

# Clare College, Cambridge

Financial statements  
for the year ended 30 June 2021

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**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 8EU

**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 Jahn	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 Phillips  
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	Total
	Unrestricted £'000	Restricted £'000	Endowment £'000	£'000	£'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	Total
	Unrestricted £'000	Restricted £'000	Endowment £'000	£'000	£'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)
<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)
<b>TOTAL NET ASSETS</b>		<u><u>317,067</u></u>	<u><u>317,147</u></u>	<u><u>284,994</u></u>	<u><u>284,887</u></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><u>317,067</u></u>	<u><u>317,147</u></u>	<u><u>284,992</u></u>	<u><u>284,887</u></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 £'000</b>	<b>2020 £'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
<b>3a Analysis</b>		
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)
<b>Total return on investments</b>	<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>
<b>Total return on investments</b>	<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	-
<b>Total</b>	<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	145
(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>	<b>6,534</b>	<b>(415)</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	(227)	(221)
Interest paid to Santander	(666)	(671)
	(892)	(891)
Interest received from HSBC	666	666
	(227)	(225)
Fees on inflation swap investments	(80)	(81)
	(307)	(306)

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	-	-
Value of acquisitions by donation	280	-
Total acquisitions capitalised	342	62

## 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	122,470	34,372	156,842	127,980
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			6,665	5,224
Total			156,842	127,980

## 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>
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

**15 Creditors: amounts falling due after more than one year**  
**Group and college**

	<b>2021</b>	<b>2020</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****Group and college**

	<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****Group and college**

	<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****Group and College**

	<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	61,444	-	61,444	51,251
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
	61,444	-	61,444	51,252
Analysis by asset				
Property	13,465	-	13,465	11,594
Investments	45,367	-	45,367	37,567
Cash	2,611	-	2,611	2,092
	61,444	-	61,444	51,252

## 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	6,945	36,866	846	44,657	41,409
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
	6,945	36,866	846	44,657	41,409

## 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	87,430	19,837	107,267	76,982

## 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:

From	To	2021 Number	2020 Number
£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>	<b>18</b>	<b>16</b>

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%
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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%
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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:

	<b>2018 valuation</b>
Mortality base table	<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:

	<b>2021</b>	<b>2020</b>
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:

	<b>2021</b>	<b>2020</b>
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

	2021	2020
	£'000	£'000
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.