds	851	-	851	836
Hardship funds	3,498	-	3,498	3,329
Bursary funds	8,582	-	8,582	9,205
Travel grant funds	775	-	775	763
Building renewals fund	9,159	-	9,159	9,007
Other funds	12,493	-	12,493	12,188
General funds	8,734	-	8,734	8,590
	<u>63,396</u>	<u>-</u>	<u>63,396</u>	<u>61,444</u>
Analysis by asset				
Property	16,232	-	16,232	13,466
Investments	45,053	-	45,053	45,367
Cash	2,111	-	2,111	2,611
	<u>63,396</u>	<u>-</u>	<u>63,396</u>	<u>61,444</u>

## 20 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £'000	Permanent unspent and other restricted income £'000	Restricted expendable endowment £'000	2022 £'000	2021 £'000
Balance at start of year:					
Accumulated income	6,945	36,866	845	44,656	41,408
New grants	2,231	-	-	2,231	1,916
New donations	-	45	201	246	218
Other income	91	-	-	91	60
Endowment return transferred	-	2,573	-	2,573	2,373
Transfer	227	(227)	-	0	(20)
(Decrease)/Increase in market value of investments	-	622	-	622	5,384
Management Fees	-	(242)	-	(242)	(203)
Expenditure	-	(1,651)	(231)	(1,882)	(1,282)
Capital grants utilised	<u>(5,258)</u>	<u>0</u>	<u>-</u>	<u>(5,258)</u>	<u>(5,199)</u>
Balance at end of year	<u>4,236</u>	<u>37,986</u>	<u>815</u>	<u>43,037</u>	<u>44,657</u>
Analysis by type of purpose					
Fellowship funds	-	9,703	65	9,768	9,433
Scholarship funds	-	13,613	23	13,636	13,306
Prize funds	-	1,920	8	1,928	1,888
Hardship funds	-	4,550	132	4,682	4,616
Bursary funds	-	1,116	45	1,161	1,066
Travel grant funds	-	691	5	696	655
Building renewals fund	4,236	202	1	4,439	7,144
Other funds	-	6,191	536	6,727	6,548
	<u>4,236</u>	<u>37,986</u>	<u>815</u>	<u>43,037</u>	<u>44,657</u>

## 21 Memorandum of Unapplied Total Return

Within the reserves representing investments held by the College, the following are the cumulative surpluses of total return on the main investment portfolio and on the inflation swap investments and liabilities (after deducting the drawdowns) since 1 July 1999 :

	Main endowment £'000	Inflation swap investments £'000	2022 £'000	2021 £'000
Unapplied Total Return at start of year	87,430	19,837	107,267	76,982
Surplus of total return for year (note 3)	1,431	(3,510)	(2,079)	30,285
Unapplied total Return at end of year	<u>88,861</u>	<u>16,327</u>	<u>105,188</u>	<u>107,267</u>

## Notes to the financial statements

## 22 Reconciliation of consolidated surplus for the year to net cash inflow/(outflow) from operating activities

	2022 £'000	2021 £'000
Surplus for the year	5,896	32,074
<b>Adjustment for non-cash items</b>		
Depreciation	2,993	2,746
(Gain)/Loss on disposal of non-current assets	16	1,406
(Gain)/loss on endowments, donations and investment property	(803)	(32,702)
(Increase)/Decrease in stocks	9	68
Decrease/(Increase) in debtors	(1,397)	207
(Decrease)/Increase in creditors	3,147	124
Pension costs less contributions payable	334	(67)
Movement in provisions	(5,650)	(695)
<b>Adjustment for investing or financing activities</b>		
Investment income	(3,354)	(2,706)
Inflation swap income	(48)	(109)
Interest payable	2,368	1,472
Interest receivable	(666)	(666)
Management fees	472	343
<b>Net cash inflow from operating activities</b>	<u>3,317</u>	<u>1,497</u>

## 23 Cash flows from investing activities

	2022 £'000	2021 £'000
Proceeds on disposal of investments	24,547	86,376
Proceeds on disposal of inflation swap investments	-	-
Investment income	3,401	2,814
Investment costs	(472)	(343)
Endowment funds invested	(26,286)	(90,127)
Inflation swap invested	(56)	(29)
Proceeds on disposals on non-current assets	2,524	18,296
Payments made to acquire non-current assets	(6,698)	(25,547)
<b>Total cash flows from investing activities</b>	<u>(3,040)</u>	<u>(8,561)</u>

## 24 Cash flows from financing activities

	2022 £'000	2021 £'000
Interest paid	(2,368)	(1,472)
Interest received	666	666
New loans	0	5,000
Cash held on short term deposit	634	5,734
<b>Total cash flows from financing activities</b>	<u>(1,068)</u>	<u>9,929</u>

## Notes to the financial statements

## 25 Consolidated reconciliation and analysis of net debt

	At 1 July 2021 £000	Changes in Market value £000	At 30 June 2022 £000
<b>Cash and Cash Equivalents</b>	8,346	(791)	7,555
<b>Borrowings:</b>			
<b>amounts falling due after more than one year</b>			
Secured Loan (repayable in 2048 to Santander)	15,000	-	15,000
Unsecured loans	20,000	-	20,000
Derivatives (Inflation-linked amount due to HSBC)	5,839	1,458	7,297
<b>Total</b>	<b>40,839</b>	<b>1,458</b>	<b>42,297</b>

## 26 Financial Instruments

	2022 £000	2021 £000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Quoted equity and fixed interest investments	97,408	104,761
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Unquoted equity investments	17,020	11,044
Alternative assets	-	-
	<u>114,428</u>	<u>115,805</u>
<b>Financial liabilities</b>		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
Inflation-linked amount due to HSBC	7,297	5,839
Inflation swap financial instruments	8,183	13,833
	<u>15,480</u>	<u>19,672</u>
<b>Net Total</b>	<b><u>98,948</u></b>	<b><u>96,133</u></b>

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

**Notes to the financial statements****27 Related Party Transactions**

Owing to the nature of the College's operations and the composition of the Governing Body it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

2 Trustees have received loans under the College's Fellows Loan scheme where interest is charged at 1% above the Barclays base rate upon the principal amount. Total loans issued amounts to £155,000 (2021: £150,000)

The Bursar represents the College as a member of the Investment Advisory Board of the Diversified Property Fund for Charities. No compensation is received for acting in this capacity. There are no transactions outstanding at the balance sheet date.

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

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

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

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

<b>From</b>	<b>To</b>	<b>2022 Number</b>	<b>2021 Number</b>
£0	£10,000	10	10
£10,001	£20,000	1	2
£20,001	£30,000	2	1
£30,001	£40,000	-	-
£40,001	£50,000	1	2
£50,001	£60,000	1	-
£60,001	£70,000	3	1
£70,001	£80,000	-	-
£80,001	£90,000	-	1
£90,001	£100,000	-	1
	<b>Total</b>	<u>18</u>	<u>18</u>

The total Trustee salaries were £391,070 for the year (2021: £427,194)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £81,404 for the year (2021: £84,327)

In addition, the college has provided loans to its fellows as part of a Shared Equity Scheme. These amounts are included in Fixed Assets and total £908,222 (2021: £725,394)

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

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

## Notes to the financial statements

## 28 Pension Schemes (continued)

## (a) Universities Superannuation Scheme

The total cost charged to the Statement of Comprehensive Income and Expenditure is £434,000 (2021: (£82,000)) as shown in note 28c.

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

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

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

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

Pension increases (CPI)	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:

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

The current life expectancies on retirement at age 65 are:

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Males currently aged 65 (years)	23.9	24.6	24.4	24.6
Females currently aged 65 (years)	25.5	26.1	25.9	26.1
Males currently aged 45 (years)	25.9	26.6	26.3	26.6
Females currently aged 45 (years)	27.3	27.9	27.7	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:

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Discount rate	3.31%	0.87%	1.45%	2.24%
Pensionable salary growth	5.0%	3.0%	2.7%	3.0%

**Notes to the financial statements****28 Pension Schemes (continued)****(b) Clare College Contributory Pension Scheme and NEST**

The College operates a defined contribution pension scheme, mainly for permanent contracted non-academic employees which complies with the requirements of the Pensions Act 2008 and Auto Enrolment. This scheme is provided by Prudential and has been in operation since July 2016. The previous Occupational Pension Scheme is officially wound up.

Temporary employees are offered the National Employment Savings Trust (NEST) scheme, a defined contribution scheme set up by the Government. The assets of both schemes are held in separate trustee-administered funds. The amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the respective schemes in respect of the accounting year.

**(c) Summary of pension costs**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Universities Superranuation Scheme	434	82
Clare Contributory Pension Scheme	437	416
NEST	-	-
	<hr/>	<hr/>
Total pension costs (note 7)	<u>871</u>	<u>498</u>

**CLARE COLLEGE CAMBRIDGE**

England & Wales - Charity number 1137531

---

# Accounts

---

# Clare College, Cambridge

Financial statements  
for the year ended 30 June 2021

<b>Contents</b>	2
Contact Information and Advisors	3
Governing Body and Committees	4 - 5
Aims and Objectives of the College	6
Operating and Financial Review	7 - 12
Reserves Policy	10
Principal Risks and Uncertainties	11
Public Benefit as a Charity	11 - 12
Statement of Corporate Governance	13
Statement of Internal Control	14
Statement of Responsibilities of the Trustees of the College	15
Independent Auditors' Report to the Trustees of the College	16 - 18
Statement of Principal Accounting Policies	19 - 23
Consolidated Statement of Comprehensive Income and Expenditure	24
Consolidated Statement of Change in Reserves	25
Consolidated and College Balance Sheets	26
Consolidated Cash Flow Statement	27
Notes to the Financial Statements	28 - 42

**Contact Information and Advisors**

**Address**

Clare College  
Trinity Lane  
Cambridge CB2 1TL

**Key officers**

Master: Ms L R C Minghella, OBE  
Senior Tutor: Professor J A Tasioulas  
Bursar: Mr D J Ball

**Registered charity number**

1137531

**VAT number**

125 4984 96

**Professional advisors:**

**Independent auditors**

Peters Elworthy & Moore  
Salisbury House  
Station Road  
Cambridge CB1 2LA

**Principal bankers**

Barclays Bank plc  
9-11 St Andrew's Street  
Cambridge CB2 3AA

**Principal solicitors**

Ashtons Legal  
Chequers House  
77-81 Newmarket Road  
Cambridge CB5 2EU

**Property managers**

Bidwells Property Consultants  
Trumpington Road  
Cambridge CB2 2LD

**Principal investment managers**

State Street Global Advisors  
25 Bank Street  
London E14 5LE

**Governing Body and Committees**

for the year ended 30 June 2021

**Status**

The College is a corporate body consisting of the Master, the Fellows and the Scholars of Clare College, Cambridge as provided by the College's charter in 1359 and Statutes that were updated in 2017. The College is a registered charity with registration number 1137531 and registered office at Clare College, Trinity Lane, Cambridge, CB2 1TL.

The names of the members of the Governing Body and the Committees charged with the governance of the College during the year ended 30 June 2021 including any changes up to the date of signing are as follows:

**Governing Body**

Master: Ms L C R Minghella, OBE (from 1.10.21)  
Lord A S Grabiner (until 30.9.21)

Senior Tutor: Professor J A Tasioulas

Bursar: Mr D J Ball (from 1.10.21)  
Mr P C Warren (until 30.9.21)

Professor P M Allmendinger	Dr R M Harris	Professor J C Prabhu
Professor N H Andrews	Professor W A Harris (until 30.9.21)	Professor A M Preston
Professor A P Balmford	Professor R D Hedley	Professor W A Pullan (until 30.9.20)
Dr P D Bristowe (until 30.9.21)	Professor D A Hodell	Dr K F Riley
Mr S J Buczacki (until 30.9.20)	Professor N B Holdstock	Mr G A C Ross
Professor A A Berman (from 1.10.21)	Professor D R Howarth	Professor D H Rowitch
Professor I Budvytis	Professor K E Hughes	Professor H L Sanson
Dr I R Burrows	Professor G S Jacobs	Professor O C H Shorttle
Professor W J Byrne	Professor H F Jahm	Dr F Smith (until 30.9.21)
Professor A Cabrera Serrenho	Mr A L Jonson (until 30.9.21)	The Rev'd Dr M S Smith
Professor R G Cacho	Professor P H Jones	Professor M Sprik
Professor J Carroll	Dr P F Knewstubb (until 27.10.21)	Professor R Sterckx
Dr A P Carter	Dr L R Klee (from 1.10.21)	Dr A M Stillman
Professor A D Chambers	Professor J Krupic	Professor S D Stranks
Professor T G Chesters	Professor M B M Lahr	Professor A G Thomason
Professor C J Clarke	Professor H Laman	Professor H E Thompson
Professor N S Clayton	Professor R Lawson	Professor F M O Toxvaerd
Professor G Corsetti	Professor S M Lazar	Professor E C Turner
Professor M Dunajski	Professor P F Leadlay	Professor H W van Veen
Dr N J B Evans (until 30.9.20)	Dr I C Lestas	Professor J E Vinuales
Dr P B Faulkner	Professor T M Lewens	Professor R I Watson
Professor P C Fletcher	Professor Dame H M O Leyser	Professor M Weeks
Dr T Follini	Professor S J Lockwood (from 1.10.21)	Dr C G Weiss
Dr E A Foyster	Mr P D McCarthy (from 1.10.21)	Dr L R Weiss (until 30.9.21)
Professor S C Franklin	Professor L Maniscalco	Dr G R Wilkes (until 30.9.21)
Mrs E M Freeman (until 30.9.21)	Dr T Moore	Dr S E Wimpenny
Professor A D Friend	Dr J S O'Donoghue (until 30.9.21)	Dr J Wolf
Professor M Frolova-Walker	Professor G I Ogilvie	Professor J Woodhouse (until 30.9.21)
Professor J S Gibson	Dr R Pandya	Ms J M Wyburd
Professor R C Glen	Professor G F Parker	Dr T Zhang
Professor J M Goodman	Professor L C Paulson	Ms S R Mason (MCR President)
Professor N C Greenham	Professor R T Phillips	Ms L R Rafalin (UCS President)
Professor H Griffiths	Professor A Philpott	Ms A Ali (MCR Vice President)
Dr J A Guy	Dr D Pollard (from 1.10.21)	Ms A Thompson (UCS Vice President)

All members of the Finance Committee and Council are trustees, except for the student members, and are given, on appointment, copies of the Statutes of the College, together with a note drawing attention to the policy for the management of conflicts of interest, and the requirements of the Charity Commission regarding such conflicts of interest.

**Governing Body and Committees**  
for the year ended 30 June 2021

**\*Council**

Ms L C R Minghella, OBE (Master) (from 1.10.21)  
Lord A S Grabiner (Master) (until 30.9.21)  
Professor J A Tasioulas (Senior Tutor)  
Mr D J Ball (from 1.10.21)  
Professor J Carroll  
Dr A P Carter  
Dr T G Chesters (until 30.9.21)  
Professor M Dunajski  
Professor J S Gibson (until 30.9.21)  
Professor J M Goodman  
Professor H Griffiths (from 1.10.21)  
Professor S M Lazar  
Professor G F Parker  
Professor O C H Shorttle  
The Rev'd Dr M S Smith  
Mr P C Warren (until 30.9.21)  
Ms S R Mason (MCR President)  
Ms L R Rafalin (UCS President)

*In Attendance: Miss E R Easterbrook (Secretary)*

**\*Finance Committee**

Ms L C R Minghella, OBE (Master) (from 1.10.21)  
Lord A S Grabiner (Master) (until 30.9.21)  
Professor J A Tasioulas (Senior Tutor)  
Mr D J Ball (Bursar) (from 1.10.21)  
Mr P C Warren (Bursar) (until 30.9.21)  
Professor P M Allmendinger  
Professor A D Chambers  
Professor J M Goodman  
Professor N C Greenham  
Professor H Laman  
Professor H W van Veen  
Dr J Wolf  
Mr P Taylor (MCR representative)  
Mr A Rawat (UCS representative)

*In Attendance: Miss E R Easterbrook (Secretary)  
Mrs R C Willatt (Deputy Financial Bursar)*

\* All members of Council and Finance Committee are charity trustees except for the student members.

**Salaries and Stipends Committee**

Professor R C Glen  
Professor A D Chambers  
Mr T Harvey-Samuel (Bursar from another college)  
Professor J Woodhouse

*In Attendance: Ms S Hewings (Secretary)  
Mr D J Ball (Bursar) (from 1.10.21)  
Mr P C Warren (Bursar) (until 30.9.21)*

**Audit Committee**

Professor A D Chambers (Chair)  
Professor R T Philips  
Professor J C Prabhu (until 30.9.21)  
Mr S Newman (Clare alumnus)  
Mr M Smith (Clare alumnus)

*In Attendance: Mr J Pollington (Secretary)  
Mr D J Ball (Bursar) (from 1.10.21)  
Mr P C Warren (Bursar) (until 30.9.21)  
Mrs R C Willatt (Deputy Financial Bursar)*

**Estates Committee**

Professor J A Tasioulas (Senior Tutor)  
Mr D J Ball (Bursar) (from 1.10.21)  
Mr P C Warren (Bursar) (until 30.9.21)  
Professor P M Allmendinger (Chair)  
Professor A P Balmford  
Dr T Follini  
Professor A D Friend  
Professor H Griffiths  
Professor W A Pullan  
Mr D Patten (UCS representative)  
Mr P Taylor (MCR representative)

*In Attendance: Dr J E Costin (Secretary)  
Miss E R Easterbrook (Assistant Bursar)  
Ms D S Hoy (Estates Director)  
Mr B E Morgan (Head Porter)  
Mr J R Randall (IT Manager)*

**Investment Committee**

Ms L C R Minghella, OBE (Master) (from 1.10.21)  
Lord A S Grabiner (Master) (until 30.9.21)  
Mr D J Ball (Bursar) (from 1.10.21)  
Mr P C Warren (Bursar) (until 30.9.21)  
Professor A D Chambers  
Mr N Cumming (Clare alumnus)  
Professor R C Glen  
Ms Griffiths (alumna)  
Dr J A Guy  
Mr D Haynes (Clare alumnus)  
Mr J Spiers (Clare alumnus)  
Dr J Wolf  
Mr P Taylor (MCR representative)  
Mr Wu (UCS representative)

*In Attendance: Miss E R Easterbrook (Secretary)  
Mrs R C Willatt (Deputy Financial Bursar)*

**Aims and Objectives of the College**

for the year ended 30 June 2021

The College's strategic plan sets out the College's long term aims in the context of national and global changes as follows:

- to maintain its emphasis on the individual in academic and pastoral provision; to deliver a world-class undergraduate education by safeguarding the provision of small-group teaching through the College-based supervision system; and to achieve excellence in education at both undergraduate and postgraduate levels;
- to support a community of Fellows, students and staff, allowing the benefits of a large, internationally renowned university to be realised in a small-scale and close-knit community;
- to foster and support a community of active alumni contributing to the life and future of the College;
- to promote academic research of the highest quality; and
- to maintain and enhance the endowments and benefactions, historic buildings and grounds of the College for the benefit of current and future generations.

Remaining an independent foundation within a collegiate University is fundamental to the College's long-term strategy. The College endorses the University's mission and core values and agrees that the partnership between the University and the Colleges is central to Cambridge's future development. The College will continue to play an active role in University bodies and in formulating University policy.

Within the collegiate University, Clare offers distinctive strengths. The College is committed to sustaining and enhancing its particular contribution to Cambridge and to society in general by:

- maintaining and developing its long-standing commitment to encouraging applications from the most talented students, irrespective of background, in tandem with a needs-blind admissions system supported by a comprehensive programme of financial assistance;
- building on the College's strong international links to provide students with opportunities for educational and cultural exchanges, recognising the importance of such exchanges in an increasingly global society;
- supporting active engagement by the College and its members in the local community and in community activities nationally and internationally; and
- fostering excellence in music, through support of the College Choir, the choral and organ scholarships, and instrumental awards.

## Operating and Financial Review

for the year ended 30 June 2021

During the year, the College has continued to pursue its charitable aims in promoting learning, study, and teaching in a community of scholars in the University of Cambridge. The intense pressure on students to achieve the highest academic standards places corresponding demands on the College. Clare alumni, who were themselves taught by the leading academics of their generation in small group supervisions, understand those pressures and the need for financial resources to maintain this standard of education. Clare's financial resources are provided by our alumni and other sources, through donations which are increasingly important if we are to maintain our high standards, and also by our own operations as we recognise a need to run the College as an efficient organisation.

The challenges and pressures facing students today are greater than ever. The College is acutely aware of the enormous increase in the number of students that suffer with mental health issues. It is for this reason that the College employs two College nurses who, with additional support from the team of College Tutors, provide support and guidance to undergraduate and graduate students throughout the academic year. The COVID-19 pandemic has made pastoral care and mental health support even more important, as students are being forced to self-isolate and face-to-face social interaction is more constrained. In response to this need a new Health and Wellbeing Centre has been established to help support students with general health and mental health needs. We are extremely proud of the great work that our nurses and Tutors do.

Standards at the top of Higher Education are continuing to rise and Clare is determined to stay in the top echelon globally. During the year ended June 2021 this meant the College spent £9,162 (2020: £11,000) on the education of each undergraduate student, mainly on the intensive support provided by each student's Director of Studies and supervisors. In addition, the College spent £4,026 (2020: £5,124) in educational support for graduate students. The total cost of educating 524 (2020: 475) undergraduates and supporting 181 (2020: 186) graduate students was £5,530,245 (2020: £6,316,000). The College receives a contribution equating to £4,625 for each new undergraduate by way of the College Fee, but this leaves a shortfall of £4,537 (2020: £6,375) for each undergraduate student, amounting to 49.5% (2020: 58%) of the total cost. The reduction in the cost of education in the year ending 30 June 2021 was due to the reduction in variable indirect costs of education arising from the COVID-19 pandemic, however a deficit in the cost of educating student's remains which can only be sustained through the generosity of benefactors.

Changes to Higher Education funding and student finance have resulted in increased levels of debt for students which will inevitably lead to heavy pressure on Clare's hardship funds. During the year the College made total bursaries and awards of £624,180 (2020: £820,602) to undergraduate and graduate students. In addition to bursaries and other grants, the College offers subsidies on the cost of food and accommodation as extra undergraduate and graduate student support.

The College aims to raise sufficient funds from benefactors to preserve small-group teaching for undergraduates, provide bursaries in support of Clare undergraduates from low income backgrounds, and support graduate study through scholarships and hardship grants. This entails a significant challenge in raising additional income, while continuing to exercise tight constraints on spending.

### Financial Results

A new form of financial accounts was introduced in 2016 following the adoption of Financial Reporting Standard (FRS) 102. This same RCCA format has also been adopted in the preparation of the 2021 financial accounts. On page 24, the Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus of £32,073,000 (2020: £1,883,000). The SOCIE is a statement of all movements in the net assets of the College between one year and the next. It therefore takes account of all operating income and expenditure, investment gains and losses and other adjustments, including total return and pension provisions. The boxed sections (headed unrestricted) on page 24 is, in effect, the operating result on continuing operations before other gains and losses, but includes endowment drawdown and unrestricted spendable donations. On this "operating before other gains and losses" basis the College reported a deficit of £1,215,000 for 2021, compared to a surplus of £1,345,000 for 2020.

This operating deficit before other gains and losses was achieved after total unrestricted expenditure decreased by £1,549,000 to £11.4 million. The decrease in unrestricted expenditure was largely attributable a reduction in variable costs such as catering as a result of the COVID-19 pandemic. Total unrestricted income decreased by £4,110,000 to £10.2 million, largely as a result of decreased Catering and Conferencing income arising from the COVID-19 pandemic.

The financial environment for the College remains challenging and it will be necessary to address a number of significant financial issues in the coming years, including the need to continue funding the ongoing refurbishment of Old Court and re-introduce Conferencing activity which was temporarily paused due to COVID-19. Undergraduate fees, which had remained unchanged since 2012, were allowed to increase in line with inflation for newly admitted undergraduate students from 2018. However, the long term outlook for academic fees remains very uncertain and undergraduate fees are unlikely to increase any further in the near future. Without the generous support of our alumni and donors, the College's financial performance is likely to be under considerable stress over the next several years.

**Operating and Financial Review**

for the year ended 30 June 2021

**Benefactions and Donations**

The College is very grateful for the many donations and bequests it has received over the past year from Clare members, corporate donors, trusts and foundations which totalled £4,610,000 including the recovery of Gift Aid. This sum included significant amounts towards the refurbishment of Old Court, student bursaries, and teaching. The College received £1,641,000 in legacies, and 1395 alumni (15.95% of living, addressable alumni) made donations to the College. This is at a similar level to the previous year during the continuing pandemic. We ran a "remote" Telethon in 2020-21 in which 264 alumni committed to give, and a Telethon is planned for 2021-22.

Total donation income and fund raising costs over the last five years are shown in the table below:

Year ended 30 June	2021	2020	2019	2018	2017
	£m	£m	£m	£m	£m
Donations					
Old Court	2.0	3.5	1.9	5.1	3.9
Other	<u>2.6</u>	<u>3.2</u>	<u>2.6</u>	<u>1.5</u>	<u>1.7</u>
	4.6	6.7	4.5	6.6	5.6
Fundraising costs	0.5	0.5	0.6	0.5	0.4
Costs as % of donations	11%	8%	14%	8%	8%

The College has approved a fundraising strategy to launch a new Development Campaign for Clare College. The College commenced the refurbishment of Old Court in August 2018 and aims to raise more than half of the £41 million cost of this work by increasing the overall levels of donations to the College from alumni and other individuals, as well as from foundations and corporations. The College is registered with the Fundraising Regulator. All Clare fundraising activity meets or exceeds current standards, including protections for vulnerable people. This activity is administered by Clare or is under Clare's supervision and there have been no fundraising complaints during the last year.

**The College Endowment**

The market value of the endowment investment portfolio at 30 June 2021 was £156.84 million (2020: £127.98 million) (note 9a), with 66.5% invested in global equities, 21.9% in commercial and agricultural property in the UK, 4.5% in cash deposits and short-dated bonds, and 7.1% in private equity. The College's public equity investments are mainly held in equity tracker funds with 78.7% invested in the Amundi Global Low Carbon fund, 5.2% invested in the UK index tracker fund, 5.9% in the US, 4.1% in Europe, 2.4% in Japan, 3.0% in Emerging Markets, and 0.7% in the Pacific Rim. The overall exposure to US equities within the public equity portfolio amounted to 49.1% and the exposure to UK equities amounted to 8.1%. Foreign currency exposures are not hedged.

The Endowment achieved a total return of 24% (2020: 0.9%) before investment management costs. Over the same time period UK equities showed a total return of 20.2%, global equities 24.5%, UK Government bonds -6.5% and UK commercial property -1.9%. The College's strategic benchmark, consisting of 75% global equity and 25% UK commercial property, showed a total return of 17.6% in sterling over the 12 month period to 30 June 2021. The value of the endowment and total returns over the last five years were:

Year ended 30 June	2021	2020	2019	2018	2017
	£m	£m	£m	£m	£m
Investment assets	156.8	128.0	129.0	123.4	125.5
Actual Net Income	2.7	3.5	3.9	3.8	3.1
Gains/(losses)	<u>25.1</u>	<u>(2.2)</u>	<u>4.2</u>	<u>7.2</u>	<u>15.5</u>
Total return	27.8	1.2	8.1	11.0	18.6
Endowment drawdown	<u>3.8</u>	<u>3.8</u>	<u>3.6</u>	<u>3.3</u>	<u>2.9</u>
Drawdown as a % of Endowment	3.0%	3.0%	3.0%	3.0%	3.0%

The drawdown, which is the amount taken out of the Endowment as spendable income, amounted to £3,803,000 in 2021. The net investment income received of £2,706,000, while the realised and unrealised gains amounted to £25,111,000 resulting in a positive total return before investment management costs of £27,817,000 as set out in note 3a. The Endowment drawdown of £3,803,000 represented 3.0% of the average value of the Endowment over the three preceding years. The aim is to draw down sufficient funds each year to support the specific activities designated by the donors, while protecting the real value of the Endowment against inflation and preserving the capital for the future, consistent with the perpetual nature of the College Endowment.

During the 2020-21 financial year the Investment Committee proposed and the Finance Committee approved the divestment of all publicly listed shares of companies involved in the extraction of fossil fuels by the end of 2021. This new investment approach means that the College and the 2048 fund will hold 80% of public equity investments in a single passively managed low carbon global equity index fund. The remaining 20% of global equity investments will by the end of 2021 be held in other indexed funds pursuing a similar strategy.

**Operating and Financial Review**

for the year ended 30 June 2021

**Liquidity**

The operational cash balances available at 30 June 2021 amounted to £28,625,000 (2020: £31,494,000). This was partly due to continued fundraising success and asset sales. These cash holdings were held in interest bearing accounts with the College's two principal banks. The level of cash held was relatively high, to take account both of construction plans (including current contract commitments and further plans), and also the continuing uncertainties posed by the COVID-19 pandemic for the College's educational and conference activities. It is expected that cash balances will reduce significantly during the 2021-22 financial year.

**Inflation Swap Investments**

In October 2008 the College borrowed £15 million in the form of a conventional loan from Santander and an inflation swap contract with HSBC, structured to provide 40 year index-linked funding. The £15 million was invested in global equity tracker funds and will be left to accumulate over the 40 year period in a ring-fenced fund, over which HSBC has a security charge to cover the inflation liability. Based on historical experience, the Governing Body considered that this investment in global equity tracker funds should make a positive real return of more than 4% per annum compound, consistent with the performance of global equity markets over each 40 year period since 1900. The Governing Body considered that this positive return would represent a significant addition to the College's Endowment, helping to achieve the goal of financial independence in the long term, and that it outweighed the risks involved. In the event that changed economic circumstances make it appropriate, the College has the right to terminate the loan with Santander and the inflation swap with HSBC early at the prevailing cost of termination.

The interest payments on the Santander loan are set at 4.4% per annum and the HSBC swap contract converts this into a real rate of 1.1% per annum. The annual inflation adjustment to the value of the loan on repayment is capped at a rate of 7%. Through this structure the College was able to take advantage of its ability to invest over the very long term at a time of very low interest rates. The liability to Santander for the conventional loan of £15 million is secured on the College's outlying operational properties, valued at £35 million. During the year to 30 June 2021 the 2048 Fund generated a total return of 21.3% gross and 21.1% net of the increase in inflation-linked liabilities and interest payments. The resulting surplus of £6,534,000 was added to the Total Return reserves as set out in Note 21. The cumulative inflation swap investment net unapplied Total Return increased to £19,837,000 at 30 June 2021 (note 21).

During the first 12 years of the 40 year inflation swap (from October 2008 to June 2021) the level of RPI has risen by 40.4%, with the result that the College's liability to Santander and HSBC at June 2021 has increased to £20.8 million. At June 2021 the market value of global equity tracker fund investments held in the 2048 Fund amounted to £40.8 million and the outstanding cash balance stood at £1.0 million. The total value of inflation swap investments amounted to £41.8 million at 30 June 2021.

The complex financial structure of the inflation linked swap and accounting standards have made it necessary to apply a provision within the financial statements. The estimated value of the inflation linked swap liability based on derivative valuations as of 30 June 2021 show a break cost of £13.8 million (2020: £14.5 million). As at 30 June 2021 a provision for £13.8 million has been included as a liability in the Balance Sheet (see note 16) resulting in a decrease in liabilities and an increase in reserves by £695,000. However, at the present time the College has no intention to unwind the inflation swap facility and the year ending 30 June 2021 was a good year for the inflation swap investment.

**Capital Expenditure and Buildings Refurbishment**

During the 2020-21 financial year the College continued the Old Court project, completing Phase 1a and the redevelopment of St Regis. As a result capital expenditure relating to buildings amounted to £25,466,000, an increase of £17,025,000 compared to the prior year. In addition a further £80,000 of equipment capital expenditure was made. The St Regis project started in August 2018, and was completed in February 2021 at a cost of £9,641,000.

The cost of repairing the College's historic buildings represents a substantial financial commitment and the Governing Body recognises the need to set aside adequate sums to ensure that the historic buildings are properly maintained over the long term. A professional survey of the condition of all College buildings has confirmed that more than £2.7 million must be committed each year to maintain the College's historic fabric and buildings. The Finance Committee has approved a longer term target to spend a sum equal to 1.5% of the insurance replacement value of the College's operational buildings each year on the repair and maintenance of the operational estate. The insurance replacement value of the College's operational buildings is £292 million as of 30 June 2021 and the value of fixed asset investment on refurbishments expected to increase to more than £3 million per annum in the coming years.

Old Court Phase 1a completed in October 2020 and St Regis completed in February 2021. It is the College's depreciation policy to depreciate in full years meaning pro-rata depreciation of £103,657 for Old Court 1a and £80,343 St Regis was not charged in the financial year ending 30 June 2021, but a full year's depreciation of £155,486 and £192,824 respectively, will be charged annually for the next 50 years starting in the financial year ending 30 June 2022.

## Operating and Financial Review

for the year ended 30 June 2021

### Safeguarding Policy

Clare College recognises that Fellows, staff and students of the College may sometimes work with children and other vulnerable individuals in the course of their duties. In this context, the College is committed to respecting the rights, wishes and well-being of individuals with whom it is working; taking all reasonable steps to protect them from physical, sexual and emotional abuse; promoting the welfare of children and vulnerable individuals, and ensuring their protection within a relationship of trust. The full list of safeguarding policies is available on the College website.

The safeguarding policy has been established to support these commitments and to ensure that the College fulfils its obligations under the Safeguarding Vulnerable Groups Act 2006 and any subsequent legislation.

### Reserves Policy

At June 2021 the College had £205 million of unrestricted reserves, of which £146 million was represented by operational fixed assets and heritage assets which are illiquid and in some cases inalienable. The balance of £59 million constitutes free reserves and is invested to support the operations of the College and for contingencies.

The College regularly reviews the level of free reserves. In doing this, the College takes into account the guidance offered by the Charity Commission in its publication Charity reserves: building resilience (CC19). The College considers the main considerations to be:

1. The financial risks of its operations, including potential loss of annual income (due to the economic environment and changes in funding of higher education), investment risks associated with the management of the endowment, funding of the pension scheme and possible unforeseen events.
2. The responsibility to preserve the fabric of its historic buildings;

Many of these items are difficult to quantify precisely. The College considers the current level of reserves adequate, but aims to increase the level of reserves further over time to support its charitable objectives. Any new donations or bequests received during the year are added to unrestricted funds, unless the donor has made it clear that the funds are to be spent on a specific project.

## Operating and Financial Review

for the year ended 30 June 2021

### Principal Risks and Uncertainties

As part of its supervision of the College's activities, the Finance Committee, with input from Audit Committee, identifies and considers the major risks to which the College is exposed, and establishes procedures to manage those risks. There are three main types of risk, relating to:

- The safety of the College's buildings and facilities. These risks are mitigated primarily by management procedures, including compliance with relevant regulations, and alarm systems.
- The security of the College's assets. There are both physical security measures in place and established financial control procedures. Cyber security measures are also in place to protect information assets. Insurance arrangements are reviewed annually with professional advisers.
- Investment risks relating to the College's long-term investments. The main risk mitigation measures are an asset allocation policy which provides diversification by type of investment, management of investments by carefully selected professional managers and oversight of asset allocation and investment performance by the Investment Committee which includes both Trustees and experienced investment professionals.

There are, as always, uncertainties regarding the future external environment within which the College will operate, most notably regarding higher education policy and funding. The Finance Committee considers however that the College will be able to respond effectively to changes in that environment.

The principal risks and uncertainties that the College faces may be briefly summarised:

- In the near term, the College is attempting to identify, assess, record and manage the risks associated with the COVID-19 pandemic. The College has followed Government and University guidelines in terms of this risk assessment exercise; ensuring that all financial controls are at least as robust as they were before the changed working environment. The College has prepared a forecast for the period to 2025 which has been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to minimise the reduction in net revenues and to extend financial headroom.
- The withdrawal of the United Kingdom from membership of the European Union may have a significant effect on the financial markets in which the College invests and it is possible that capital values will be highly volatile and investment income may be adversely affected. To mitigate this risk the College is monitoring investment performance and diversifying its portfolio.
- The economic situation may also adversely affect the College's conference activities which are a significant contributor to the College's overheads. However, the College has significant investments which could be realised if required.
- Although the College has a long term programme of building renewal and improvement, it is always possible with buildings of the age of the College's estate that there will be unexpected issues that may arise. To mitigate this risk the College will ensure that all major building projects have robust plans and budgets which are carefully monitored over the project life.
- The failure of academic fees to keep up with the rise in academic costs, as well as the inevitable uncertainties due to the significant change in funding of Universities in England, it means that the funding and costs associated with the College's core activity will need to be kept under constant review. To mitigate this risk the College will continue to work with the University and other organisations to achieve the fairest allocation of resources.
- The College's building programmes may have a significant impact on College finances, through the substantial building costs involved. To reduce this risk the College monitors these major building projects carefully in line with the agreed budgets and employs professional project managers.

### Future Developments

There are no plans to change the College's core educational activities, with the number of students expected to remain stable and work continuing to widen participation.

The Old Court refurbishment project has continued, with the second phase (of three) now expected to be completed in early 2023, after operational delays were encountered during and after the 2020-21 financial year. Plans for further refurbishment of student accommodation are under review.

The College is planning to resume its conferencing activity, with client commitments already secured for the Easter and summer vacations in 2022.

### Public Benefit as a Charity

The College has met its responsibilities regarding public benefit by providing, in conjunction with the University, an education for some 705 undergraduate and graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, preparing them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative, and academic support through its tutorial and graduate mentoring systems;
- 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; and
- specialist choral musical education for those students in the College's internationally renowned Choir.

The College advances research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, enabling them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- the employment of College Teaching Officers who, in addition to their role as Directors of Studies and supervisors of undergraduate students, maintain important research interests within the University;
- supporting research work pursued by 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 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 important special collections), that provides a valuable resource for students and Fellows of the College, for members of other colleges and the University more widely, and for external scholars and researchers.

The College's students are the primary beneficiaries of its educational activities. Students are selected in an open application process, based solely on academic merit. The College operates a needs-blind admissions process and provides a significant level of bursary support to students who might otherwise be deterred from applying by financial concerns. The educational benefits provided by the College extend to students from other colleges, to visiting schoolchildren, and to alumni who have the opportunity to attend educational events at the College. The College also supports an extensive access and outreach programme to primary and secondary schools in the London Boroughs of Tower Hamlets and Hackney, and also in Coventry and Warwickshire, through which it aims to raise the aspirations of younger people in these parts of the country. Furthermore, the public benefit of the provision of high-quality education goes beyond the benefits to the students themselves. Whether through the vocational skills or the broader intellectual development acquired at the College, its students are able to make valuable and distinctive contributions in the public sphere.

The research advanced by the College is disseminated through publications and oral presentations. Its results are therefore publicly available and constitute a clear public benefit. The beneficiaries include the international community of scholars in the fields concerned, and the wider public who benefit through the intellectual, economic, civic and cultural development that is facilitated through the dissemination of high-quality research.

#### **The College within the Community**

The College shares its facilities with the local community. The College's sports grounds on Bentley Road and the Boathouse on the Cam are used by cricket, soccer and rowing clubs within the City.

The College is committed to reducing its carbon, water and environmental footprint. The College is actively promoting environmental awareness among Fellows, students and staff. Since the 2013-14 academic year, the College has consistently received either a Gold or Platinum award in the University Green Impact Award scheme.

#### **COVID-19**

The Novel Coronavirus (COVID-19) pandemic has had a far-reaching impact on the College community and the Higher Education section in general. In March 2020, all students were advised to leave Cambridge if possible and teaching, welfare support and examinations were delivered online for the rest of the academic year. The resulting disruption continued into the year ending 30 June 2021 with College operations and students returning in line with government guidelines. The Collegiate University, under the guidance of the COVID-19 Gold Team, mobilised existing structures such as the Office for Intercollegiate Services and committees including representatives from all Colleges to ensure a consistent and co-ordinated response. A wide range of matters including teaching, assessment, graduation, admissions, buildings, accommodation and catering provision were dealt with through these channels. A recovery taskforce with representatives from the University and the Colleges identified a range of scenarios for the coming year depending on whether the pandemic subsided, continued at the same intensity or returned in repeated waves. The implications of each scenario on the student experience, research, our people, our buildings, our digital infrastructure and our finances were considered. Care was taken to capture both lessons learned from earlier in the year and opportunities for the future.

Ms L C R Minghella OBE, Master

Mr D J Ball, Bursar

22 November 2021

**Statement of Corporate Governance**  
for the year ended 30 June 2021

The College is a registered charity (registered number 1137531) and is subject to regulation by the Charity Commission for England and Wales. It is also governed by Statutes and Ordinances. The following statement is provided by the Trustees of the College 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 its audit.

1. The Trustees of the College are the members of the Council and the Finance Committee (except for the student members of those committees). The Council and the Finance Committee together exercise general control and management of the College, and are responsible for ensuring compliance with charity law. The principal officers of the College are the Master, Senior Tutor and Bursar. There is a Register of Interests for Trustees. Declarations of interest are made systematically at meetings.
2. The Governing Body, which consists of the Master, the Fellows in Classes A, B, C, D and E, and four Student Members, holds at least three meetings each year. The Council, consisting of the Master, the Senior Tutor and ten Fellows elected by the Governing Body at its annual meeting, together with two Student Members, is responsible for the administration of the College in all matters not specifically assigned to the Governing Body or the Finance Committee. The Finance Committee, consisting of the Master, the Bursar, the Senior Tutor and seven Fellows elected by the Governing Body at its annual meeting, together with two Student Members, oversees the management of the College estates and investments and administers the revenues in accordance with the College Statutes, under the overall direction of the Governing Body. The Members of the Governing Body, Council and Finance Committee during the year ended 30 June 2021 are set out on pages 3-4.
3. The Governing Body, Council, and Finance Committee are advised in carrying out their duties by a number of Committees including the Audit Committee, Investment Committee, Salaries and Stipends Committee, and Estates Committee. Membership of these Committees is set out on page 4.

**Statement of Internal Control**  
for the year ended 30 June 2021

1. The Finance Committee is responsible for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, while safeguarding funds and assets for which the Governing Body is responsible, in accordance with the College Statutes.
2. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve College policies, aims and objectives; it therefore provides reasonable, but not absolute, assurance of effectiveness. The system of internal control is designed to identify the principal risks to achieving those 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.
3. The Members of the Finance Committee and Council are responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - 3.1 The Finance Committee meets six times per year.
  - 3.2 The Council meets seven times per year.
  - 3.3 The Audit Committee normally meets twice each year. It receives reports from the external auditors, including their observations on the College's system of internal control and risk management, together with recommendations for improvement.
  - 3.4 The members of the Finance Committee and Council, as Trustees of the College, review the effectiveness of the system of internal control as informed by the work of the Audit Committee, Bursar and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by external auditors in their management letter and other reports.
  - 3.5 The Finance Committee compares the College's costs and operational performance against the key performance indicators produced for all Cambridge Colleges to identify those areas where improvements can best be made.
4. The Finance Committee and the Audit Committee review the Risk Register which is checked and updated each year by the senior administrative staff and which is considered in detail by the College officers.

**Statement of Responsibilities of the Trustees of the College**

for the year ended 30 June 2021

1. The Members of the Finance Committee and Council, as Trustees of the College, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
2. In accordance with the College Statutes, the Finance Committee is responsible for the management of the College's estates and the administration of the College's revenues, subject to the overall control of the Trustees of the College. The Finance Committee is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept.
3. The College Statutes and the Statutes and Ordinances of the University of Cambridge require the Trustees of the College 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 year. In preparing those financial statements the Trustees of the College are required to:
  - select suitable accounting policies and apply them consistently; make judgements and estimates that are reasonable and prudent;
  - state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.
4. The Trustees of the College are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and enables them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the College and to prevent and detect fraud and other irregularities.
5. The Trustees of the College are responsible for the maintenance and integrity of the charity and financial information included on the College's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent auditor's report to the Trustees of Clare College****Opinion**

We have audited the financial statements of Clare College (the 'College') 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 and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Council and Governing Body

As explained more fully in the responsibilities of the Council and Governing Body statement set out on page 17, the 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 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 Council and Governing Body are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's and the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

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

**Use of our report**

This report is made solely to the College's Council and Governing Body as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the Council and Governing Body those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Council and Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.



**PETERS ELWORTHY & MOORE**

Chartered Accountants and Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date:

17/12/21

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

**Statement of Principal Accounting Policies**

for the year ended 30 June 2021

**Basis of preparation**

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

**Going concern**

The global health crisis caused by COVID-19 has had a significant impact on all businesses. Virtually all College activities ceased as the majority of students returned home in March 2020. Students returned to the College at the start of the 2020-21 academic year in October 2020, but were mostly out of residence in Lent 2021 and returned for the Easter 2021 term in line with government guidelines. Conference activities were paused throughout the 2020-21 Financial Year as a result of COVID-19 however the College is forecasting the resumption of Conference activity in 2021-22.

The Trustees have prepared forecasts over the next 5 years to June 2026 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has made use of the Government Job Retention Scheme. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the near future and therefore have continued to adopt the going concern basis in preparing the financial statements

**Basis of accounting**

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

**Basis of consolidation**

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 9c. Intra-group balances are eliminated on consolidation.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

**Recognition of income****Academic fees**

Academic fees are recognised in the year to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

**Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income and Expenditure at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in the Statement of Comprehensive Income and Expenditure in the same period as the related expenditure.

Government grants received during the year represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff.

**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 Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

**Statement of Principal Accounting Policies**

for the year ended 30 June 2021

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. 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**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investment property is carried at fair value determined annually by the Trustees based on professional advice received. Fair values are derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

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

**Total return**

The College has adopted a total return policy where total return means investment return in terms of both income, whether received or accrued, and capital appreciation, whether realised or unrealised. The Finance Committee may appropriate and distribute for expenditure so much of the fair value of the endowment fund as it in its absolute discretion considers prudent, having regard to the availability of any surplus income, the total return achieved and reasonably to be expected in the long-term of the endowment.

**Other income**

Income is received from a range of activities including accommodation, catering, and conferences. Income is recognised on the exchange of the relevant services.

**Cambridge 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, Clare College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University towards this payment.

The net payment of £0 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£145,400
Expenditure	£145,400

**Foreign currency translation**

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

**Fixed Assets****Land and buildings**

In accordance with FRS102, the land and buildings held for operational purposes are stated at depreciated replacement cost, as determined by professional valuers. A full revaluation of all College property assets was conducted by Gerald Eve as at 30 June 2014, being the transition date to the 2015 RCCA.

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

When buildings are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments.

Finance costs that 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.

**Statement of Principal Accounting Policies**

for the year ended 30 June 2021

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

**Maintenance and renewal of premises**

The College has a five-year rolling maintenance plan, which is reviewed on an annual basis. The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

**Furniture, fittings and equipment**

Furniture, fittings and equipment costing less than £3,000 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:

When furniture, fittings and equipment are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is as in the note above under Income Recognition, donations and endowments.

Boiler room and chapel	4% per annum
Furniture and fittings	10% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	20% and 25% per annum

**Heritage assets**

The College holds and conserves a numbers of collections, exhibits, artefacts and other assets of historical, artistic and scientific importance. 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. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

**Investments**

Investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Investment properties are valued annually based on open market values provided by third party valuers.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**Provisions**

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

**Contingent liabilities and assets**

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

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

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

**Financial instruments**

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

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

**Financial assets**

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

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

## Statement of Principal Accounting Policies for the year ended 30 June 2021

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 interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income. The College does not apply any hedge accounting in respect of interest rate swap derivatives held to manage cash flow exposures.

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

### Taxation

The College is a registered charity (number 1137531) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to 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 (the scheme) for all academic employees. Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 'Employee benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme, in respect of the accounting period. The College has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit) and the College recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Comprehensive Income and Expenditure.

FRS102 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 not under common control and represents (typically) an industry-wide scheme such as that provided by USS. 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 is recognised as profit or loss. The trustees are satisfied that the scheme provided by USS 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 financial statements.

The College also operates a defined contribution pension scheme, mainly for permanent non-academic employees, which is contracted into the State Second Pension (S2P), and also uses the government established National Employment Savings Trust (NEST) scheme

**Statement of Principal Accounting Policies**

for the year ended 30 June 2021

for temporary staff. The assets of both schemes are held in separate trustee-administered funds. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

**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.

**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 the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in page 30.

Investment property – Properties are revalued to their fair value at the reporting date by Bidwells. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.

Inflation linked swap – A provision to reflect the estimated value of the inflation linked swap liability based on the derivative valuation has been included to reflect the break cost of the mechanism.

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 pages 39-40.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the 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 2021. 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 pages 41-42.

## Consolidated Statement of Comprehensive Income and Expenditure

Notes	2021					2020					
	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	Total £'000	
<b>Income</b>											
Academic fees and charges	1	3,433	-	-	-	3,433	3,469	-	-	-	3,469
Accommodation, catering and conferences	2	2,488	-	-	-	2,488	6,486	-	-	-	6,486
Investment income	3a	-	-	2,706	-	2,706	-	-	3,473	-	3,473
Inflation swap income	3c	-	-	-	109	109	-	-	-	145	145
Endowment return transferred to I&E account	3a	1,430	2,373	(3,803)	-	-	1,512	2,267	(3,779)	-	-
Other income		1,114	-	-	-	1,114	1,220	227	-	-	1,448
<b>Total income before donations and endowments</b>		<b>8,467</b>	<b>2,373</b>	<b>(1,097)</b>	<b>109</b>	<b>9,850</b>	<b>12,687</b>	<b>2,494</b>	<b>(306)</b>	<b>145</b>	<b>15,021</b>
Donations	20	1,764	218	-	-	1,983	1,652	430	-	-	2,082
New endowments	19	-	-	651	-	651	-	-	1,100	-	1,100
Other capital grants for assets	20	-	1,976	-	-	1,976	-	3,483	-	-	3,483
<b>Total income</b>		<b>10,231</b>	<b>4,567</b>	<b>(446)</b>	<b>109</b>	<b>14,460</b>	<b>14,341</b>	<b>6,406</b>	<b>794</b>	<b>145</b>	<b>21,686</b>
<b>Expenditure</b>											
Education	4	4,432	1,098	-	-	5,530	4,909	1,407	-	-	6,315
Accommodation, catering and conferences	5	6,085	-	-	-	6,085	7,284	-	-	-	7,284
Other expenditure		848	406	263	885	2,402	715	275	332	514	1,836
Contribution under Statute G, II		80	-	-	-	80	88	-	-	-	88
<b>Total expenditure</b>		<b>11,445</b>	<b>1,504</b>	<b>263</b>	<b>885</b>	<b>14,097</b>	<b>12,994</b>	<b>1,682</b>	<b>332</b>	<b>514</b>	<b>15,523</b>
<b>Surplus/(deficit) before other gains and losses</b>		<b>(1,215)</b>	<b>3,063</b>	<b>(710)</b>	<b>(777)</b>	<b>362</b>	<b>1,345</b>	<b>4,724</b>	<b>461</b>	<b>(370)</b>	<b>6,163</b>
Gain/(loss) on disposal of fixed assets		(1,406)	-	-	-	(1,406)	18	-	-	-	18
Gain/(loss) on financial instruments	16	-	-	-	695	695	-	-	-	(2,020)	(2,020)
Gain/(loss) on Inflation Swap Investments	3c	-	-	-	7,311	7,311	-	-	-	(45)	(45)
Gain/(loss) on investments	3	8,825	5,384	10,902	-	25,111	(1,169)	(719)	(344)	-	(2,232)
<b>Surplus/(deficit) for the year</b>		<b>6,205</b>	<b>8,447</b>	<b>10,192</b>	<b>7,229</b>	<b>32,073</b>	<b>196</b>	<b>4,005</b>	<b>117</b>	<b>(2,435)</b>	<b>1,883</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>6,205</b>	<b>8,447</b>	<b>10,192</b>	<b>7,229</b>	<b>32,073</b>	<b>196</b>	<b>4,005</b>	<b>117</b>	<b>(2,435)</b>	<b>1,883</b>

The notes on pages 28 to 42 form part of the financial statements

## Consolidated Statement of Changes in Reserves

Notes	Income and expenditure reserve			Inflation Swap £'000	Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000		
<b>Balance at 1 July 2020</b>	<b>193,550</b>	<b>41,408</b>	<b>51,251</b>	<b>(1,217)</b>	<b>284,992</b>
Surplus/(deficit) from income and expenditure statement	6,205	8,447	10,193	7,229	32,075
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	5,199	(5,199)	-	-	-
Transfers between reserves	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>204,954</b>	<b>44,657</b>	<b>61,444</b>	<b>6,012</b>	<b>317,067</b>

Notes	Income and expenditure reserve			Inflation Swap £'000	Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000		
<b>Balance at 1 July 2019</b>	<b>189,889</b>	<b>40,971</b>	<b>51,028</b>	<b>1,218</b>	<b>283,108</b>
Surplus/(deficit) from income and expenditure statement	196	4,005	118	(2,435)	1,884
Other comprehensive income	-	-	-	-	-
Release of restricted capital funds spent in year	3,372	(3,372)	-	-	-
Transfers between reserves	93	(196)	105	-	-
<b>Balance at 30 June 2020</b>	<b>193,550</b>	<b>41,408</b>	<b>51,251</b>	<b>(1,217)</b>	<b>284,992</b>

The notes on pages 28 to 42 form part of the financial statements

## Balance Sheet

	Notes	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
<b>Non-current Assets</b>					
Fixed assets	8	145,516	145,620	142,419	142,523
Heritage assets	8a	342	342	62	62
Investments	9a	156,842	156,842	127,980	127,980
Inflation swap investments	9b	41,755	41,755	34,415	34,415
		<u>344,454</u>	<u>344,558</u>	<u>304,876</u>	<u>304,979</u>
<b>Current assets</b>					
Stock	10	198	198	266	266
Trade and other receivables	11	1,016	1,117	1,223	3,057
Short term investments	12	20,279	20,279	26,013	26,013
Cash and cash equivalents	13	8,346	8,054	5,481	3,310
		<u>29,839</u>	<u>29,648</u>	<u>32,984</u>	<u>32,646</u>
Creditors : amounts falling due within one year	14	(2,274)	(2,106)	(2,730)	(2,604)
		<u>27,565</u>	<u>27,541</u>	<u>30,254</u>	<u>30,042</u>
<b>Net current assets</b>					
		<u>27,565</u>	<u>27,541</u>	<u>30,254</u>	<u>30,042</u>
<b>Total assets less current liabilities</b>		<u>372,019</u>	<u>372,099</u>	<u>335,130</u>	<u>335,023</u>
<b>Creditors : amounts falling due after more than one year</b>					
	15	(40,839)	(40,839)	(35,260)	(35,260)
Inflation swap financial instruments	16	(13,833)	(13,833)	(14,527)	(14,527)
Pension provisions	17	(281)	(281)	(348)	(348)
		<u>(40,839)</u>	<u>(40,839)</u>	<u>(35,260)</u>	<u>(35,260)</u>
<b>TOTAL NET ASSETS</b>		<u><b>317,067</b></u>	<u><b>317,147</b></u>	<u><b>284,994</b></u>	<u><b>284,887</b></u>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	19	61,444	61,444	51,251	51,251
Income and expenditure reserve - restricted reserve	20	44,657	44,657	41,409	41,409
Income and expenditure reserve - inflation swap	15	6,012	6,012	(1,217)	(1,217)
		<u>112,113</u>	<u>112,113</u>	<u>91,443</u>	<u>91,444</u>
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted reserve		<u>204,954</u>	<u>205,034</u>	<u>193,550</u>	<u>193,443</u>
<b>TOTAL RESERVES</b>		<u><b>317,067</b></u>	<u><b>317,147</b></u>	<u><b>284,992</b></u>	<u><b>284,887</b></u>

The financial statements were approved by the Trustees of the College, the members of Council and Finance Committee excluding student members, on 22nd November 2021 and signed on their behalf by:

Ms L R C Minghella, OBE

Mr D Ball, Bursar

The notes on pages 28 to 42 form part of the financial statements

**Consolidated Cash Flow Statement**

	<b>Notes</b>	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Net cash inflow from operating activities</b>	22	1,494	4,389
<b>Cash flows from investing activities</b>	23	(8,559)	(6,547)
<b>Cash flows from financing activities</b>	24	9,929	(2,279)
<b>(Decrease)/increase in cash in the year</b>		<u>2,864</u>	<u>(4,436)</u>
Cash at beginning of the year		<u>5,481</u>	<u>9,917</u>
<b>Cash at end of the year</b>	13	<u><b>8,346</b></u>	<u><b>5,481</b></u>

The notes on pages 28 to 42 form part of the financial statements

## Notes to the financial statements

## 1 Academic fees and charges

	2021 £'000	2020 £'000
Fee income received at the Regulated Undergraduate rate	2,194	2,156
Fee income received at the Unregulated Undergraduate rate	373	388
Fee income received at the Graduate rate	721	783
Cambridge Bursary Scheme	145	141
	<u>3,433</u>	<u>3,469</u>

## 2 Income from accommodation, catering and conferences

	2021 £'000	2020 £'000
Accommodation College members	2,072	2,115
Conferences	2	1,635
Catering College members	408	690
Conferences	6	2,046
	<u>2,488</u>	<u>6,486</u>

## 3 Endowment return and investment income

	2021 £'000	2020 £'000
--	---------------	---------------

## 3a Analysis

Actual income from:		
Land and buildings	1,417	1,215
Quoted equity securities	828	2,060
Fixed interest securities	367	164
Other interest receivable	94	34
	<u>2,706</u>	<u>3,473</u>

## (Losses)/Gains on endowment assets:

Land and buildings	3,091	(288)
Quoted and other securities and cash	22,020	(1,945)

## Investment management costs (note 3b)

	(263)	(332)
--	-------	-------

## Total return on investments

	<u>27,553</u>	<u>908</u>
--	---------------	------------

## Total return transferred to income and expenditure reserve

	3,803	3,779
--	-------	-------

## Unapplied total return for the year included within Statement of Comprehensive Income and Expenditure (note 21)

	<u>23,750</u>	<u>(2,871)</u>
--	---------------	----------------

## Total return on investments

	<u>27,553</u>	<u>908</u>
--	---------------	------------

The endowment and fixed assets investments are accounted for on a total return basis. The total actual income and gains in the year are taken to a reserve, from which the planned endowment drawdown is released to the income and expenditure account. The remaining balance of the total return, after deducting the drawdown, is accumulated within the reserves, as set out in note 21.

## 3b Investment management costs

Land and buildings	237	304
Quoted securities	24	28
Other investments	2	-
Total	<u>263</u>	<u>332</u>

## Notes to the financial statements

	2021 £'000	2020 £'000
<b>3c Total return on inflation swap contracts</b>		
Actual income from:		
Quoted securities	109	145
Other interest receivable	-	-
	109	<u>145</u>
(Loss)/Gain on inflation swap asset:	7,311	(45)
Inflation-linked amount due to HSBC (note 15)	(579)	(208)
Interest and fees (note 3d)	(307)	(306)
<b>Total return on inflation swap contracts (note 21)</b>	<u><u>6,534</u></u>	<u><u>(415)</u></u>

The inflation swap contracts are accounted for on a total return basis. The total actual income and gains/losses in the year is accumulated within the reserves, as set out in note 21. There is no drawdown permitted under the terms of the inflation swap.

**3d Interest and fees on inflation swap investments**

Interest paid to HSBC	(227)	(221)
Interest paid to Santander	(666)	(671)
	<u>(892)</u>	<u>(891)</u>
Interest received from HSBC	<u>666</u>	<u>666</u>
	(227)	(225)
Fees on inflation swap investments	<u>(80)</u>	<u>(81)</u>
	<u><u>(307)</u></u>	<u><u>(306)</u></u>

Interest paid to Santander and to/from HSBC is calculated on the £15 million loan and inflation swap repayable in 2048 (note 15).

## Notes to the financial statements

	2021 £'000	2020 £'000
<b>4 Education expenditure</b>		
Teaching	2,317	2,666
Tutorial	1,357	1,231
Admissions	868	970
Research	511	665
Scholarships and awards	190	379
Other educational facilities	288	405
	<u>5,530</u>	<u>6,316</u>

**5 Accommodation, catering and conferences expenditure**

Accommodation	College members	5,067	3,035
	Conferences	5	1,755
Catering	College members	997	955
	Conferences	16	1,539
		<u>6,085</u>	<u>7,284</u>

**6a Analysis of 2021 expenditure by activity**

	Staff costs (note 7) £'000	Other expenses £'000	Depreciation £'000	2021 £'000
Education	2,741	1,741	1,048	5,530
Accommodation, catering and conferences	3,163	1,293	1,629	6,085
Other	401	1,935	66	2,402
Contribution under statute G, II	-	80	-	80
	<u>6,305</u>	<u>5,051</u>	<u>2,743</u>	<u>14,097</u>

**6b Analysis of 2020 expenditure by activity**

	Staff costs (note 7) £'000	Other expenses £'000	Depreciation £'000	2020 £'000
Education	2,858	2,411	1,046	6,316
Accommodation, catering and conferences	3,682	1,975	1,627	7,284
Other	86	1,683	66	1,835
Contribution under statute G, II	-	88	-	88
	<u>6,627</u>	<u>6,157</u>	<u>2,738</u>	<u>15,523</u>

## Notes to the financial statements

## 6c Auditors' remuneration

	2021 £'000	2020 £'000
Other operating expenses include:		
Audit fees payable to the College's external auditors (inclusive of VAT)	30	28
Other fees payable to the College's external auditors (inclusive of VAT)	11	12
	<u>41</u>	<u>40</u>

## 7 Staff costs

	College Fellows £'000	Other academic	Non- academic £'000	2021 £'000	2020 £'000
<b>Staff costs:</b>					
Salaries	1,248	285	3,824	5,357	5,924
National Insurance	117	-	333	450	483
Pension costs (see note 28)	82	-	416	498	220
	<u>1,447</u>	<u>285</u>	<u>4,573</u>	<u>6,305</u>	<u>6,627</u>

## Average numbers:

	Average staff numbers 2021		Average staff numbers 2020	
	Number	Full-time equivalents	Number	Full-time equivalent
Academic	80	-	80	-
Non-academic	-	133	-	141

At the Balance Sheet date there were 96 members of the Governing Body. During the year the average number receiving remuneration was the 80 shown above.

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

	2021 £'000	2020 £'000
<b>Key management personnel</b>		
Key management personnel being the Master, Bursar and Senior Tutor	<u>229</u>	<u>192</u>

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

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

## Notes to the financial statements

## 8 Tangible Fixed Assets

Group	Land & Buildings £'000	Assets in construction £'000	Equipment £'000	2021 £'000	2020 £'000
<b>Cost</b>					
At start of year	140,893	16,539	3,436	160,868	152,431
Additions and improvements at cost	17,518	7,948	80	25,546	8,597
Disposals at cost	(2,970)	(17,415)	-	(20,385)	(160)
At end of year	155,441	7,071	3,517	166,029	160,868
<b>Depreciation</b>					
At start of year	15,474	-	2,975	18,449	15,724
Charge for the year	2,642	-	105	2,747	2,738
Eliminated on disposals	(683)	-	-	(683)	(13)
At end of year	17,434	-	3,079	20,513	18,449
<b>Net book value</b>					
At end of year	138,007	7,071	437	145,516	142,419
At start of year	125,418	16,539	462	142,419	136,707
<b>College</b>					
	Land & buildings £'000	Assets in construction £'000	Equipment £'000	2021 £'000	2020 £'000
<b>Cost</b>					
At start of year	140,867	16,669	3,436	160,972	152,535
Additions and improvements at cost	17,518	7,948	80	25,546	8,597
Disposals at cost	(2,970)	(17,415)	-	(20,385)	(160)
At end of year	155,415	7,201	3,517	166,133	160,972
<b>Depreciation</b>					
At start of year	15,474	-	2,975	18,449	15,724
Charge for the year	2,642	-	105	2,747	2,738
Eliminated on disposals	(683)	-	-	(683)	(13)
At end of year	17,434	-	3,079	20,513	18,449
<b>Net book value</b>					
At end of year	137,981	7,201	437	145,620	142,523
At start of year	125,392	16,669	462	142,523	136,811

The insured value of all the College's operational buildings as at 30 June 2021 was £292 million (2020: £205 million).

The Santander loan, as set out in note 17, is secured against certain outlying properties with a market value of £24 million as at October 2008.

## Notes to the financial statements

## 8a Heritage Assets

The College holds and conserves certain collections, artifacts and other assets of historical, artistic or scientific importance. As stated in the statement of principal accounting policies, heritage assets acquired since 1999 have been capitalised. However, the assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous years were as follows:

	2021 £'000	2020 £'000
Value of acquisitions capitalised at start of year	62	62
Acquisitions purchased with specific donations	-	-
Acquisitions purchased with College funds	-	-
Total cost of acquisitions purchased	<u>-</u>	<u>-</u>
Value of acquisitions by donation	280	-
Total acquisitions capitalised	<u>342</u>	<u>62</u>

## 9a Investments

	Securities and cash £'000	Property £'000	2021 £'000	2020 £'000
Market value at start of year	99,030	28,950	127,980	128,954
Additions	79,301	9,384	88,686	3,824
Disposal proceeds	(79,323)	(7,053)	(86,376)	(2,242)
Gain/(loss)	22,020	3,091	25,111	(2,233)
Increase in cash balances held at fund managers	1,441	-	1,441	(323)
Market value at end of year	<u>122,470</u>	<u>34,372</u>	<u>156,842</u>	<u>127,980</u>
Represented by:				
Property investment			34,372	28,950
Quoted securities - equities			104,321	86,782
Quoted securities - fixed interest			440	394
Unquoted securities - equities			11,044	6,630
Alternative assets			-	-
Cash held for reinvestment			<u>6,665</u>	<u>5,224</u>
Total			<u>156,842</u>	<u>127,980</u>

## Notes to the financial statements

## 9b Inflation swap investments

	Securities £'000	Cash £'000	2021 £'000	2020 £'000
Market value at start of year	33,436	979	34,415	34,397
Additions	-	-	-	141
Disposal	-	-	-	-
Gain/(loss)	7,311	-	7,311	(43)
Increase in cash balances held at fund managers	-	28	28	(80)
	<u>40,747</u>	<u>1,008</u>	<u>41,755</u>	<u>34,415</u>
Market value at end of year	<u>40,747</u>	<u>1,008</u>	<u>41,755</u>	<u>34,415</u>
Represented by:				
Quoted securities - equities			40,747	33,436
Cash held for reinvestment			<u>1,008</u>	<u>979</u>
Market value at end of year			<u>41,755</u>	<u>34,415</u>

The inflation swap investments are secured against the inflation-linked liability payable to HSBC in 2048, as set out in note 15.

## 9c Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of shares	Proportion of shares held
Clare College Ltd	United Kingdom	20,001	Ordinary	100%
Clare College Conferences Ltd	United Kingdom	1	Ordinary	100%

Clare College Ltd was incorporated in 1992. The principal activity of the company is that of design and construction of buildings.

Clare College Conferences Ltd was incorporated on 29 February 2012. The principal activity of the company is that of conference accommodation and catering for non-educational clients.

10 Stocks Group and college	2021 £'000	2020 £'000
Goods for resale	197	264
Other stocks	<u>1</u>	<u>2</u>
Total	<u>198</u>	<u>266</u>

## Notes to the financial statements

## 11 Trade and other receivables

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Members of the College	154	154	707	707
Other receivables	575	484	334	345
Amounts due from subsidiary undertakings	-	191	-	1,823
Prepayments and accrued income	287	287	183	183
	<u>1,016</u>	<u>1,117</u>	<u>1,223</u>	<u>3,057</u>

## 12 Short term investments

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Bank deposits	19,554	19,554	24,421	24,421
Properties held for sale	725	725	1,592	1,592
	<u>20,279</u>	<u>20,279</u>	<u>26,012</u>	<u>26,012</u>

## 13 Cash at bank and in hand

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Current accounts	8,345	8,054	5,480	3,309
Cash in hand	1	1	1	1
	<u>8,346</u>	<u>8,054</u>	<u>5,481</u>	<u>3,310</u>

## 14 Creditors: amounts falling due within one year

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Trade creditors	754	655	1,212	594
Members of the College	99	99	103	103
University fees	682	682	48	48
College student societies	148	148	148	148
Contribution to Colleges' fund	80	80	88	88
Other creditors	6	6	294	293
Amounts due to subsidiary undertakings	-	-	-	580
Accruals and deferred income	506	437	839	751
	<u>2,274</u>	<u>2,106</u>	<u>2,731</u>	<u>2,605</u>

## Notes to the financial statements

<b>15 Creditors: amounts falling due after more than one year</b>	<b>2021</b>	<b>2020</b>
<b>Group and college</b>	<b>£'000</b>	<b>£'000</b>
Loan repayable in 2048 to Santander	15,000	15,000
Inflation-linked amount due to HSBC	5,839	5,260
Other loans	20,000	15,000
	<u>40,839</u>	<u>35,260</u>

On October 2008 the College entered into a contract with Santander to borrow £15 million at 4.4% repayable in full in October 2048 and with HSBC for an inflation financial instrument to turn the conventional loan into an index-linked loan at a real interest rate of 1.1%. This inflation swap financial instrument includes a 7% inflation cap. The Santander loan of £15 million is secured against outlying operational properties with a market value of £24 million (net book value £7.5 million). The HSBC inflation swap financial instrument is secured on the £15 million investment fund over which HSBC has a lien. The College is investing the £15 million in global equity tracker funds, accumulating income over the next 40 years to meet the RPI index-linked liability to HSBC and the £15 million liability to Santander.

At 30 June 2021 the value of the investments was £41,755,000 (2020: £34,415,000) and the liabilities to Santander and HSBC totalled £20,839,000 (2020: £20,357,000). The increase of £579,000 in the inflation-linked liability during the year is shown as a reduction on total return as set out in note 3c and the liability is included in creditors as set out above.

In January 2017 the College entered into a private unsecured bond placement to borrow £15m at 2.93% repayable in full in 2045. Interest is paid semi-annually.

In the year ending 30 June 2021 the College took a £5m loan as a precautionary measure as a result of COVID-19 repayable in June 2023.

## 16 Inflation swap financial instruments

<b>Group and college</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	14,527	12,501
Charge to comprehensive income	(695)	2,026
Balance at end of year	<u>13,833</u>	<u>14,527</u>

Derivatives mark to market valuation on inflation linked swap. For further explanation regarding the Inflation swap financial instruments please see note 15

## 17 Pension provisions - USS

<b>Group and college</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Balance at beginning of year	348	680
Movement in year:		
Contributions	(14)	(12)
Change in expected contributions	(59)	(330)
Other finance cost	5	10
Balance at end of year	<u>281</u>	<u>348</u>

## 18 Capital and other commitments

<b>Group and College</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Authorised and contracted	9,850	22,485
Authorised and but not yet contracted for	-	29
	<u>9,850</u>	<u>22,514</u>

## Notes to the financial statements

## 19 Endowment Funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent £'000	Unrestricted Permanent £'000	2021 £'000	2020 £'000
Balance at start of year:				
Capital	51,252	-	51,252	51,028
New donations and endowments	651	-	651	1,100
Transfer from restricted reserves	-	-	-	106
(Decrease)/Increase in market value of investments	9,541	-	9,541	(983)
Balance at end of year	<u>61,444</u>	<u>-</u>	<u>61,444</u>	<u>51,251</u>
Analysis by type of purpose				
Fellowship funds	4,731	-	4,731	3,907
Scholarship funds	12,794	-	12,794	10,826
Prize funds	836	-	836	706
Hardship funds	3,329	-	3,329	2,830
Bursary funds	9,205	-	9,205	7,368
Travel grant funds	763	-	763	649
Building renewals fund	9,007	-	9,007	7,658
Other funds	12,188	-	12,188	10,006
General funds	8,590	-	8,590	7,302
	<u>61,444</u>	<u>-</u>	<u>61,444</u>	<u>51,252</u>
Analysis by asset				
Property	13,465	-	13,465	11,594
Investments	45,367	-	45,367	37,567
Cash	2,611	-	2,611	2,092
	<u>61,444</u>	<u>-</u>	<u>61,444</u>	<u>51,252</u>

## 20 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £'000	Permanent unspent and other restricted income £'000	Restricted expendable endowment £'000	2021 £'000	2020 £'000
Balance at start of year:					
Accumulated income	9,952	30,577	880	41,408	40,972
New grants	1,916	-	-	1,916	3,483
New donations	-	42	176	218	430
Other income	60	-	-	60	227
Endowment return transferred	-	2,373	-	2,373	2,267
Transfer	216	(237)	1	(20)	(197)
(Decrease)/Increase in market value of investments	-	5,384	-	5,384	(719)
Management Fees	-	(203)	-	(203)	(203)
Expenditure	-	(1,070)	(212)	(1,282)	(1,479)
Capital grants utilised	(5,199)	-	-	(5,199)	(3,372)
Balance at end of year	<u>6,945</u>	<u>36,866</u>	<u>846</u>	<u>44,657</u>	<u>41,409</u>
Analysis by type of purpose					
Fellowship funds	-	9,372	61	9,433	7,946
Scholarship funds	-	13,282	25	13,306	11,012
Prize funds	-	1,880	8	1,888	1,560
Hardship funds	-	4,474	142	4,616	3,869
Bursary funds	-	1,005	61	1,066	848
Travel grant funds	-	650	5	655	535
Building renewals fund	6,945	198	1	7,144	10,122
Other funds	-	6,004	542	6,548	5,517
	<u>6,945</u>	<u>36,866</u>	<u>846</u>	<u>44,657</u>	<u>41,409</u>

## 21 Memorandum of Unapplied Total Return

Within the reserves representing investments held by the College, the following are the cumulative surpluses of total return on the main investment portfolio and on the inflation swap investments and liabilities (after deducting the drawdowns) since 1 July 1999 :

	Main endowment £'000	Inflation swap investments £'000	2021 £'000	2020 £'000
Unapplied Total Return at start of year	63,679	13,302	76,982	80,267
Surplus of total return for year (note 3)	23,750	6,534	30,285	(3,285)
Unapplied total Return at end of year	<u>87,430</u>	<u>19,837</u>	<u>107,267</u>	<u>76,982</u>

## Notes to the financial statements

## 22 Reconciliation of consolidated surplus for the year to net cash inflow/(outflow) from operating activities

	2021 £'000	2020 £'000
Surplus for the year	31,925	1,883
<b>Adjustment for non-cash items</b>		
Depreciation	2,747	2,738
(Gain)/Loss on disposal of non-current assets	1,406	(18)
(Gain)/loss on endowments, donations and investment property	(32,702)	2,277
(Increase)/Decrease in stocks	68	(45)
Decrease/(Increase) in debtors	354	410
(Decrease)/Increase in creditors	122	(1,780)
Pension costs less contributions payable	(67)	(332)
Movement in provisions	(695)	2,026
<b>Adjustment for investing or financing activities</b>		
Investment income	(2,706)	(3,473)
Inflation swap income	(109)	(145)
Interest payable	1,471	1,099
Interest receivable	(666)	(666)
Management fees	343	413
<b>Net cash inflow from operating activities</b>	<u>1,494</u>	<u>4,389</u>

## 23 Cash flows from investing activities

	2021 £'000	2020 £'000
Proceeds on disposal of investments	86,376	2,242
Proceeds on disposal of inflation swap investments	-	-
Investment income	2,814	3,618
Investment costs	(343)	(413)
Endowment funds invested	(90,127)	(3,501)
Inflation swap invested	(28)	(61)
Proceeds on disposals on non-current assets	18,296	166
Payments made to acquire non-current assets	(25,546)	(8,597)
<b>Total cash flows from investing activities</b>	<u>(8,559)</u>	<u>(6,547)</u>

## 24 Cash flows from financing activities

	2021 £'000	2020 £'000
Interest paid	(1,471)	(1,099)
Interest received	666	666
New loans	5,000	-
Cash held on short term deposit	5,734	(1,846)
<b>Total cash flows from financing activities</b>	<u>9,929</u>	<u>(2,280)</u>

## Notes to the financial statements

## 25 Consolidated reconciliation and analysis of net debt

	At 1 July 2020 £000	Changes in Market value £000	At 30 June 2021 £000
<b>Cash and Cash Equivalents</b>	5,481	2,865	8,346
<b>Borrowings:</b>			
<b>amounts falling due after more than one year</b>			
Secured Loan (repayable in 2048 to Santander)	15,000	-	15,000
Unsecured loans	15,000	5,000	20,000
Derivatives (Inflation-linked amount due to HSBC)	5,260	579	5,839
<b>Total</b>	<b>35,260</b>	<b>5,579</b>	<b>40,839</b>

## 26 Financial Instruments

	2021 £000	2020 £000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Quoted equity and fixed interest investments	145,508	120,613
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Unquoted equity investments	11,044	6,630
Alternative assets	-	-
	<u>156,552</u>	<u>127,242</u>
<b>Financial liabilities</b>		
<i>Financial liabilities at fair value through Statement of Comprehensive Income</i>		
Inflation-linked amount due to HSBC	5,839	5,260
Inflation swap financial instruments	13,833	14,527
	<u>19,671</u>	<u>19,787</u>
<b>Net Total</b>	<b><u>136,881</u></b>	<b><u>107,455</u></b>

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

**Notes to the financial statements****27 Related Party Transactions**

Owing to the nature of the College's operations and the composition of the Governing Body it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

1 Trustee received a £150,000 loan within the year under the College's Fellows Loan scheme where interest is charged at 1% above the Barclays base rate upon the principal amount.

The Bursar represents the College as a member of the Investment Advisory Board of the Diversified Property Fund for Charities. No compensation is received for acting in this capacity. There are no transactions outstanding at the balance sheet date.

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

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

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

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

<b>From</b>	<b>To</b>	<b>2021 Number</b>	<b>2020 Number</b>
£0	£10,000	10	8
£10,001	£20,000	2	1
£20,001	£30,000	1	2
£30,001	£40,000	-	-
£40,001	£50,000	2	2
£50,001	£60,000	-	1
£60,001	£70,000	1	1
£70,001	£80,000	-	-
£80,001	£90,000	1	-
£90,001	£100,000	1	1
	<b>Total</b>	<u>18</u>	<u>16</u>

The total Trustee salaries were £427,194 for the year (2020: £403,527)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £84,327 for the year (2020: £83,144)

In addition, the college has provided loans to its fellows as part of a Shared Equity Scheme. These amounts are included in Fixed Assets and total £725,394 (2020: £956,491)

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

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

## Notes to the financial statements

## 28 Pension Schemes (continued)

## (a) Universities Superannuation Scheme

The total cost charged to the Statement of Comprehensive Income and Expenditure is £82,000 (2020: (£171,000)) as shown in note 28c.

At the financial year end the latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2018 (the valuation date). Since the year end the valuation as at 31 March 2020 was signed and filed with The Pensions 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. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3%
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	<b>2018 valuation</b>
	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	<u>Post retirement:</u> 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

The current life expectancies on retirement at age 65 are:

	2021	2020
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 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	1.45%
Pensionable salary growth	3.0%	2.7%

**Notes to the financial statements****28 Pension Schemes (continued)****(b) Clare College Contributory Pension Scheme and NEST**

The College operates a defined contribution pension scheme, mainly for permanent contracted non-academic employees which complies with the requirements of the Pensions Act 2008 and Auto Enrolment. This scheme is provided by Prudential and has been in operation since July 2016. The previous Occupational Pension Scheme is officially wound up.

Temporary employees are offered the National Employment Savings Trust (NEST) scheme, a defined contribution scheme set up by the Government. The assets of both schemes are held in separate trustee-administered funds. The amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the respective schemes in respect of the accounting year.

**(c) Summary of pension costs**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Universities Superranuation Scheme	82	(171)
Clare Contributory Pension Scheme	416	392
NEST	-	-
Total pension costs (note 7)	<u>498</u>	<u>220</u>

**29 Post Balance Sheet Event**

Since the year end, following the completion of the 2020 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 £520,652 in the provision for the obligation to fund the deficit on the USS pension which would instead be £801,243. 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 £990,848 in the provision for the obligation to fund the deficit on the USS pension which would instead be £1,271,439.