

Clare College, Cambridge

Financial statements
for the year ended 30 June 2025

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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:	Dr T A H Wilkinson (appointed 1 February 2025)
Interim Estates Bursar:	Dr T A H Wilkinson (until 31 January 2025)
Interim Domus Bursar:	Professor J A Tasioulas (until 31 January 2025)

Registered charity number

1137531

VAT number

125 4984 96

Professional advisors:

Independent auditors

PEM Audit Limited
Salisbury House
Station Road
Cambridge CB1 2LA

Principal bankers

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

Principal solicitors

Mills & Reeve
Botanic House
Cambridge CB2 1PH

Property managers

Bidwells Property Consultants
Trumpington Road
Cambridge CB2 2LD

Principal investment managers

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

Governing Body and Committees
for the year ended 30 June 2025

Status

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

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

Governing Body

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

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

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

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

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

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

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

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

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

Operating and Financial Review for the year ended 30 June 2025

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

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

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

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

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

Financial Results

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

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

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

Operating and Financial Review

for the year ended 30 June 2025

Benefactions and Donations

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

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

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

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

The College Endowment

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

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

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

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

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

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

Operating and Financial Review for the year ended 30 June 2025

Liquidity

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

Inflation Swap Investments

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

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

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

Capital Expenditure and Buildings Refurbishment

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

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

Safeguarding Policy

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

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

Operating and Financial Review

for the year ended 30 June 2025

Reserves Policy

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

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

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

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

Principal Risks and Uncertainties

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

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

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

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

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

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

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

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative, and academic support through its tutorial and graduate mentoring systems;
- social, cultural, musical, recreational, and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College; and
- specialist choral musical education for those students in the College's internationally renowned Choir.

The College advances research through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, enabling them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- the employment of College Teaching Officers who, in addition to their role as Directors of Studies and supervisors of undergraduate students, maintain important research interests within the University;
- supporting research work pursued by Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including important special collections), that provides a valuable resource for students and Fellows of the College, for members of other colleges and the University more widely, and for external scholars and researchers.

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

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

The College within the Community

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

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

Operating and Financial Review
for the year ended 30 June 2025

Future Developments

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

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

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

Ms L C R Minghella OBE, Master

Dr T A H Wilkinson, Bursar

Statement of Corporate Governance
for the year ended 30 June 2025

The College is a registered charity (registered number 1137531) and is subject to regulation by the Charity Commission for England and Wales. It is also governed by Statutes and Ordinances. The following statement is provided by the Trustees of the College to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for its audit.

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

Statement of Internal Control
for the year ended 30 June 2025

1. The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, while safeguarding funds and assets for which the Governing Body is responsible, in accordance with the College Statutes.
2. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve College policies, aims and objectives; it therefore provides reasonable, but not absolute, assurance of effectiveness. The system of internal control is designed to identify the principal risks to achieving those policies, aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively, and economically. This process was in place for the year ended 30 June 2025, and up to the date of approval of the financial statements.
3. The Trustees are responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
 - 3.1 The Finance Committee meets six times per year.
 - 3.2 The Council meets seven times per year.
 - 3.3 The Audit Committee normally meets twice each year. It receives reports from the external auditors, including their observations on the College's system of internal control and risk management, together with recommendations for improvement.
 - 3.4 The members of the Finance Committee and Council, as Trustees of the College, review the effectiveness of the system of internal control as informed by the work of the Audit Committee, Bursar and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by external auditors in their management letter and other reports.
 - 3.5 The Finance Committee compares the College's costs and operational performance against the key performance indicators produced for all Cambridge Colleges to identify those areas where improvements can best be made.
4. The Trustees and the Audit Committee review regularly the Strategic Risk Register. Each strategic risk is graded with a risk tolerance and once that is defined, the Trustees evaluate what action needs to be taken to address the risk and monitors these action plans. Operational risks are reviewed and managed within operational teams.

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

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

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

We have audited the financial statements of Clare College (the 'College') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

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

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

As explained more fully in the responsibilities of Trustees statement set out on page 13, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

PEM Audit Limited
Registered Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date:

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

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

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

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

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

Going concern

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

Basis of accounting

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

Basis of consolidation

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

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

Recognition of income**Academic fees**

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

Government grants

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

Donations and endowments

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

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

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

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

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

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

For legacies, entitlement is taken as the earlier of the date on which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income and change in value of investment assets

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

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

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

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

Total return

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

Other income

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

Cambridge Bursary Scheme

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

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

Foreign currency translation

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

Fixed Assets**Land and buildings**

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

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

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

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

Statement of Principal Accounting Policies
for the year ended 30 June 2025**Maintenance and renewal of premises**

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

Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £3,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

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

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

Heritage assets

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

Investments

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

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

Financial instruments

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

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

Financial assets

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

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

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

in the Statement of Comprehensive Income.

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

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

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

Financial liabilities

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

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

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

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income. The College does not apply any hedge accounting in respect of interest rate swap derivatives held to manage cash flow exposures.

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

Taxation

The College is a registered charity (number 1137531) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G, II

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

Pension schemes**The Universities Superannuation Scheme****Significant accounting policies**

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

Statement of Principal Accounting Policies
for the year ended 30 June 2025**Pension schemes continued****The Universities Superannuation Scheme continued****Critical Accounting Judgements**

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

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

Defined Contribution Schemes

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

Employment benefits

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

Reserves

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

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

Critical Accounting Estimates and Judgements

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

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

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

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

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

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

Statement of Principal Accounting Policies
for the year ended 30 June 2025**Critical Accounting Estimates and Judgements continued**

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in pages 40-41.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet.

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Trustees have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

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

Consolidated Statement of Comprehensive Income and Expenditure

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

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

Consolidated Statement of Changes in Reserves

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

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

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

Balance Sheet

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

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

Ms L C R Minghella OBE, Master

Dr T A H Wilkinson, Bursar

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

Consolidated Cash Flow Statement

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

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

Notes to the financial statements

1 Academic fees and charges

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

2 Income from accommodation, catering and conferences

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

3 Endowment return and investment income

	2025	2024
	£'000	£'000
3a Analysis		
Actual income from:		
Land and buildings	1,840	1,850
Quoted equity securities	1,211	157
Fixed interest securities	6	424
Other interest receivable	261	138
	<u>3,317</u>	<u>2,569</u>
(Losses)/Gains on endowment assets:		
Land and buildings	4,770	(373)
Quoted and other securities and cash	9,410	18,715
Investment management costs (note 3b)	(338)	(228)
Total return on investments	<u>17,158</u>	<u>20,682</u>
Total return transferred to income and expenditure reserve	5,153	4,847
Unapplied total return for the year included within Statement of Comprehensive Income and Expenditure (note 22)	<u>12,005</u>	<u>15,835</u>
Total return on investments	<u>17,158</u>	<u>20,682</u>

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

3b Investment management costs

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

Notes to the financial statements

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

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

3d Interest and fees on inflation swap investments

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

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

Notes to the financial statements

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

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

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

7a Analysis of 2025 expenditure by activity

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

7b Analysis of 2024 expenditure by activity

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

	2025 £'000	2024 £'000
7c Auditors' remuneration		
Other operating expenses include:		
Audit fees payable to the College's external auditors (inclusive of VAT)	51	53
Audit fees incurred but not accrued relating to prior year		53
Other fees payable to the College's external auditors (inclusive of VAT)	23	3
	<u>74</u>	<u>110</u>

Notes to the financial statements

8 Staff costs

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

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

Average numbers:

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

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

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

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

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

Key management personnel

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

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

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

8b Pension costs

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

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

Notes to the financial statements

9 Tangible Fixed Assets

Group	Land & Buildings £'000	Assets in construction £'000	Equipment £'000	2025 £'000	2024 £'000
Cost					
At start of year	177,529	3,634	4,046	185,208	179,362
Additions and improvements at cost	1,199	4,659	351	6,209	5,914
Transfers	(1,709)	(326)	63	(1,973)	-
Disposals at cost	(1,261)	(13)	-	(1,274)	(66)
At end of year	175,757	7,954	4,461	188,172	185,208
Depreciation					
At start of year	25,881	-	3,338	29,219	26,146
Charge for the year	2,544	-	108	2,652	3,105
Eliminated on disposals/transfers	(317)	-	-	(317)	(32)
At end of year	28,108	-	3,446	31,554	29,219
Net book value					
At end of year	147,649	7,954	1,015	156,618	155,990
At start of year	151,648	3,634	708	155,990	153,214
College					
Cost					
At start of year	177,503	3,763.928	4,046	185,312	179,465
Additions and improvements at cost	1,199	4,659	351	6,209	5,914
Transfers	(1,709)	(326)	63	(1,973)	-
Disposals at cost	(1,261)	(13)	-	(1,274)	(66)
At end of year	175,731	8,084	4,461	188,276	185,312
Depreciation					
At start of year	25,881	-	3,339	29,219	26,146
Charge for the year	2,544	-	108	2,652	3,105
Eliminated on disposals/transfers	(317)	-	-	(317)	(32)
At end of year	28,108	-	3,447	31,555	29,219
Net book value					
At end of year	147,624	8,084	1,014	156,722	156,094
At start of year	151,622	3,763	708	156,094	153,319

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

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

Notes to the financial statements

9a Heritage Assets

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

Amounts for the current and previous years were as follows:

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

10a Investments

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

Represented by:

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

Notes to the financial statements

10b Inflation swap investments

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

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

10c Principal Subsidiary Undertakings

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

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

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

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

Notes to the financial statements

12 Trade and other receivables

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Members of the College	833	833	933	933
University fees	-	-	-	-
Other receivables	282	218	566	457
Amounts due from subsidiary undertakings	-	27	-	-
Prepayments and accrued income	1,319	1,319	1,312	1,312
	<u>2,434</u>	<u>2,398</u>	<u>2,812</u>	<u>2,702</u>

13 Short term investments

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Bank deposits	2,688	2,688	10,470	10,470
	<u>2,688</u>	<u>2,688</u>	<u>10,470</u>	<u>10,470</u>

14 Cash at bank and in hand

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Current accounts	7,633	7,033	1,749	1,560
Cash in hand	-	-	-	-
	<u>7,633</u>	<u>7,033</u>	<u>1,749</u>	<u>1,560</u>

15 Creditors: amounts falling due within one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Trade creditors	198	194	872	859
Members of the College	181	181	80	80
University fees	923	923	1,218	1,218
College student societies	71	71	145	145
Contribution to Colleges' fund	134	134	114	114
Other creditors	23	23	140	140
Amounts due to subsidiary undertakings	-	-	-	642
Accruals and deferred income	2,556	1,949	2,976	2,074
	<u>4,087</u>	<u>3,475</u>	<u>5,546</u>	<u>5,272</u>

Notes to the financial statements

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

	2025	2024
	£'000	£'000
Loan repayable in 2048 to Santander	15,000	15,000
Inflation-linked amount due to HSBC	10,738	9,647
Other loans	15,000	15,000
	<u>40,738</u>	<u>39,647</u>

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

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

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

17 Inflation swap financial instruments

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

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

18 Pension provisions - USS

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

19 Capital and other commitments

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

Notes to the financial statements

20 Endowment Funds

Restricted net assets relating to endowments are as follows:

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

21 Restricted Reserves

Reserves with restrictions are as follows:

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

22 Memorandum of Unapplied Total Return

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

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

Notes to the financial statements

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

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

24 Cash flows from investing activities

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

25 Cash flows from financing activities

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

Notes to the financial statements

26 Consolidated reconciliation and analysis of net debt

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

27 Financial Instruments

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

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

Notes to the financial statements

28 Related Party Transactions

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the financial statements

29 Pension Schemes (continued)

(a) Universities Superannuation Scheme

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

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 29c, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in the prior year.

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

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

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

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles.

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

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

	2023 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for female
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

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

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

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

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

(c) Summary of pension costs

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