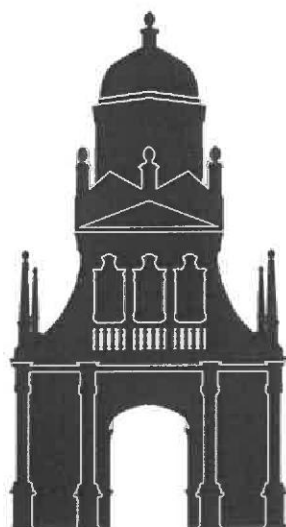


Gonville & Caius



Trustees' Annual Report and Accounts 2022/23

For the year ended 30 June 2023

Gonville & Caius

Trustees' Annual Report and Accounts 2022/23

Reference and Administrative Details	2
Report of the College Council	3
Independent auditors' report to the Council of Gonville & Caius College, Cambridge	14
Statement of Principal Accounting Policies for the Year Ended 30 June 2023	18
Consolidated Statement of Comprehensive Income and Expenditure for the Year Ended 30 June 2023	25
Consolidated Statement of Changes in Reserves	26
Consolidated Balance Sheet as at 30 June 2023	27
Consolidated Cash Flow Statement as at 30 June 2023	28
Notes to the Accounts 2022/23	29

Reference and Administrative Details

Gonville & Caius College in the University of Cambridge Founded in Honour of the Annunciation of the Blessed Mary the Virgin comprises the Master, the Fellows and the Scholars. Its registered address is Trinity Street, Cambridge CB2 1TA. The College is a registered charity (Charity Registration Number: 1137536) and is subject to regulation by the Charity Commission for England and Wales. The charity Trustees of the College are the members of the College Council.

Council Members 1 July 2022 – 30 June 2023

Ex Officio	Master	Professor P J Rogerson
Ex Officio	Senior Bursar	Mr R Gardiner
Ex Officio	Senior Tutor	Dr A Spencer
Elected members		Professor P Robinson
		Revd Dr C Hammond (to October 2022)
		Dr G J Conduit (to October 2022)
		Professor A Ahmed (to January 2023)
		Dr W Handley (to October 2022)
		Dr E Ringe (to October 2022)
		Professor A Zeitler
		Dr A Bunyan
		Dr M Amatt
		Dr C Scott (from October 2022)
		Dr J Latimer (from October 2022)
		Professor G Vinnicombe (from October 2022)
		Professor A Routh (from October 2022)
		Professor J Herbert (to May 2023)
		Professor P Mandler (from May 2023)
		Dr R Scurr (from May 2023)
		Mr M Martin (from May 2023)

Auditors

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

Legal Advisers

Mills & Reeve LLP
Botanic House
98-100 Hills Road
Cambridge
CB2 1PH

Bankers

Barclays Bank plc
Mortlock House
Histon
Cambridge
CB24 9DE

Investment Managers

Partners Capital
5 Young Street
London
W8 5EH

Lloyds Bank PLC
3 Sidney Street
Cambridge
CB2 3BU

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Property Managers

Bidwells
Trumpington Road
Cambridge
CB2 2LD

Report of the College Council

Status

Gonville & Caius is one of the oldest and largest Colleges in the University of Cambridge, originally founded in 1348 by Edmund Gonville and subsequently augmented and re-founded by John Caius in 1557. It is a self-governing community of scholars, home to almost 1,000 undergraduates, graduates and academics supported by over 150 full-time equivalent staff.

The College is constituted under the provisions of the Universities of Oxford and Cambridge Act 1923 and is a registered charity. These accounts consolidate the operations of the College with its subsidiaries Caius Property Services Limited, Budworth Development Limited and Caius Conferences Limited. They are prepared in accordance with the Recommended Cambridge College Accounts (RCCA) format.

Aims and Objectives

The College is an institution of Higher Education. Its primary charitable purpose is the pursuit of education, religion, learning and research and its overall objective is to rank amongst the highest achieving academic institutions in the world.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an education for almost 1,000 undergraduate and graduate students that is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial 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 while studying at the College; and
- specialist choral musical education for its choral students who make up the College's renowned choir.

The College advances learning and research through:

- providing an intellectual and social base for around 200 graduate students, as well as offering studentships, bursaries, financial support and grants for travel and other support relating to their research;
- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and materials;
- encouraging visits from outstanding academics from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive library and archives (including important special collections), providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely, external scholars and researchers, as well as offering a venue for occasional lectures and exhibitions open to the general public.

The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background:

- there are no geographical restrictions in the College's objects and students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects but students of the College are predominantly between 18 and 26 years old; and
- there are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

The focus of the College is strongly academic, and students need to satisfy high academic entry requirements. The College works to reduce financial considerations from being a bar attending the College. It provides assistance to many of its students:

- to assist undergraduates who have limited financial means. The College participates in the Cambridge Bursary Scheme. The scheme operates in conjunction with the University of Cambridge and is approved by the Office for Students (OfS) providing benefits at a substantially higher level than the minimum OfS requirement;
- to support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages;
- the College also supports students through a grant scheme to assist with the purchase of books and equipment, attendance at conferences, childcare support and travel grants, as appropriate; and
- in addition to its other programmes, the College has some funds to assist students in financial hardship.

To raise educational aspiration and encourage more talented applicants from under-represented backgrounds to apply to the College, it operates an extensive outreach programme which includes large sustained programmes of supervision and guidance, visits to schools, visits by schools to the College, residential events, guidance for teachers, partnerships with external organisations and a lively presence across a range of social media.

The College carries forward the requirement, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, the College:

- maintains and supports the Chapel as a place of religious worship where visitors are welcome during the day; where a variety of religious services take place on weekdays and at weekends during term, details of which are advertised; and where all regular services in the College Chapel are open to the public and are attended by students and staff from elsewhere in the University as well as local residents and visitors to Cambridge;
- maintains its outstanding choral tradition, which is integral to the provision of Divine Service in its Chapel, through the College's choir, formed from the students of the College;
- supports, through the College Dean, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none;
- maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron of 22 parishes (and, in the absence of a Rector of Stockport, as Patron of a further 6 parishes) and Lay Rector of 4 parishes; and
- supports the institution of Caius House Battersea through the appointment of its Trustees (in the gift of the Master) and the involvement of the Dean as a Trustee.

Achievements and Performance

Educational activities

The College's undergraduates study all the subjects offered in the University and our postgraduates play a key role in the research activities of the wider University. Our Fellows have internationally renowned research expertise ranging from Archaeology to Zoology and are all recognised as leaders in their fields. The number of undergraduate and graduate students registered with the University at 3rd December 2022 was:

	2022/23	2021/22	% Change
Undergraduate	620	617	0.5%
Postgraduate	256	264	(3.0)%
Total	876	881	(0.6)%

Research activities

Four new Research Fellows started their Fellowships during the year: Dr Victoria Baena (English), Dr Lila O'Leary Chambers (History), David Hosking (Physics), Vaithish Velazhahan (Molecular Biology). In addition, the College appointed Professor Aaron Koller as the Cook-Crone Bye-Fellow for one year (Asian & Middle Eastern Studies Theology, Religion, and Philosophy of Religion).

Funding

The principal sources of income of the College are as follows:

- Fees charged for the provision of education to students.
- Students and Fellows through charges for goods, services and facilities provided.
- Investment income.
- Members and friends of the College through donations and bequests.
- Conference customers for goods, services and facilities provided.

Financial Review

The College's financial objective is to ensure that the College's primary educational, religious, learning and research functions are managed cost-effectively and supported by robust and well-managed financial resources, which will sustain the enterprise in perpetuity.

Academic Fees and Expenditure

Academic fee income has increased by 0.4% principally due to the increase in postgraduate income from the University although the number of postgraduates at the College reduced. Total fee income does not cover the full cost of educational provision and the net cost to the College of providing education has increased from £5.0m in 2021/22 to £6.3m in 2022/23:

	2022/23 £000	2021/22 £000	Change £000
Income	4,088	4,072	16
Expenditure	(10,373)	(9,144)	(1,229)
Net Cost	(6,285)	(5,072)	(1,213)

The average funding provided for each student was £7,175 (prior year: £5,758).

The education costs are made up as follows:

	2022/23	2021/22 £000	Change £000
Teaching	4,160	3,792	368
Tutorial and student welfare	1,760	1,555	205
Admissions	566	357	209
Research	1,223	1,166	57
Scholarships and awards	1,795	1,433	362
Other educational facilities	841	799	42
Other educational expenses	28	42	(14)
Totals	10,373	9,144	1,229

The increases reflect cost of living salary increases for both academic and support staff, recruitment of staff and Fellows in a variety of subjects, a higher than usual cost of sabbatical cover, the cost of recommending admissions events, and above average inflation costs in certain support costs allocated to the education account, particularly energy and insurance. The scholarships and awards costs increased to recognise additional multi-year commitments for a range of studentships, increases in bursary costs with the introduction of the 'CBS2' bursary scheme and increased support for students in financial difficulty or overrunning expected postgraduate study periods as a consequence of Covid.

Accommodation, Catering and Conferences

Income from accommodation, catering and conferences amounted to £6.6m which was £0.8m (14%) higher than the previous year due principally to further recovery of conference activity although still only at two-thirds of its pre-pandemic level. Expenditure increased by 12% as a result of inflation in payroll, utilities, repairs and maintenance contract costs, insurance and other running costs.

Investment Income

The College depends on investment income to fully fund its activities. The endowment is managed for total return, with a spending rule which seeks to preserve the purchasing power of the endowment and is derived using a 'Yale Rule' being 70% of the previous year's total adjusted for college inflation and 30% based on a withdrawal rate of 2.625% from the value of investments at 31 March 2022. However, the withdrawal from the property portfolio is limited to the lower of the Yale Rule or property income net of costs and an allowance for repairs. The property limit operated in the year as a result of a shortfall of retail rents leading to a constraint on the overall value of the expendable amount. The withdrawal for unrestricted purposes is reduced by unrestricted donations, other than the Annual Fund which is immediately applied to student purposes.

The key figures are summarised below.

	2022/23 £000	2021/22 £000	Change £000
Drawdown permitted under spending rule	6,048	5,108	940
Reduction due to unrestricted donations	(1,825)	(1,217)	(608)
Endowment transfer in the Statement of Comprehensive Income and Expenditure	4,223	3,891	332

Donations and Fundraising

The College is dependent on the philanthropic donations from Caians, parents of Caians and friends of the College to build its endowment and to fund some of its annual activities. The current fundraising and alumni

relation strategy strongly focuses on increasing funding for widening participation programmes, undergraduate and graduate students, and college teaching.

The College is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice, subject to the terms and conditions agreed by the Colleges of the University of Cambridge and the Fundraising Regulator, as set out in the letter from the Chief Executive of the Fundraising Regulator, dated 20th July 2017.

The key staff responsible for fundraising are the Director of Development, Deputy Director of Development and the Development Officer, supported by a team of five.

The Development and Alumni Relations Office actively seeks lifetime gifts and legacies for teaching, research, student support and the maintenance and improvement of the College's buildings and heritage assets as well as general support of the College activities. Solicitation methods include face-to-face meetings, telephone calls, emails and letters from Development and Alumni Relations Office staff. The Office also conducts two annual fund appeals: a digital Giving Day campaign and a traditional telephone campaign. Both campaigns are managed by our staff with technical support from expert consultants.

No complaints were received about the College's fundraising activities during the year. Any requests to be withdrawn from fundraising approaches were implemented immediately.

To protect vulnerable people and others, any potential supporters included in a telephone fundraising campaign are sent a pre-call letter, making clear the purpose of the call and offering the opportunity to be withdrawn from the Campaign. During the telephone fundraising campaign, the list of those wishing to be excluded is updated on a daily basis.

The College has signed up for AmazonSmile (now in wind-down) and the Paypal Giving Fund but otherwise does not use third-party professional fundraisers or commercial participators.

Fundraising income is a crucial source of revenue and comes in the form of regular or one-off gifts and bequests left in wills. Caius is deeply grateful to its historic and current benefactors, which it recognises through membership of various groups and the entitlement to attend exclusive events.

Donations accrued for accounting purposes amounted to £3.6m. After adjusting for the timing of the receipt of legacies which are often received after they are notified and accrued, donations received in the year were:

- New endowments of £858,000 for existing and some new permanent funds
- Unrestricted donations of £3,393,000 immediately available for general purposes
- Donations of £333,000 for immediate use for restricted purposes and
- Donation of £175,000 for environmental upgrades of a College property, 4 Gresham Road to be renamed Goodhart House in honour of the donor.

Expenditure

Approximately 54% of regular recurring operational expenditure is staffing costs, allocated to various categories. The overall numbers of Fellows and permanent Staff in the College at 30 June were as follows:

	30 June 2023	30 June 2022	Change
Number of Fellows	118	111	+7
Number of Staff (FTEs)	151	148	+3

University Contribution

The sum levied is redistributed by the Colleges' Fund to less wealthy colleges. Colleges' contributions are determined principally by reference to the value of their endowments and the number of their students. In the year the Colleges' Fund Committee, which determines the allocation of funds to poorer colleges, exceptionally permitted donee colleges to use the funds immediately rather than requiring them to add the receipts to endowment, recognising the continuing financial pressures put upon poorer colleges by Covid.

Capital and Reserves

Total capital and reserves stood at £383.2m at 30 June 2023 (30 June 2022: £382.3m). The College's unrestricted funds amount to £283.9m (30 June 2022: £284.5m) and are represented in the balance sheet in part by the College's operational buildings and heritage assets valued at £145.3m. The free reserves are therefore £138.6m of the investment portfolio. The restricted endowments amount to £90.5m, represented by part of the investment portfolio. There is also a restricted reserve of £8.9m built up from restricted but expendable donations and unspent income relating to the funds in the endowment reserve.

The College intends to continue to pursue its objects in perpetuity. Its activities require income support from its investments comprising its free reserves. The College Council is aware of the need for financial prudence and has been taking steps to increase its free reserves by reducing the expendable amount, developing the conference business and growing the endowment through prudent investments, development opportunities within the property portfolio and donations. The level of reserves is reviewed routinely by the Finance Committee and in response to any relevant, specific interim request for expenditure but as a general matter the income arising from free reserves is considered integral to the College's operations and required to deliver its charitable objectives. Although the College's other income streams are reasonably stable in the short term, the free reserves also provide support in the event of an unforeseen downturn in the College's operating or investment income arising from wider economic uncertainty. In addition, the reserves are required to permit the repayment of £5.2m outstanding debt drawn for operational purposes.

Investments

The Investments of the College increased from £265m to £271m at 30 June 2023. The investment assets increased as a result of marginal investment returns over withdrawals, and net additions to property assets after reallocation of certain investment properties to the operational estate. Property assets include £10m financed by a loan from the 2013/14 Cambridge Colleges Private Placement and £10m outstanding under a Revolving Credit Facility.

Decisions on investment policy are taken by the College Council on the advice of the Investments Committee. The Investments Committee, appointed by the College Council, comprises the Master, the Senior Bursar, three other Fellows of the College and four experienced external members. An Investment Property sub-committee reports to the Investments Committee and focuses on the College's extensive directly held property portfolio.

Financial investments are managed under a discretionary mandate by Partners Capital LLP and the CCLA Investment Management Limited. Directly held property investments are managed with the assistance of its agents Bidwells LLP who are responsible for the collection of rent.

The College has interests in three shared equity house purchase arrangements with Fellows of the College.

The investment asset allocation comprises:

	June 23 £m	June 22 £000	June 21 £000	June 20 £000	June 19 £000
Total Return	+2.3%	+2.7%	17.3%	1.8%	3.9%
Cash	6.4	3.6	8.5	8.3	12.4
Fixed income	6.6	-	-	0.3	-
Credit	8.5	5.0	5.4	5.3	6.2
Hedge funds – absolute return	9.7	11.8	7.3	3.9	12.2
Hedge funds – hedged equities	8.5	12.7	11.2	12.4	10.6
Public equity	84.2	86.8	93.3	77.6	62.2
Private equity	31.9	31.5	24.4	18.7	21.9
Private debt	4.4	4.7	4.8	4.4	4.7
Core property	98.3	95.7	91.6	84.3	88.7
Property funds	2.0	3.0	2.5	2.4	4.6
Infrastructure and operating assets	4.5	4.9	5.2	4.7	-
Contractual and other income	1.8	2.0	1.6	1.8	-
Inflation linked bonds and inflation hedges	3.9	2.8	3.9	2.5	3.8
Total Investments	270.7	264.5	259.7	226.6	227.3
Private Placement	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Revolving Credit Facility	(10.0)	-	-	-	-
Net Investments	250.7	254.5	249.7	216.6	217.3

The College aims to grow the endowment to £330m. This is because the College has grown significantly in the past fifty years and a prudent view is taken of long-term annual investment returns required to meet the College's annual needs.

Statement of Investment Responsibility

The primary fiduciary responsibility of the College Council in investing and managing the Endowment is to maximise the financial return on those resources, taking into account the amount of risk permitted within the College's investment policy. There are circumstances, however, described in Charity Commission guidance and founded in judicial decisions, when the College may balance against its primary responsibility considerations of the ethical nature of investments. Therefore, as an eleemosynary institution established to exist in perpetuity and a long-term investor, the College will take due care to ensure that its investment management reflects the interests and values of the College. This includes matters of sustainability and environmental, social, and governance issues (together referred to as 'ESG issues' or 'responsible investment') among the many factors that inform its investment decision-making and manager selection.

Financial Assets

The College believes that by engaging in a broad set of extra-financial considerations, the long-term financial performance of the portfolio of financial assets can be improved. The College judges the extent to which responsible investing is successfully integrated within the investment portfolio with the help of our investment managers and through scrutiny of the investment managers' actions and success in managing those issues in the investments they make on the College's behalf. How our investment managers consider ESG issues in their investment decisions, analysis, and monitoring on the College's behalf varies by asset-class and investment strategy.

Where our investment managers invest on our behalf through independent third-party asset managers, they seek to integrate and manage ESG issues through an operational due diligence framework to assess such third-party asset managers. This framework includes an ESG due diligence section to ensure that ESG-related questions are assessed and considered during the due diligence process. After making an investment they continue to monitor identified ESG risks and maintain a dialogue with the third-party assets managers to

ensure effective oversight and application of responsible investment best practices. The College scrutinises its investment managers in relation to the effectiveness of their application of those processes and ESG engagement with the relevant third-party asset managers.

Where our investment managers invest on our behalf in their own managed funds, we consider carefully the ethical and responsible investment policy of those funds in the process of selecting those fund managers. The College scrutinises those managers in relation to the effectiveness of their application of ESG criteria in the selection of assets for acquisition or disposal and engagements with investee companies. In this context the following document is relevant at page 9: <https://www.ccla.co.uk/documents/coif-charities-ethical-investment-fund-scheme-particulars-2022/download?inline>.

As a general matter, the College insists that its investment managers demonstrate a very high standard of integrity towards their clients, their staff and the relevant regulatory authorities. Where any breaches of integrity are detected, the assets under management may be moved to another fund manager.

The College holds minimal holdings in 'fossil fuel' stocks which are limited to historic private equity positions which are in run-off.

Directly-held Property Assets

The College holds substantial property assets which it manages directly. These include residential, commercial, retail and agricultural properties. The policy for ensuring sustainable management of these assets, including particularly the rural estates, is under continued review as national law and policy develops. The College is actively involved with other similar property owners to determine how matters of environmental sustainability can be managed for the good of the estate in perpetuity.

Operational Assets

Fixed assets are principally the operational buildings of the College. Additions to fixed assets comprised the reallocation of £9.5m of assets from the endowment property for operational use, including residential property acquired during the year adjacent to existing college operational property in Rose Crescent and Green Street. Of the total expenditure on operational asset additions of £1,289,000, £258,000 was further work on preparation for the next major refurbishment project in St Michael's Court and £184,000 on improvements to the JCR at Harvey Court including accessibility and fitting out a café. A donation from a generous alumna of £250,000 allowed the conservation of the Gate of Virtue at an overall cost of £322,000. The remainder was for substantial repairs, particularly roofs, improvements for heating, safety systems and IT. The College also spent £1,498,000, which included the salaries of the in-house maintenance team, on continuing maintenance and repair of its buildings.

The College maintains a seven year forward programme of works. With the completion of the kitchen project, commenced in June 2019 and completed in October 2021, the next major project will be the refurbishment of the Aston Webb building (A to F staircases St Michael's Court) with the main contract signed for commencement in July 2024.

Trusts and Funds of the College

The majority of the donations to the College are unrestricted and allow the College Council to determine their use. Other donations are for specific purposes, e.g. bursaries, lectureships and studentships. Each of these restricted donations must be accounted for in a separate fund. The underlying assets are invested on an amalgamated basis with a record of the share of the assets and income attributable to each fund to ensure donors' wishes are observed.

Principal Risks and Uncertainties

College Council considers matters of risk on a regular basis through its committees and sub-committees. A risk register is maintained addressing the corporate level risks of failures: to deliver highest quality education, to

respond to regulatory developments, to maintain reputation, to maintain good governance, maintain adequate finances, failure of the estate or operating provision. Detailed risk registers are also maintained at departmental level. The College maintains and tests a business continuity plan which has been overhauled during the year. The College has a dedicated Health, Safety and Security Committee to address these specific issues for the College as a whole.

Financial risks are addressed by the Finance Committee and the Investments Committee. The College is dependent on its endowment and reviews its investment policies on an annual basis in order that it balances the need to achieve high returns and manage risk. The Finance Committee is responsible for reviewing the level of expenditure that can be supported by income and together with the Investment Committee establishes an appropriate level of withdrawal from the endowment to ensure the long-term future of the College while providing a fair and appropriate level of funding for the current cohort of students and thus ensuring that inter-generational equity is maintained.

At the time of approval of these accounts, the principal, specific risks facing the College and which it has limited control over arise from: the impact of inflation on the cost of base of the College and the lack of increase in one of its principal sources of income which is the regulated undergraduate fee which has been increased by only 3% in a decade; the effect of economic and geopolitical turbulence on the value of the endowment; the difficulty of recruiting both academic and support staff in an environment of the cost of living which prevails in Cambridge; the robustness of the supervision system in the face of a threatened boycott and the importance of a forward-thinking outcome from the University's announced review of teaching; malicious breaches of cybersecurity intrusions; and the impact of climate change on the operational estate of the College.

Future Developments

Although relatively well-endowed the College supports one of the largest Cambridge collegiate communities of students and Fellows. It has the benefit of a strong fundraising team, and a committed Investments Committee. The higher education sector continues to be subject to uncertainties including the level and form of government support for tuition and research, visa requirement extending to citizens of more countries as a barrier to accessing UK education and research positions, the preparedness of foreign governments to support and encourage their citizens to come to the UK for higher education, international competition for students and academic staff and continuing discontent over the erosion of academic pay and reward and industrial action arising therefrom. Considering these, the College sees the immediate key challenges and priorities as:

- dealing with the continued effects of Brexit, in particular the long-term effect on recruitment of the most talented Fellows and students;
- the availability of staff for certain core services;
- maintaining the high level of teaching, either one to one or in small groups, that is core to the educational experience offered by Cambridge University;
- attracting suitably qualified students from the widest possible range of backgrounds;
- providing students with adequate support through bursary schemes to enable them to study without the distraction of financial concerns;
- responding to the requirements of Access and Participation Plans agreed with the Office for Students;
- strengthening the College's support for graduate study and for research;
- attracting and retaining an active Fellowship that is committed to excellence in research and teaching, in a global marketplace for academic talent;
- addressing the risks arising from climate change and raising money to allow the implementation of the decarbonisation plan which is outlined as a 17 year endeavour with a current cost of approximately £25m;
- maintaining the beautiful historic and modern buildings and upgrading them to meet the requirements and aspirations of our students, current health and safety standards and modern IT requirements; and
- growing the College's investments in order to fund the above.

In order to guide the response to these issues the College has documented strategies for education, finance, investment policy, fund-raising and its estate planning. A research strategy is being drafted.

Corporate Governance

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

The College is a registered charity (registered number 1137536) and subject to regulation by the Charity Commission for England and Wales. The members of the College Council are the charity trustees and are responsible for ensuring compliance with charity law.

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

Committees with financial authority and oversight:

- Domestic and Catering Committee
- Finance Committee
- Education and Research Committee
- Works and Accommodation Committee

Other principal committees:

- Investments Committee, supported by the Investment Property Sub-Committee
- Communications Committee
- Development and Alumni Relations Committee
- Personnel Committee

There are Registers of Interests of members of College Council and of senior administrative officers. Declarations of interest are made systematically at all the main Committee meetings.

The principal officers of the College are the Master, the President, the Senior Tutor, the Senior Bursar, the Domestic Bursar and the Registry.

The Finance Committee's principal duties are to consider long-term financial strategy, to oversee the financial management of the College, to recommend annual budgets to the College Council to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the College Council on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make an annual report to the College Council. Membership of the Finance Committee includes the Master, the Senior Bursar, the Domestic Bursar, the Development Director and four fellows with appropriate skills and experience, including at least one tutor and one teaching fellow and an external member with appropriate skills and experience.

The composition of the College Council during the year ended 30 June 2023 is set out on page 2.

Statement of Internal Control

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2023 and continues to provide reasonable but not absolute assurance of effectiveness.

The College Council is responsible for reviewing the effectiveness of the system of internal control. This review of the effectiveness of the system of internal control is informed by the work of the various Committees, the

Senior Bursar and the College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Responsibilities of the College Council

The College Council is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The College Statutes and the Statutes and Ordinances of the University of Cambridge require the College Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the College Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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.

The College Council is responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the College and ensure that the financial statements comply with the Statutes of the University of Cambridge. The College Council is also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the College Council

Professor Philippa Rogerson



..... Dated 8th November 2023

Independent auditors' report to the Council of Gonville & Caius College, Cambridge

Opinion

We have audited the financial statements of Gonville & Caius College (the College) and its subsidiaries (the Group) for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 and the College's affairs as at 30 June 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Council 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 the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Council.

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

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

Responsibilities of the Council

As explained more fully in the responsibilities of the Council statement set out on page 12, the Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

Use of our report

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



PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 22 November 2023

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

Statement of Principal Accounting Policies for the Year Ended 30 June 2023

Basis of Preparation

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in Note 7.

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

Basis of Accounting

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

Going concern

The College prepares forecasts based on a number of assumptions and has considered their impact upon its cash resources and unrestricted reserves. Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

Basis of Consolidation

The consolidated financial statements include the College and its subsidiary undertakings, Caius Conferences Ltd and Caius Property Services Ltd. Intra-group transactions are eliminated on consolidation. A separate balance sheet and related notes for the College only are not included because the balance sheet of the College would not be materially different to the one included in the accounts. The other subsidiary undertakings, Budworth Development Ltd and Caius Property Services Ltd, had no financial transactions in the year to 30th June 2023. Details of the subsidiaries are set out in Note 27.

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 direct control.

Recognition of Income

Academic Fees

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

Restricted grant income

Grants for restricted purposes are recognised as income to the extent that relevant expenditure has been incurred.

Income from research grants

Income from research grants is included to the extent of the completion of the contract or service concerned.

Donations and benefactions

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

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. Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income.
3. 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.
4. 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.

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

Investment income and change in value of investment assets

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

Other income

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

Total return basis of accounting

The college manages its investment portfolio and allocates the related earnings for expenditure in accordance with the “total return” concept. The endowment spending policy is designed to preserve the real value of the portfolio over time. The spending policy attempts to achieve this objective by using a long-term targeted spending rate input into a ‘Yale Rule’ with this rate being annually reviewed. For the year to 30 June 2023 the rate is was maintained at 2.625% of the value of investments at 31 March 2022.

Cambridge Bursary Scheme

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

The net payment of £248,000 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£209,000
Expenditure	£457,000

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Tangible Fixed Assets

Buildings

Buildings are stated at deemed cost following a comprehensive revaluation exercise that was carried out in 2016 with the valuation effective from 1 July 2014. Freehold buildings are now depreciated on a straight line basis over their expected useful economic lives as independently assessed with building elements ranging from 15 to 112 years. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above.

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

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

Maintenance of premises

The College has an estate strategy and a five-year rolling maintenance plan which are reviewed on an annual basis. The cost of routine maintenance is charged to the income and expenditure account as it is incurred. The cost of refurbishment is capitalised and depreciated over the expected useful economic life with a £10,000 limit applied for capitalisation.

Equipment

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

Major equipment and software	5 years
Furniture and fittings	10 years
Computer equipment	3 years
Motor vehicles and general equipment	5 years

These assets are assumed to be scrapped once they reach the end of their estimated useful lives. Therefore, they are eliminated from the financial statements at this point.

Leased assets

Fixed assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the lease. The excesses of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure in equal amounts over the periods of the leases.

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or 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

Securities

Securities are shown at their market value. For listed investments this is the middle market quotation ruling at the close of business on 30 June. Overseas investments are translated into sterling at the rates of exchange ruling at that date. Investment income is included as and when dividends and interest become payable. Interest on bank deposits is included as earned. Interest purchased or sold as part of the price for investments is treated as capital rather than being brought into the income and expenditure account.

Properties

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to the investment revaluation reserve, where properties are held by the college, or credited to restricted funds, where a restricted fund holds property.

Stocks

Stocks are stated at the lower of cost or net realisable value.

Provisions

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

Contingent liabilities

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

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

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

Financial Instruments

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

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

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

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

Financial Liabilities

Basic financial liabilities include trade and other payables, bank loans and intergroup loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the

debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

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

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

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

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

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

Endowment Funds

Endowment funds are classified under two headings:

- where the donor has specified that the fund is to be permanently invested to generate an income stream for the general purposes of the College, the fund is classified as an unrestricted permanent endowment; and
- where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied for a restricted purpose, the fund is classified as a restricted permanent endowment.

Taxation

The College is a registered charity (number 1137536) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

Contribution under Statute G,II

The College is liable to be assessed for contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. 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 at the end of the previous financial year.

Pension Schemes

The College pays contributions to three pension schemes which provide benefits to its members based on final pensionable salary. The assets of these schemes are held separately from those of the College. In addition,

the Colleges administers a closed non-contributory scheme, which is recorded separately in the College balance sheet.

Universities Superannuation Scheme

The College participates in Universities Superannuation Scheme (the scheme). With effect from 1 October 2016, the scheme changed from a defined benefit only to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Cambridge Colleges Federated Pension Scheme

The College also contributes to the Cambridge Colleges Federated Pension Scheme (CCFPS), which is a similar defined benefit pension scheme. Unlike the USS, this scheme has surpluses and deficits directly attributable to individual colleges. Current service costs, assessed by the scheme actuary, are included as part of staff costs. The expected return on assets less the interest costs is shown as a net amount as part of interest income or costs. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Actuarial valuations are obtained at least triennially and are updated at each balance sheet date for accounting purposes. The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee acting as Trustee of the Cambridge Colleges' Federated Pension Scheme at 31 March 2020 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

Church of England Funded Pensions Scheme

The College also participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Boards, which holds the assets of the schemes separately from those of the Employer and the other participating employers. Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the statement of income and expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

Staff Pension Fund

The College runs a defined benefit scheme, funded by the College, which is closed to new members. Benefit payments are accounted for when payments are made.

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

Critical accounting judgements

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

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

Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the latter 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 note 9.

Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

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

Retirement benefit obligations – The cost of defined benefit pension plans and other post-employment benefits 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 note 26.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts. As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 26.

Consolidated Statement of Comprehensive Income and Expenditure for the Year Ended 30 June 2023

	Note	Unrestricted £000	Restricted £000	Endowment £000	2023 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000
Income									
Academic fees and charges	1	3,879	209	-	4,088	3,932	140	-	4,072
Accommodation, catering and conferences	2	6,641	-	-	6,641	5,847	-	-	5,847
Investment income	3	-	-	5,550	5,550	-	-	7,323	7,323
Endowment return transferred	3	1,897	2,326	(4,223)	-	2,034	1,857	(3,891)	-
Other income		174	-	-	174	43	-	-	43
Total income before donations and endowments		12,591	2,535	1,327	16,453	11,856	1,997	3,432	17,285
Donations		2,071	151	-	2,222	1,408	141	-	1,549
New endowments		-	159	1,029	1,188	-	-	4,090	4,090
Other capital grants for assets		-	193	-	193	-	273	-	273
Total income		14,662	3,038	2,356	20,056	13,264	2,411	7,522	23,197
Expenditure									
Education	4	8,384	1,989	-	10,373	7,660	1,484	-	9,144
Accommodation, catering and conferences	5	8,369	-	-	8,369	7,480	-	-	7,480
Other expenditure	6	416	421	5,113	5,950	3,304	312	5,851	9,467
Contribution under Statute G,II		211	-	-	211	197	-	-	197
Total expenditure		17,380	2,410	5,113	24,903	18,641	1,796	5,851	26,288
Surplus/(deficit) before other gains and losses		(2,718)	628	(2,757)	(4,847)	(5,377)	615	1,671	(3,091)
Gain/(loss) on investments	3	1,910	5	3,835	5,750	2,256	51	3,065	5,372
Surplus/(deficit) for the year		(808)	633	1,078	903	(3,121)	666	4,736	2,281
Other comprehensive income/(expenditure)									
Actuarial gain/(loss) in respect of pension schemes	16	(8)	-	-	(8)	2,444	-	-	2,444
Total comprehensive income for the year		(816)	633	1,078	895	(677)	666	4,736	4,725

GONVILLE & CAIUS COLLEGE

The notes on pages 29 to 51 form part of these accounts.

Consolidated Statement of Changes in Reserves Year ended 30 June 2023

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	£000
	£000	£000	£000	
Balance at 1 July 2022	284,476	8,490	89,364	382,330
Surplus/(Deficit) from income and expenditure statement	(808)	633	1,078	903
Other comprehensive income/(expenditure)	(8)	-	-	(8)
Transfer between restricted and endowment funds	-	-	-	-
Release of restricted capital funds spent in the year	268	(268)	-	-
Balance at 30 June 2023	283,928	8,855	90,442	383,225
Balance at 1 July 2021	285,130	7,846	84,628	377,604
Surplus/(Deficit) from income and expenditure statement	(3,121)	666	4,736	2,281
Other comprehensive income/(expenditure)	2,444	-	-	2,444
Transfer between restricted and endowment funds	-	-	-	-
Release of restricted capital funds spent in the year	23	(23)	-	-
Balance at 30 June 2022	284,476	8,490	89,364	382,330

The notes on pages 29 to 51 form part of these accounts.

Consolidated Balance Sheet as at 30 June 2023

		2023	2022
		£000	£000
	Note		
Non-current assets			
Fixed assets	9	145,163	136,527
Heritage assets	9	120	120
Investment assets	10	270,698	264,455
Total non-current assets		415,981	401,102
Current assets			
Stock	11	624	580
Trade and other receivables	12	2,653	3,633
Cash and cash equivalents	13	855	3,512
Total current assets		4,132	7,725
Creditors: amounts falling due within one year	14	(15,482)	(4,309)
Net Current assets		(11,350)	3,416
Total Assets less current liabilities		404,631	404,518
Creditors: amounts falling due after more than one year	15	(14,865)	(15,224)
Net assets excluding pension liability		389,766	389,294
Net pension liability	16	(6,541)	(6,964)
Net assets		383,225	382,330
Restricted reserves			
Income and expenditure reserve – endowment reserve	17	90,442	89,364
Income and expenditure reserve – restricted reserve	18	8,855	8,490
Unrestricted reserves			
Income and expenditure reserve – unrestricted		283,928	284,476
Total Reserves		383,225	382,330

Approved by the College Council on 8th November 2023 and signed on their behalf by Mr Robert Gardiner, Senior Bursar



The notes on pages 29 to 51 form part of these accounts.

Consolidated Cash Flow Statement as at 30 June 2023

	Note	2023 £000	2022 £000
Net cash (outflow) /inflow from operating activities	20	9,732	(453)
Cash flows from investing activities	21	(11,052)	1,580
Cash flows from financing activities	22	(1,337)	(1,004)
Increase/(decrease) in cash and cash equivalents in the year	23	<u>(2,657)</u>	<u>123</u>
Cash and cash equivalents at beginning of the year		3,512	3,389
Cash and cash equivalents at end of the year		<u>855</u>	<u>3,512</u>

The notes on pages 29 to 51 form part of these accounts.

Notes to the Accounts 2022/23

1 Academic fees and charges

	2023 £000	2022 £000
College fees:		
Fee income received at the Regulated Undergraduate rate	2,518	2,475
Fee income received at the Unregulated Undergraduate rate	595	590
Fee income received at the graduate rate	749	777
	<u>3,862</u>	<u>3,842</u>
Income for Cambridge Bursaries	209	140
Other income	17	90
Total	<u>4,088</u>	<u>4,072</u>

2 Income from accommodation, catering and conferences

		2023 £000	2022 £000
Accommodation	College members	4,497	4,384
	Conferences	623	264
Catering	College members	1,070	911
	Conferences	451	288
Total		<u>6,641</u>	<u>5,847</u>

3 Endowment and Investment income**3a Analysis**

	2023	2022
	£000	£000
Total return contribution (see note 3b)	4,223	3,891

3b Summary of Total Return

	2023	2022
	£000	£000
Income from:		
Land and buildings	3,827	3,314
Quoted and other securities and cash	1,723	4,009
Gains on endowment assets:		
Land and buildings	286	5,153
Quoted and other securities and cash	5,464	219
Investment Management costs (see note 3c)	(5,114)	(5,850)
Total Return for year	6,186	6,845
Total Return transferred to Income and Expenditure Account	(4,223)	(3,891)
Total return expendable amount	(4,223)	(3,891)
Unapplied Total Return for Year included within Statement of Comprehensive Income and Expenditure (see note 19)	1,963	2,954

3c Investment management costs

	2023	2022
	£000	£000
Land and buildings	2,482	1,598
Other investments	2,632	4,252
Total	5,114	5,850

4 Education Expenditure

	2023	2022
	£000	£000
Teaching	4,160	3,792
Tutorial	1,760	1,555
Admissions	566	357
Research	1,223	1,166
Scholarships and awards	1,795	1,433
Other educational facilities	841	799
Other educational expenses	28	42
Total	10,373	9,144

5 Accommodation, Catering and Conferences Expenditure

	2023	2022
	£000	£000
Accommodation:		
College members	5,976	5,435
Conferences	116	106
Catering:		
College members	1,962	1,671
Conferences	315	268
Total	8,369	7,480

6 Other Expenditure	2023	2022
	£000	£000
Investment management and administration	4,350	5,408
Interest	978	644
Pension scheme losses (gains) and other non-cash pension charges	(409)	2,441
Other general and administrative	1,031	974
Total	5,950	9,467

7a Analysis of 2022/2023 Expenditure by Activity

	Staff costs	Other		
	(Note 8)	Operating	Depreciation	
	£000	Expenses	(Note 9)	Total
		£000	£000	£000
Education (note 4)	4,980	4,882	511	10,373
Accommodation, catering and conferences (note 5)	4,286	2,432	1,651	8,369
Other (note 6)	526	5,423	1	5,950
Contribution under Statute G,II	-	211	-	211
Total	9,792	12,948	2,163	24,903

Expenditure includes Development Office costs of £346,000. This expenditure excludes the cost of alumni relations.

7b Analysis of 2021/2022 Expenditure by Activity

	Staff costs (Note 8) £000	Other Operating Expenses £000	Depreciation (Note 9) £000	Total £000
Education (note 4)	4,346	4,307	491	9,144
Accommodation, catering and conferences (note 5)	3,664	2,189	1,627	7,480
Other (note 6)	478	8,987	2	9,467
Contribution under Statute G,II	-	197	-	197
Total	8,488	15,680	2,120	26,288

Expenditure includes Development Office costs of £294,000. This expenditure excludes the cost of alumni relations.

	2023 £000	2022 £000
7c Auditors' remuneration		
Other operating expenses include:		
Audit fees payable to the College's external auditors	39	32
Other fees payable to the College's external auditors	2	2
Total	41	34

8 Staff costs

	Academic £000	Non-academic £000	Total 2023 £000	Total 2022 £000
Salaries	2,500	5,356	7,856	6,761
National insurance	233	471	704	613
Other pension costs	403	829	1,232	1,114
Total	3,136	6,656	9,792	8,488

	Average staff numbers 2023		Average staff numbers 2022	
	Number of Fellows	Number of Non-Fellows	Number of Fellows	Number of Non-Fellows
Academic (number receiving a stipend)	79	8	76	9
Non-Academic (full-time equivalents)	3	158	4	148
Total	82	166	80	157

At 30th June 2023, there were 118 members of the Governing Body. During the year the average number receiving remuneration was the 82 shown above.

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

	2023	2022
£100,000 - £109,999	1	1
£110,000 - £119,999	1	-

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 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.

For the College these are the Master, the Senior Bursar and the Senior Tutor. During the year remuneration paid to key management personnel was £306,000 (2022: £279,000).

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

9 Fixed Assets

	Land £000	College Buildings £000	Assets in construction £000	Furniture & Equipment £000	Total 2023 £000	Total 2022 £000
Cost/Valuation						
At beginning of year	62,220	88,650	545	388	151,803	150,928
Additions	-	858	258	172	1,288	942
Disposals at cost/valuation	-	-	-	(79)	(79)	(68)
Transfers		9,511			9,511	-
At end of year	<u>62,220</u>	<u>99,019</u>	<u>803</u>	<u>481</u>	<u>162,523</u>	<u>151,803</u>
Depreciation						
At beginning of year	-	15,088	-	188	15,276	13,224
Charge for the year	-	2,053	-	110	2,163	2,120
Eliminated on disposal	-	-	-	(79)	(79)	(68)
At end of year	<u>-</u>	<u>17,141</u>	<u>-</u>	<u>219</u>	<u>17,360</u>	<u>15,276</u>
Net book value						
At end of year	<u>62,220</u>	<u>81,878</u>	<u>803</u>	<u>262</u>	<u>145,163</u>	<u>136,527</u>
At beginning of year	<u>62,220</u>	<u>73,562</u>	<u>545</u>	<u>200</u>	<u>136,527</u>	<u>137,704</u>

The insured value for rebuilding of freehold operational buildings (excluding investments assets) at 30 June 2023 is £262m, compared with the 2022 total of £239m.

Heritage assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. As stated in the principal accounting policies, heritage assets acquired since 1999 have been capitalised. However, the majority of 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 four years were as follows:

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Balance brought forward	120	120	113	101	97
Acquisitions purchased with College funds	-	-	7	12	4
Total	120	120	120	113	101

10 Fixed Asset Investments

	2023 £000	2022 £000
Balance at beginning of year	264,455	259,830
Additions	49,242	121,207
Transfers to operational assets	(9,511)	-
Disposals	(36,394)	(118,847)
Appreciation	1,723	1,238
Increase/(decrease) in cash balances held by fund managers	1,183	1,027
Balance at end of year	<u>270,698</u>	<u>264,455</u>

	2023 £000	2022 £000
Represented by:		
Property	98,334	95,663
Quoted securities – equities	55,801	60,258
Fixed interest securities	17,631	12,570
Cash in hand and at investment managers	4,793	3,610
Other investments	94,139	92,354
Total	<u>270,698</u>	<u>264,455</u>

11 Stocks and work in progress	2023	2022
	£000	£000
Wine stocks	591	565
Bar, kitchen and other stocks	33	15
Total	624	580
12 Trade and other receivables	2023	2022
	£000	£000
Members of the College	416	433
Commercial rents	708	257
Donations	1,158	2,645
Other debtors	197	168
Prepayments and accrued income	174	130
Total	2,653	3,633
13 Cash and cash equivalents	2023	2022
	£000	£000
Current accounts	855	3,512
Total	855	3,512
14 Creditors: amounts falling due within one year	2023	2022
	£000	£000
Trade creditors	3,630	2,672
Bank loan due for repayment within a year	10,360	360
Members of the College	595	376
University fees	15	172
Commercial rent deferred income	528	440
Contribution to Colleges Fund	211	197
Other creditors	143	92
Total	15,482	4,309

On 27th June 2023, the College entered into a revolving credit facility arrangement with a UK bank at a total value of £15,000,000. Loan interest accrues based on a fluctuating SONIA rate plus 5-day lag, and 0.5% margin. On 29th June 2023, £10,000,000 of this facility was drawn down, repayable on 29th September 2023. This was rolled over on 29th September 2023 and is repayable on 29th December 2023. In addition, on 25th September 2023, a further £2.5m was drawn down, repayable after 4 months on 25th January 2024. Interest accrues on the non-utilised part of the commitment at a rate of 0.25%.

**15 Creditors: amounts falling due
after one year**

	2023	2022
	£000	£000
Bank loans	4,865	5,224
Other loans	10,000	10,000
Total	14,865	15,224

During 2014 the College borrowed from institutional investors, collectively with other Colleges, the College's share being £10 million. The loans were made in two stages, are unsecured and repayable during the period 2042-2053, and are at fixed interest rates of 4.4% for the first part and 4.45% for the second. Although issued through a funding vehicle, the College has no responsibility for the obligations of any of the other issuing Colleges. In addition, the College has unsecured bank loans:

- repayable over a period of 21 years, at a fixed rate of 4.59%.
- repayable over a period of 10 years, at a fixed rates of 2.25%, 2.30% and 2.14%.

16 Pension liabilities**Year to 30 June 2023**

	CCFPS	USS	Other	Total
	£000	£000	£000	£000
Balance at beginning of year	2,616	4,128	220	6,964
Movement in year:				
Current service cost including life assurance	161	-	-	161
Contributions	(314)	(311)	(31)	(656)
Change in expected contributions	-	(181)	-	(181)
Other finance cost	100	137	8	245
Actuarial (gain)/loss recognised in Statement of Comprehensive Income and Expenditure	34	-	(26)	8
Balance at end of year	2,597	3,773	171	6,541

Year to 30 June 2022

	CCFPS	USS	Other	Total
	£000	£000	£000	£000
Balance at beginning of year	5,011	1,700	291	7,002
Movement in year:				
Current service cost including life assurance	239	-	(3)	236
Contributions	(314)	(92)	(40)	(446)
Change in expected contributions	-	2,505	-	2,505
Other finance cost	91	15	5	111
Actuarial (gain)/loss recognised in Statement of Comprehensive Income and Expenditure	(2,411)	-	(33)	(2,444)
Balance at end of year	2,616	4,128	220	6,964

17 Endowment funds	Restricted Permanent	Unrestricted Permanent	Total 2023	Total 2022
	£000	£000	£000	£000
Balance at beginning of year:				
Capital	89,364	-	89,364	84,628
New donations and endowments	1,029	-	1,029	4,090
Increase / (Decrease) in market value of investments	49	-	49	646
Transfer to restricted funds	-	-	-	-
Balance at end of year	<u>90,442</u>	<u>-</u>	<u>90,442</u>	<u>89,364</u>
Analysis by type of purpose				
Fellowship, Research, Scholarship and Studentship Funds	69,053	-	69,053	67,468
Prizes Funds	686	-	686	685
Bursaries, Hardship and Travel Funds	10,839	-	10,839	11,384
General and Other Trust Funds	<u>9,864</u>	<u>-</u>	<u>9,864</u>	<u>9,827</u>
Balance at end of year	<u>90,442</u>	<u>-</u>	<u>90,442</u>	<u>89,364</u>
Analysis by asset				
Property	32,854	-	32,854	33,479
Investments	55,987	-	55,987	54,690
Cash	<u>1,601</u>	<u>-</u>	<u>1,601</u>	<u>1,195</u>
Balance at end of year	<u>90,442</u>	<u>-</u>	<u>90,442</u>	<u>89,364</u>

18 Restricted Reserves	Capital Grants unspent £000	Permanent Unspent and other restricted income £000	Restricted expendable endowment £000	Total 2023 £000	Total 2022 £000
Balance at beginning of year:					
Capital	250	-	1,950	2,200	1,924
Accumulated income	-	6,290	-	6,290	5,922
Total	250	6,290	1,950	8,490	7,846
 New grants	 193	 209	 -	 402	 163
New donations	-	151	159	310	391
 Endowment return transferred	 -	 2,274	 52	 2,326	 1,857
Increase in market value	-	4	1	5	51
 Expenditure	 -	 (2,027)	 (383)	 (2,410)	 (1,795)
Capital grants utilised	(268)	-	-	(268)	(23)
Transfer from endowment funds	-	-	-	-	-
Total	175	6,901	1,779	8,855	8,490
 Balance at end of year					
Capital	175	-	1,779	1,954	2,200
Accumulated income	-	6,901	-	6,901	6,290
Total	175	6,901	1,779	8,855	8,490
 Analysis of restricted funds by type of purpose					
 Fellowship, Research, Scholarship and Studentship Funds	 -	 5,688	 721	 6,409	 6,164
Prizes Funds	-	321	-	321	300
Bursaries, Hardship and Travel Funds	-	769	1,047	1,816	1,678
General and Other Trust Funds	175	123	11	309	348
Total	175	6,901	1,779	8,855	8,490

19 Memorandum of Unapplied Total Return

Included within reserves, the following amounts represent the Unapplied Total Return of the College:

	<i>Note</i>	2023 £000	2022 £000
Unapplied Total Return at beginning of year		151,785	148,831
Unapplied Total Return for the year	<i>3b</i>	1,963	2,954
Unapplied Total Return at end of year		<u>153,748</u>	<u>151,785</u>

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

	2023 £000	2022 £000
Surplus for the year	895	4,726
Adjustment for non-cash items		
Depreciation	2,163	2,120
Gain on endowments, donations and investment property	(5,750)	(5,372)
Decrease (increase) in stocks	(43)	14
Decrease/(increase) in trade and other receivables	980	(597)
Increase/(decrease) in creditors	11,173	(176)
Pension costs less contributions payable	(423)	(38)
Adjustment for investing or financing activities		
Investment income	(5,550)	(7,323)
Investment expenditure	4,350	5,407
Interest payable	978	644
Profit on the sale of non-current assets	959	142
Net cash (outflow)/inflow from operating activities	<u>9,732</u>	<u>(453)</u>

21 Cash flows from investing activities

	2023 £000	2022 £000
Non-current investment disposal	8,914	346
Investment income	4,016	3,509
Investment expenditure	(1,772)	(1,333)
Payments to acquire non-current assets	(22,210)	(942)
	<u>(11,052)</u>	<u>1,580</u>

22 Cash flows from financing activities

	2023 £000	2022 £000
Interest paid	(978)	(644)
Repayments of amounts borrowed	(359)	(360)
Total cash flows from financing activities	<u>(1,337)</u>	<u>(1,004)</u>

23 Consolidated reconciliation and analysis of net debt

	At beginning of year £000	Cash Flows £000	At end of year £000
Cash and cash equivalents	3,512	(2,657)	855
Borrowings:			
Amounts falling due within one year: unsecured loans	(360)	(10,000)	(10,360)
Borrowings:			
Amounts falling due after more than one year: unsecured loans	(15,224)	359	(14,865)
	<u>(12,072)</u>	<u>(12,298)</u>	<u>(24,370)</u>

24 Financial Instruments

	2023 £000	2022 £000
Financial assets		
Financial assets at fair value through Statement of Comprehensive income:		
Listed equity investments	106,342	106,461
Other investments	46,966	44,192
Financial assets that are debt instruments measured at amortised cost:		
Cash and cash equivalents	13,460	13,778
Other debtors	613	601
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans	25,225	15,584
Trade creditors	796	478
Other creditors	927	816

25 Capital commitments

	2023 £000	2022 £000
Capital commitments at 30 June are as follows:		
Authorised and contracted	<u>171</u>	<u>130</u>
Authorised but not yet contracted for	<u>985</u>	<u>1,061</u>

26 Pensions

The College participates in four defined benefit schemes: The Universities Superannuation Scheme (USS); the Cambridge Colleges Federated Pensions Scheme (CCFPS); the Old Non Contributory Scheme; and the Church of England funded Pensions Scheme. The assets of the schemes are held in separate trustee

administered funds, with the exception of the closed Old Non Contributory Scheme which is recorded separately in the College balance sheet. The total pension cost for the year was £1,232,000 (2022: £1,114,000). The breakdown by scheme is shown below:

	2023	2022
	£000	£000
USS	1,079	962
CCFPS	139	137
Church of England	7	10
Non-contributory scheme	7	5
	<hr/>	<hr/>
Total	1,232	1,114

26a Universities Superannuation Scheme

The pension costs charged to the Statement of Comprehensive Income and Expenditure is £1,083,000 (2022: £962,000).

The latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2020 (the valuation date), which was carried out using the projected unit method. Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

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

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

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension Increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

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

The current life expectancies on retirement at age 65 are:

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

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	5% in year 1, 1.5% thereafter	6% in year 1, 1.5% thereafter

26b Cambridge Colleges Federated Pension Scheme

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme (CCFPS).

The liabilities of the plan have been calculated, at 30 June 2023, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2023 % p.a.	2022 % p.a.
Discount rate	5.20	3.80
Increase in salaries	3.30	3.25
RPI assumption	3.40*	3.45*
CPI assumption	2.80*	2.75*
Pension increases in payment (RPI Max 5% p.a.)	3.30*	3.30*
Pension increases in payment (CPI Max 2.5% p.a.)	2.05*	2.05*

For 1 year only, it has been assumed that RPI will be 9% and CPI 7% (2022: 11% and 9% respectively). The caps under the rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2022 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2022: S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 21.4 years (previously 21.9 years).
- Female aged 65 now has a life expectancy of 23.9 years (previously 24.3 years).
- Male aged 45 now and retiring in 20 years has a life expectancy of 22.6 years (previously 23.2 years).
- Female aged 45 now and retiring in 20 years has a life expectancy of 25.3 years (previously 25.7 years).

Members are assumed to retire at their normal retirement age (65) apart from the following indicated cases:

	Male	Female
Active Members – Option 1 Benefits	64	64
Deferred Members – Option 1 Benefits	63	62

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current commutation factors in these calculations.

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2023 (with comparative figures as at 30 June 2022) are as follows:

	2023 £000	2022 £000
Present value of plan liabilities	(13,720)	(15,832)
Market value of plan assets	11,123	13,216
Net defined benefit (liability)	(2,597)	(2,616)

The amounts to be recognised in the profit and loss for the year ended 30 June 2023 (with comparative figures for the year ended 30 June 2022) are as follows:

	2023 £000	2022 £000
Current service cost	127	206
Administrative expenses	33	33
Interest on net defined benefit liability	100	91
(Gain)/loss on plan changes	-	-
Total	260	330

Changes in the present value of the plan liabilities for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023 £000	2022 £000
Present value of plan liabilities at beginning of period	15,832	20,677
Current service cost (including employee contributions)	127	206
Employee contributions	39	38
Benefits paid	(697)	(533)
Interest on plan liabilities	592	370
Actuarial losses/(gains)	(2,173)	(4,926)
(Gain)/loss on plan changes	-	-

Present value of plan liabilities at end of period	13,720	15,832
Changes in the fair value of the plan assets for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:		
	2023	2022
	£000	£000
Market value of plan assets at beginning of period	13,216	15,666
Contributions paid by the College	313	314
Employee contributions	39	38
Benefits paid	(697)	(533)
Administrative expenses paid	(43)	(41)
Interest on plan assets	491	279
Return on assets, less interest included in Profit & Loss	(2,196)	(2,507)
Market value of plan assets at end of period	11,123	13,216
Actual return on plan assets	(1,705)	(2,228)

The major categories of plan assets as a percentage of total Scheme assets for the year ending 30 June 2023 (with comparative figures for the year ended 30 June 2022) are as follows:

	2023	2022
Equities	49%	52%
Bonds & Cash	38%	34%
Property	13%	14%
Total	100%	100%

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023	2022
	£000	£000
Return on assets less interest included in statement of income and expenditure	(2,196)	(2,507)
Expected less actual plan expenses	(9)	(7)
Experience gains and losses arising on plan liabilities	(1,079)	(955)
Changes in assumptions underlying the present value of plan liabilities	3,250	5,880
Remeasurement of net defined benefit liability recognised in OCI	(34)	2,411

Movement in net defined benefit asset/(liability) during the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023 £000	2022 £000
Net defined benefit asset/(liability) at beginning of year	(2,616)	(5,011)
Recognised in statement of income and expenditure	(261)	(330)
Contributions paid by the College	314	314
Remeasurement of net defined benefit liability recognised in OCI	(34)	2,411
Net defined benefit asset/(liability) at end of year	(2,597)	(2,616)

Funding Policy

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

The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £140,565 payable for the period to 28 February 2030

These payments are subject to review following the next funding valuation, due as at 31 March 2023.

26c Old Non Contributory Scheme

The scheme is an unfunded defined benefit final salary scheme not operated under Trust. The scheme is not registered with the HM Revenue and Customs under the terms of the Finance Act 2004. The College's employees covered by the Scheme were not contracted out of the State Second Pension (S2P).

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

	2023 % p.a.	2022 % p.a.
Discount rate	5.20	3.80
Pension increases in payment	0.00	0.00

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2022 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2022: S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male aged 65 now has a life expectancy of 21.4 years (previously 21.9 years)
- Female aged 65 now has a life expectancy of 23.9 years (previously 24.3 years)
- Male aged 45 now and retiring in 20 years has a life expectancy of 22.6 years (previously 23.2 years).
- Female aged 45 now and retiring in 20 years has a life expectancy of 25.3 years (previously 25.7 years).

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2023 (with comparative figures as at 30 June 2022) are as follows:

	2023	2022
	£000	£000
Present value of plan liabilities	(171)	(219)
Net defined benefit (liability)	(171)	(219)

The amounts to be recognised in the statement of income and expenditure for the year ended 30 June 2023 (with comparative figures for the year ended 30 June 2022) are as follows:

	2023	2022
	£000	£000
Interest on net defined benefit liability	(8)	(5)
Total	(8)	(5)

Changes in the present value of the plan liabilities for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023	2022
	£000	£000
Present value of plan liabilities at beginning of period	219	287
Current service cost	-	-
Interest on plan liabilities	8	5
Actuarial losses (gains)	(26)	(33)
Benefits paid	(30)	(40)
Present value of plan liabilities at the end of the period	171	219

The plan has no assets.

Analysis of the remeasurement of the net defined benefit liability recognised in the Other Comprehensive Income (OCI) for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023	2022
	£000	£000
Experience gains and losses arising on plan liabilities	8	8
Changes in assumptions underlying the present value of plan liabilities	18	25
Remeasurement of net defined benefit liability recognised in OCI	26	33

Movement in net defined benefit asset/(liability) during the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023	2022
	£000	£000
Net defined (liability) at beginning of year	(219)	(287)
Contributions paid by the College	30	40
Recognised in Profit and Loss	(8)	(5)
Remeasurement of net defined benefit liability recognised in OCI	26	33
Net defined benefit (liability) at the end of the year	(171)	(219)

Funding Policy

The scheme is an unfunded arrangement. The College pays pension out of their own funds as they fall due.

26d Church of England Funded Pensions Scheme

The College also participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Boards, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the statement of income and expenditure in the year are contributions payable towards benefits and expenses accrued in that year (2022: £10,000, 2021: £10,000), plus the figures highlighted in the table below as being recognised in the Other Comprehensive Income (OCI), giving a total credit of £2,000 for 2022 (2021 a credit of £3,000).

The valuation of the Scheme is carried out every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a deficit of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions payable (as a percentage of pensionable stipends) are as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

% of pensionable stipends	January 2018	January 2021
	to December	to December
	2020	2022
	%	%
Deficit repair contributions	11.9	7.1

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table above.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below:

	2022	2021
	£000	£000
Balance sheet liability at 1 January	2	4
Deficit contribution paid	(1)	(2)
Interest cost (recognised in SoFA)	-	-
Remaining change to balance sheet liability* (recognised in statement of income and expenditure)	(1)	-
Balance sheet liability at 31 December	-	2

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0%	0.2% p.a.
Price inflation	n/a	n/a	3.1% p.a.
Increase to total pensionable payroll	n/a	-1.5%	1.6% p.a.

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

27 Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost £	Class of Shares	Proportion of shares held	Principal activity
Caius Property Services Limited	United Kingdom	1	Ordinary	100%	Dormant
Budworth Development Limited	United Kingdom	1	Ordinary	100%	Dormant
Caius Conferences Limited	United Kingdom	1	Ordinary	100%	Provision of conference services

28 Contingent Liabilities

With effect from 16 March 2007, the Universities Superannuation Scheme (USS) positioned itself as a 'last man standing' scheme so that in event of an insolvency of any of the participating employers in USS, the amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers.

29 Related Party Transactions

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

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

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

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

The salaries paid to members of the Governing Body who are also Trustees in the year are summarised in the table below:

From	To	2023 Number	2022 Number
£0	£10,000	8	8
£10,001	£20,000	6	3
£20,001	£30,000	-	-
£30,001	£40,000	-	-
£40,001	£50,000	1	1
£50,001	£60,000	-	3
£60,001	£70,000	3	1
£70,001	£80,000	-	-
£80,001	£90,000	1	-
£90,001	£100,000	-	1
£100,001	£110,000	1	-
	Total	20	17

The total of salaries paid to members of the Governing Body who are Trustees was £532,000 for the year (2022: £440,000)

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £164,000 for the year (2022: £113,000).

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.

30 Perse Trust

The College provides trustees for the Perse Trust, a registered non-collegiate charity. In addition, the College oversees investment management of the Perse Trust endowment which at 30 June 2023 amounted to £677,000. These assets have been excluded from the College balance sheet as have the liabilities of the Trust with the exception of £52,000 which was owed to the College.